Rapid Dose Therapeutics Corp.

Condensed Consolidated Interim Financial Statements

November 30, 2022

(Unaudited)

(Expressed in Canadian dollars)

RAPID DOSE THERAPEUTICS CORP.

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RAPID DOSE THERAPEUTICS CORP.

Notice of No Auditors Review of Condensed Consolidated Interim Financial Statements

Under National Instrument 51-102, if an auditor has not performed a review of condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated interim financial statements (unaudited) of Rapid Dose Therapeutics Corp. (the “Company”) have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The Company’s independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the Canadian Chartered Professional Accountants (CPA) Canada for a review of interim financial statements by an entity’s auditors.

RAPID DOSE THERAPEUTICS CORP.
Condensed Consolidated Interim Statement of Financial Position
As at November 30, 2022 and February 28, 2022
(Unaudited)
(Expressed in Canadian Dollars)

	Notes	November 30, 2022 $	February 28, 2022 $
Assets			
Current			
Cash and cash equivalents		26,367	34,442
Amounts receivable	5	175,931	182,780
Inventory	6	252,249	236,627
Prepaid expenses	7	174,153	160,366
		628,700	614,215
Non-current			
Right-of-use asset	4&8	384,297	600,669
Property and equipment	9	1,722,918	1,853,323
		2,735,915	**3,068,207**
Liabilities			
Current			
Accounts payable and accrued liabilities		2,113,638	1,360,752
Due to a related party	16	422,000	259,000
Loans payable	10	956,781	500,000
Deferred revenue		29,728	23,344
Current portion of lease liability	12	328,429	309,364
		3,850,576	2,452,460
Non-current			
Convertible notes payable	11	196,768	-
Lease liability	12	115,426	364,186
		4,162,770	**2,816,646**
Shareholders' equity			
Common shares	13	25,094736	25,001,140
Warrant reserve	14	2,327,066	2,246,111
Contributed surplus	15	4,799,225	4,146,322
Accumulated other comprehensive loss		16,036	15,518
Deficit		(33,663,918)	(31,157,530)
		(1,426,855)	251,561
		2,735,915	**3,068,207**

See accompanying notes

Going concern	**Note 1**
Restatement	**Note 18**
Subsequent events	**Note 19**

RAPID DOSE THERAPEUTICS CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended November 30, 2022 and 2021
(Unaudited)
(Expressed in Canadian dollars)

	Notes	Three months ended November 30 2022 $	Three months ended November 30 2021 $	Nine months ended November 30 2022 $	Nine months ended November 30 2021 $ Restated Note - 18
Revenue					
Sales		305,629	457,724	500,949	1,606,112
Cost of sales		78,143	98,551	157,196	177,577
Gross profit		**227,485**	**359,173**	**343,753**	**1,428,535**
Expenses					
Personnel		334,030	466,036	1,138,715	1,259,804
Stock-based compensation		140,687	156,735	652,903	291,013
General and administrative		46,088	154,147	251,325	434,949
Professional fees		65,250	104,582	155,649	201,300
Sales and marketing		27,933	15,528	159,342	49,231
Research and development		33,150	66,881	25,689	192,908
Depreciation	7 & 8	112,001	152,857	343,185	458,209
Interest	11	51,851	30,906	123,333	97,967
		810,990	**1,147,672**	**2,850,141**	**2,985,380**
Loss from operations		**(583,504)**	**(788,499)**	**(2,506,388)**	**(1,556,845)**
Foreign exchange gain (loss)		-	(2,423)	-	(2,423)
Interest income		-	171	-	411
Net loss before other comprehensive loss		**(583,504)**	**(790,751)**	**(2,506,388)**	**(1,558,857)**
Currency translation adjustment		171	1,005	518	-
Comprehensive loss for the period		**(583,333)**	**(789,746)**	**(2,505,870)**	**(1,558,857)**
Net loss per share-basic and diluted		**(0.005)**	**(0.008)**	**(0.025)**	**(0.015)**
Weighted average number of shares outstanding -basic and diluted		**103,356,718**	**98,172,775**	**103,356,718**	**98,172,775**

See accompanying notes

RAPID DOSE THERAPEUTICS CORP.
Condensed Consolidated Interim Statements of Changes in Equity
For the six months ended November 30, 2022 and 2021
(Unaudited)
(Expressed in Canadian dollars)

		Share Capital		Reserves				
	Note	Number of shares	Amount	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
			$	$	$	$	$	$
Balance, February 29, 2021 Restated	18	**80,666,805**	**18,694,067**	**306,316**	**2,635,827**	**34,152**	**(22,670,081)**	**(1,089,719)**
Fair value of common share units issued	**18**	18,751,118	4,687,780	2,180,309	-	-	-	6,868,089
Warrants issued for services				163,136				163,136
Fair value of warrants exercised		2,894,437	1,330,591	(274,495)		-	-	1,056,096
Options exercised		183,750	66,727		(22,627)			66,727
Stock based compensation					291,013			291,013
Loss for the period		-	-	-	-	-	(1,558,857)	(1,558,857)
Balance, November 30, 2021 restated		**105,390,547**	**24,689,165**	**2,375,266**	**2,994,213**	**34,152**	**(24,228,938)**	**5,796,485**
Balance, February 28, 2022		**103,068,110**	**25,001,140**	**2,246,111**	**4,146,322**	**15,518**	**(31,157,530)**	**251,561**
Fair value of common share units issued	**13**	506,157	93,596	51,907	-	-	-	145,503
Fair value of warrants issued with convertible notes, net of issuance of costs				29,048				29,048
Stock-based compensation		-	-	-	652,903	-	-	652,903
Loss for the period		-	-	-	-	518	(2,506,388)	(2,505,870)
Balance, November 30, 2022		**103,574,267**	**25,094,736**	**2,327,066**	**4,799,225**	**16,036**	**(33,663,918)**	**(1,426,855)**

See accompanying notes

RAPID DOSE THERAPEUTICS CORP.
Condensed Consolidated Interim Statements of Cash Flows
For the three and nine months ended November 30, 2022 and 2021
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended November 30		Nine months ended November 30	
	2022	**2021**	**2022**	**2021 Restated – Note 18**
	$	**$**	**$**	**$**
Cash provided by (used in)				
Operating activities				
Loss for the period	(583,504)	(790,751)	(2,506,388)	(1,558,857)
Items not affecting cash				
Stock-based compensation	140,687	156,735	652,902	291,013
Depreciation	112,001	152,857	343,185	458,209
Interest	4,796		7,340	67,805
	(326,020)	(481,159)	(1,502,961)	(828,549)
Changes in non-cash operating working capital				
Amounts receivable	(32,306)	(45,261)	6,849	(119,292)
Inventory	24,051	36,913	(15,622)	(58,722)
Prepaid expenses	(28,826)	99,469	(13,787)	(32,699)
Accounts payable and accrued liabilities	245,973	(91,143)	752,879	(860,494)
Deferred revenue	(1,536)	(207,362)	(1,536)	(1,086,147)
	(118,665)	(688,543)	(774,179	(2,985,903)
Investing activities				
Purchase of property and equipment	-	(30,266)	-	(37,778)
	-	(30,266)	-	(37,778)
Financing activities				
Due to a related party	-	-	163,000	(20,000)
Loans payable	206,781	-	456,781	-
Payment on lease	(78,095)	(72,111)	(229,695)	(281,484)
Cash acquired in issue of common shares	-	22,992	93,593	771,794
Issuance of common shares	-			
Issuance of warrants	-	307,294	51,907	324,086
Exercise of options	-	44,100	-	44,100
Issuance of convertible note	(20,042)	-	230,000	-
Cash acquired in purchase of business				2,240,487
	108,644	302,275	765,586	3,061,383
Net change in cash	(10,021)	(416,534)	(8,593)	37,702
Cash, beginning of period	16,175	532,256	34,442	70,262
Currency translation adjustment	171	-	518	7,668
Cash, end of period	26,367	115,632	26,367	115,632
Supplementary information				
Interest paid	17,421	14,454	44,347	81,455

See accompanying notes

1. NATURE OF OPERATIONS and CONTINUANCE OF BUSINESS

Reporting entity

Rapid Dose Therapeutics Corp. (the "Company") is a publicly traded Canadian life sciences company that provides innovative, proprietary drug delivery technologies designed to improve outcomes and quality of lives.

The Company is incorporated under the laws of Ontario. Its head office and registered office is located at 1121 Walker's Line, Unit 3A, Burlington, Ontario, L7N 2G4.

Going concern

These condensed consolidated interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assume the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge liabilities and commitments in the normal course of operations. Different measures of measurement August be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the Company's ability to raise equity capital, obtain debt financing and to attain profitable operations to generate funds to meet current and future obligations.

During the three and nine months ended November 30 2022, the Company reported a net loss of $556,604 and $ respectively (three and nine months ended November 30 2021, net loss of $789,746 and $ respectively). As at November 30, 2022 the Company had a working capital deficiency of $3,225,623 (February 28, 2022 - $ 1,838,245)

Covid-19

The outbreak of the novel strain of coronavirus has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak remains unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

These material uncertainties August cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was deemed inappropriate. Such adjustments could be material.

2. BASIS OF PRESENTATION

These condensed consolidated interim financial statements were approved and authorized for issue by the Directors of the Company on January 27, 2023.

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC"). These condensed consolidated interim financial statements have been prepared using accounting policies consistent with those used in the Company's February 28, 2022 audited financial statements.

The notes presented in these condensed consolidated interim financial statements include only significant events and transactions and are not fully inclusive of all matters normally disclosed in the annual audited consolidated financial statements; thus, these condensed consolidated interim financial statements are referred to as condensed. It is therefore recommended that these condensed consolidated interim financial statements be read in conjunction with the Company's February 28, 2022 audited financial statements.

Foreign currencies

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

Basis of presentation and consolidation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value explained in the accounting policies set out in Note 4.

These condensed consolidated interim financial statements include accounts of the Company and its wholly owned subsidiaries, Consolidated Consumer Brands Inc, and RDT Therapeutics Inc. Amounts reflected prior to March 19, 2021, the acquisition and amalgamation date of Consolidated Consumer Brands Inc, include only the accounts of Rapid Dose Therapeutics Corp and RDT Therapeutics Inc. Inter-company transactions and balances are eliminated upon consolidation.

Subsidiaries are corporations in which the Company is able to control the operating, investing and financing activities and policies, which is the authority usually connected with holding majority voting rights. The consolidated financial statements include the accounts of the Company and its controlled entities from the date on which control was acquired. The subsidiaries use the same reporting period and the same accounting policies as the Company.

3. SIGNIFCANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amount of expenses during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based payments
The Company uses the Black-Scholes Option Pricing Model to determine the fair value of options and warrants in order to calculate share-based payments expense and the fair value of agent warrants. The Black-Scholes Option Pricing Model involves six key inputs to determine fair value of an option: risk-free interest rate, exercise price, market price at date of issue, expected dividend yield, expected life, and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control.

The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based payments expense.

Revenue recognition
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product to a customer. The transfer of control is considered to have occurred when the Company has transferred physical possession of the asset and the Company has a present right to payment for the asset.

Cash generating units and impairment of non-financial assets
Judgment is required to assess the Company's determination of cash generating units ("CGU") for the purpose of impairment testing. The process to calculate the recoverable amount of a cash generating unit requires use of valuation methods such as the discounted cash flow method which uses assumptions of key variables including future cash flows, discount rate and terminal growth rates.

Financial instruments
The fair values of financial instruments are estimated based upon market and third-party inputs. These estimates are subject to change with fluctuations in commodity prices, interest rates, foreign currency exchange rates and estimates of non-performance risk.

Deferred tax assets and liabilities
The measurement of deferred income tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful operations of the Company. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

Useful life of property and equipment
Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, and equipment. All other repair and maintenance costs are recognized in the consolidated statement of loss and comprehensive loss.

The initial cost of property and equipment comprises its purchase price or construction cost and any costs directly attributable to bringing it to a working condition for its intended use. The purchase price or construction cost is the aggregate amount of cash consideration paid and the fair value of any other consideration given to acquire the asset. Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for as separate items of property and equipment.

For all property and equipment, depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value. Depreciation on leasehold improvements is calculated straight-line over the term of the lease. For all other property and equipment, depreciation is calculated using the declining balance method using the following annual rates:

Processing equipment	20%
Research and development equipment	20%
Portable building units	10%
Computer and office equipment	20%
Leasehold improvements	Over the term of the lease
Furniture and fixtures	20%

4. SIGNIFCANT ACCOUNTING POLICIES

Recent accounting pronouncements

The adoption of the following standards and interpretations are not expected to have a material effect on the Company’s future results and financial position:

Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022.

Accounting standard issued but not yet effective

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023. Certain other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(Expressed in Canadian dollars)

5. AMOUNTS RECEIVABLE

	November 30, 2022	February 28, 2022
	$	$
Trade receivable	120,921	71,897
Government grants and HST receivable	55,010	110,883
	175,931	182,780

6. INVENTORY

	November 30, 2022	February 28, 2022
	$	$
Raw materials	139,173	72,082
Labels and packaging	82,440	82,540
Finished goods - Nutraceuticals	57,637	248,775
Inventory provision	(27,001)	(70,000)
	252,249	333,397

7. PREPAID EXPENSES

	November 30, 2022	February 28, 2022
	$	$
Prepaid insurance	32,174	54,588
Prepaid occupancy expense	29,339	29,339
Prepaid marketing costs	62,466	35,893
Deposit for inventory	50,173	40,546
	174,152	160,366

8. RIGHT-OF-USE ASSET

	November 30, 2022	February 28, 2022
Non-current		
Right-of-use asset	1,466,516	1,466,516
Accumulated depreciation	(1,082,219)	(865,847)
	384,297	600,669

For the 3 months ended November 30, 2022, the Company recorded depreciation on the right-of-use asset of $72,124 (2021 - $72,124)

(Expressed in Canadian dollars)

9. PROPERTY AND EQUIPMENT

	Furniture and fixtures $	R&D equipment $	Portable building units $	Computer hardware $	Leaseholds $	Processing equipment $	Total $
Cost							
February 28, 2022	**61,893**	**306,003**	**431,859**	**199,636**	**246,618**	**1,824,062**	**3,070,071**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
November 30, 2022	**61,893**	**306,003**	**431,859**	**199,636**	**246,618**	**1,824,062**	**3,070,071**
Accumulated depreciation							
February 28, 2022	**35,426**	**100,742**	**114,691**	**123,461**	**146,354**	**696,074**	**1,216,748**
Depreciation	4,825	12,023	6,824	15,771	3,950	87,011	130,405
November 30, 2022	**40,251**	**112,765**	**121,515**	**139,232**	**150,304**	**783,085**	**1,347,153**
Net book value							
February 28, 2022	**26,467**	**205,261**	**317,168**	**76,175**	**100,264**	**1,127,988**	**1,853,323**
November 30, 2022	**21,642**	**193,238**	**310,344**	**60,404**	**96,314**	**1,040,977**	**1,722,918**

10. LOANS PAYABLE

	November 30, 2022 $	February 28, 2022 $
Working capital loan (i)	500,000	500,000
Working capital loan (ii)	250,000	-
Working capital loans (iii)	175,000	-
Working capital loan (iv)		-
	956,781	500,000

(i)The working capital loan is secured by a promissory note registered under the Personal Property Securities Act**,** Ontario bearing interest at 12% per annum maturing on January 31, 2023.

(ii)On July 4, 2022, the Company obtained short-term working capital financing of $250,000 from a private lender, with interest payable monthly at twelve (12%), secured by a promissory note and a general security agreement. The note is due on the earlier of date of delivery of a demand letter requiring payment or July 5, 2023. An officer of the Company has guaranteed the loan.

(Expressed in Canadian dollars)

(iii)The working capital loans from private lenders, amounting to $175,000, are secured by Promissory Notes, bearing interest at twelve percent (12%) payable at maturity, as follows:

September 16, 2022, $50,000 due on July 31, 2023
September 23, 2022 $25,000 due on April 30, 2023
November 10, 2022, $50,000 due on February 1, 2023
November 10, 2022, $50,000 due on February 1, 2023

(iv)The working capital loan of $32,500 is payable in blended weekly amounts of $2,145 secured under a security agreement expiring on the maturity date, March 15, 2023.

11. CONVERTIBLE NOTES PAYABLE

On August 8, 2022, the Company issued unsecured convertible notes (the "Note") in exchange of gross proceeds of $230,000, bearing interest at a rate of 10% per annum from the date of issue, payable quarterly each year. The interest shall be payable in cash. The holders of the Note may convert the principal amount into shares of the Company at a price of $0.4 per share. The Notes have a maturity date of August 8, 2024 (the "Maturity Date"). The Notes also bear an additional 2% interest rate together with 10% calculated and payable annually in arrears.

In connection with the issuance of the Notes, the Company paid cash of $28,955 for debt issuance fees and recorded interest expense of $12,949 and accretion expense of $15,764 for the year ended February 28, 2022.

The residual of the principal less the present value of the liability component was allocated to the conversion option and the warrants based on their relative fair value, resulting in an allocation of $24,771 to the conversion option and $4,184 to the warrants.

12. LEASE LIABILITY

	November 30, 2022	**February 28, 2022**
Balance, Beginning of period	673,550	959,204
Interest	12,973	66,414
Payments	(88,017)	(352,068)
Balance, end of the period	**598,506**	**673,550**
Current portion of lease liability	**315,593**	**309,364**
Non-current Lease liability	**282,913**	**364,186**
	598,506	**673,550**

The remaining lease term is 1.84 years.

(Expressed in Canadian dollars)

13. SHARE CAPITAL

Authorized
An unlimited number of common shares without par value

Issued and outstanding
103,574,267 common shares

Share capital transactions

On August 26, 2022 the Company closed a private placement financing which raised $151,847 through the issuance of 506,157 common share units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is entitled to acquire one common share at a price of $0.4 per common share for twenty-four months from the date of issuance. Units were issued on the following dates:

(i) On April 1, 2022, the Company issued 21,157 units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is entitled to acquire one common share at a price of $0.4 per common share until April 1, 2024.

(ii) On April 14, 2022, the Company issued 66,667 units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is entitled to acquire one common share at a price of $0.4 per common share until April 13, 2024.

(iii) On April 27, 2022, the Company issued 166,666 units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is entitled to acquire one common share at a price of $0.4 per common share until April 26, 2024.

(iv) On April 29, 2022, the Company issued 166,666 units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is entitled to acquire one common share at a price of $0.4 per common share until April 28, 2024.

(v) On April 29, 2022, the Company issued 85,000 units at a price of $0.30 per unit. Each unit consists of one common share and one common share purchase warrant. Each warrant is entitled to acquire one common share at a price of $0.4 per common share until April 28, 2024.

14. WARRANT RESERVE

	Weighted average exercise price	**Number of warrants**	**Warrant Reserve $**
Balance, February 29, 2021		3,599,370	306,316
Issued	$0.38	19,551,118	1,421,430
Exercised		(3,466,437)	(281,039)
Balance, February 28, 2022		19,684,051	1,446,707
Issued		506,156	51,907
Issued		23,000	33,232
Balance, November 30, 2022		20,190,207	1,498,614

The fair value of the warrants was calculated using the Black-Scholes pricing model with the following assumptions:

(Expressed in Canadian dollars)

1) Date of Issue	April 1, 2022
Expiry date	April 1, 2024
Warrants Issued	21,157
Exercise price	$ 0.4
Share Price	$ 0.295
Risk-free interest rate	2.34%
Expected volatility based on historical volatility	113%
Expected life of warrants	2 years
Expected dividend yield	0%
Fair value	$3,245
Fair value per warrant	$ 0.153

2) Date of Issue	April 18, 2022	April 27, 2022
Expiry date	April 13, 2024	April 26, 2024
Warrants Issued	66,667	166,666
Exercise price	$ 0.4	$ 0.4
Share Price	$0.32	$0.33
Risk-free interest rate	2.43%	2.5%
Expected volatility based on historical volatility	112%	110%
Expected life of warrants	2 years	2 years
Expected dividend yield	0%	0%
Fair value	$ 11,345	$ 29,249
Fair value per warrant	$0.17	$0.175

3) Date of Issue	April 29, 2022	April 29, 2022
Expiry date	April 28, 2024	April 28, 2024
Warrants Issued	166,666	85,000
Exercise price	$ 0.4	$ 0.4
Share Price	$ 0.085	$ 0.3
Risk-free interest rate	3.23%	2.63%
Expected volatility based on historical volatility	110%	110%
Expected life of warrants	2 years	2 years
Expected dividend yield	0%	0%
Fair value	$25,608	$13,060
Fair value per warrant	$0.154	$0.154

4) Date of issue	August 8, 2022
Expiry date	August 8 2024
Warrants Issued	23,000
Exercise price	$ 0.4
Share Price	$ 0.3
Risk-free interest rate	2.63%
Expected volatility based on historical volatility	387%

(Expressed in Canadian dollars)

Expected life of warrants	2 years
Expected dividend yield	0%
Fair value	$33,232
Fair value per warrant	$0.154

A summary of the Company's outstanding warrants is presented below:

	Exercise price ($)	Number of warrants outstanding and exercisable	Expiry date
	0.400	3,399,370	December 16, 2022 (i)
	0.375	15,884,681	March 19, 2023
	0.240	200,000	March 29, 2023
	0.330	200,000	January 18, 2024
	0.400	506,157	April 1-30, 2024
Total		20,190,208	

(i) expired after the end of the reporting period.

15. CONTRIBUTED SURPLUS - OPTION RESERVE

The Company adopted a stock option plan under which it can grant options to directors, officers, employees and consultants for up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of an option August not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the Canadian Securities Exchange.

A summary of the Company's stock options is presented below:	Number of stock options
Balance, February 28, 2022	10,281,000
Balance, November 30, 2022	9,356,000

	Weighted average exercise price	Number of stock options	Option reserve
Balance, February 29, 2020	0.82	3,986,000	2,635,827
Cancelled	0.82	(545,000)	-
Balance, February 28, 2021	0.82	3,441,000	2,635,827
Addition		7,290,000	2,271,180
Exercised		(183,750)	
Cancelled		(266,250)	
Balance, February 28, 2022		10,281,000	4,907,007
Cancelled		(925,000)	-
Balance, November 30 31, 2022		9,356,000	4,907,007

16. RELATED PARTY TRANSACTIONS

Related parties include the members of the Board of Directors, key management personnel, and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing, and controlling activities of the Company, namely Directors, Chief Executive Officer, Chief Financial Officer, and SVP, Business Development.

(Expressed in Canadian dollars)

Related party debt

Due to a related party represents advances from an individual who is an officer and director of the Company. The advances are secured by Promissory Notes with interest and maturity dates as follows:

	November 30, 2022	**February 28, 2021**
	$	**$**
Promissory note, Interest at 12%, payable monthly, due March 1, 2023	150,000	150,000
Promissory note, non-interest bearing, due April 1, 2022 (i)	109,000	109,000
Promissory note, Interest at 12%, payable monthly, due April 1, 2023	163,000	-
	422,000	259,000

(i) On March 15, 2022, the promissory note was extended to April 1, 2023.

Interest paid to related parties during the quarter ended November 30 2022 was $Nil (2022-$Nil).

Compensation of key management personnel

Key management personnel includes having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. Key management personnel comprise the directors, executive and non-executive and officers.

	Nine months ended November 30	
	2022	**2021**
	$	**$**
Salaries	337,500	450,000
Stock-based compensation	122,252	360,400
	459,752	810,400

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, trade and other receivables, accounts payables and accrued liabilities, and note payable. These financial instruments are exposed to certain risks, including credit risk, interest rate risk, liquidity risk and other market risk.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including cash and short term investments with banks and financial institutions and advances to suppliers.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and seeking equity financing when needed.

(Expressed in Canadian dollars)

Market risk
Market risk is the risk of loss that August arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(a) Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's cash is held in an account with a major Canadian financial institution. The funds August be withdrawn at any time without penalty.

(b) Foreign currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The functional currency of the Company is the Canadian dollar. The currency in which purchase transactions are denominated is Israeli shekels. The Company does not currently hedge its currency risk and is therefore subject to gains or losses due to fluctuations in that currency.

(c) Price risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potentially adverse impact on the Company's ability to obtain equity financing due to movements in individual equity prices. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

18. CONTINGENT LIABILITIES

From time to time, the Company and/or its subsidiary August become defendants in legal actions and the Company intends to defend itself vigorously against all legal claims. Management is not aware of any claims against the Company that could reasonably be expected to have a materially adverse impact on the Company's consolidated financial position, results of operations or the ability to carry on any of its business activities.

19.RESTATEMENT

Restatement of prior year's revenue to include recognition of deferred revenue

In the first quarter ended May 31, 2022, the Company recorded revenue of $883,204 as a gain on termination of contracts in the Condensed Interim Consolidated Financial Statements. The Company recorded revenue of $154,812 as a gain on termination of contracts in the Condensed Interim Consolidated Financial Statements.

During the year ended February 28, 2021, the Company carried forward $492,366 in deferred revenue from the prior year representing deposits received under the MSSA agreements with Flower One and Aphria. The decision to carry forward the recognition of the revenue into fiscal year 2022 was to match the timing with specific activities set out in the agreements which were completed in the 2022 fiscal year. This resulted in an adjustment to revenue in the quarter ended May 31, 2021 and the six months ended August 31, 2021.

Revenue restatement	**As previously reported**	**Adjustment**	**As restated**
Sales for six months ended August 31 2021	$455,838	$692,550	$1,148,388

See Restatement Table, page following

(Expressed in Canadian dollars)

Restatement of Deferred Revenue for the year ended February 28, 2021

Consolidated statement of financial position

		As previously reported after reclassification	Adjustment	As restated
		$	$	$
Liabilities				
Current				
	Deferred revenue	1,394,525	(492,396)	902,129
		1,394,525	(492,396)	902,129
	Total liabilities	5,413,840	(492,396)	4,921,444
Shareholders' equity				
	Deficit	(23,162,477)	492,396	(22,670,081)
Total equity		(1,582,115)	492,396	(1,089,719)

Consolidated statement of loss and comprehensive loss

	As previously	Adjustment	As restated
	$	$	$
Revenue	262,805	492,396	755,201
Gross profit	207,454	492,396	699,850
Loss from operation	(2,269,611)	492,396	(1,777,215)
Net loss before other comprehensive loss	(2,297,654)	492,396	(1,805,258)
Net comprehensive loss	**(2,247,025)**	**492,396**	**(1,754,629)**
Loss per share	(0.03)	0.01	(0.02)

Consolidated statement of cash flow

Consolidated statement of cash flows

	As previously	Adjustment	As restated
	$	$	$
Operating activities			
Loss	(2,297,654)	492,396	(1,805,258)
Changes in non-cash operating working capital			
Deferred revenue.	(137,317)	(492,396)	(629,713)

(Expressed in Canadian dollars)

(i) Acquisition of 2544737 Ontario Limited operating as Consolidated Craft Brands ("CCB").

On March 19, 2021, the Company acquired, through a share exchange of 20 million Units, 100% of the common shares of CCB, an early-stage company in the consumer-packaged brands industry focused on developing, manufacturing, and distributing therapeutic wellness products. Immediately after the acquisition, CCB was amalgamated with a newly incorporated wholly owned subsidiary of the Company with the succeeding company carrying on business as Consolidated Craft Brands Inc. On December 31, 2021 the directors of CCB filed Articles of Amendment to change the name of the company to Consolidated Consumer Brands Inc.

The acquisition brought to the Company synergistic products, valuable relationships, various business partnerships and experienced management along with a research and development license and a license application in process which would allow for production of products complimentary to the Company's offerings. Thomas Bryson, President of 2544737 Ontario Limited, was retained by the Company as President of Rapid Dose to oversee the integration of CCB with RDT and to fully exploit the CCB assets under a one year of contract of employment.

The acquisition was accounted for as a Business Combination and is, therefore, subject to IFRS 3 "Business Combinations". The Company hired an investment banking firm to provide management and the Board with the purchase price allocation. The valuation was completed and delivered to RDT and its auditors during the first week of June 2021. The valuation report was used as the basis for recording the CCB transaction in the interim unaudited consolidated financial statements for the quarters ended May 31, 2022, August 31, 2022 and November 30, 2022 and as note disclosure in the audited consolidated financial statements as at February 28 2021.

RDT recorded and reported the transaction in their quarterly financial statements as at May 31, 2021, August 31, 2021 issued simultaneously with the audited financial for the year ended February 28, 2021. RDT again reported the transaction in accordance with the valuation report for the quarter ended November 30, 2021. The table below sets out the purchase price and consideration transferred details as originally reported in the condensed consolidated interim financial statements and the restated amount presented in the consolidated financial statements as at February 28 2, 2022

	As originally reported:	**As restated:**
Fair Value of consideration transferred	**$**	**$**
Fair Value Common Shares	3,492,583	4,687,780
Fair Value of Warrants	1,295,198	2,180,309
Settlement of pre-existing loan	-	(612,427)
Cash clawback	-	(29,778)
	4,787,781	6,225,883
Recognized amounts of identifiable net assets	**$**	**$**
Cash	1,864,363	1,864,363
Loan receivable	600,000	-
Accounts receivable	100,300	100,300
Note receivable	50,000	-
Accrued interest receivable	12,427	-

(Expressed in Canadian dollars)

Government receivable	29,928	29,928
Inventory	15,271	-
Total current assets	2,672,289	1,994,591
Property and equipment	146,451	146,451
License application in process	250,000	-
Research and development license	25,000	-
Total non-current assets	421,451	146,451
Current liabilities	(35,631)	-
Goodwill on acquisition	1,729,672	4,084,041
Consideration transferred	4,787,781	6,225,883

The differences between the quarterly and year end reporting arises primarily as a result of different assumption used in the calculation of fair value consideration transferred. The purchase price consideration determined by the Investment Bankers used the following assumption:

Since the purchase price consideration was both variable (because of the reduction arrangement) and to be issued over time, certain calculations were made to determine the Fair Value of the purchase consideration at the date of closing ("Valuation Date"). This included (a) reduction in Units (b) Fair Value of the Company's shares to be released over the eight tranches and (c) Fair Value of Warrants to be released over the 8 tranches.

Using that assumption, the Fair Value of the total consideration was determined to be $4,78,7781 consisting of the Fair Value of the Company shares and the Fair Value of the Warrants. In determining the Fair Value of the Company's shares, a discount was calculated to reflect the receipt of shares over time using the Black-Scholes Option Pricing Model ("BSM"). Under the BSM approach, the Fair Value of shares released from escrow is deemed to be equal to the share price less the cost of a put option for these same shares.

The value of the put option represents the right to lock in the value of the RDT Shares at the Valuation Date. The Warrants are to be released in the same amounts as the shares. In determining the Fair Value of the Warrants, the same BSM inputs were applied as with the shares except for the risk-free rate (2 years to match the Warrant term) and the exercise price of $0.375.

Since the value of the Warrants cannot be locked in at the Valuation Date, the Fair Value of the shares was estimated at each future grant date (each date of the eight tranche dates) using the same values calculated in the share valuation, to determine the Fair Value of the Warrants. The fair Value determined at each tranche date was discounted to the Valuation Date using the discount rate applied throughout the valuation process.

At year end, the underlying assumption was challenged on the basis that all of the value of the consideration was transferred to the CCB shareholders at the acquisition date of March 19, 2021 and not at the time of the eight tranches. The basis of calculation of the Purchase Price Consideration was amended accordingly to include inputs only at the acquisition date and not throughout the escrow period. The restated Purchase Price Consideration reflects the valuation of the shares and warrants issued on that date regardless of the timing of the release of the units to the shareholders.

Claw back of escrowed shares

Each Unit consisted of one Common Share and one share purchase Warrant. The Units were subject to an escrow arrangement whereby the Units were released in eight tranches over an eleven-month period from closing of the acquisition with the final 20% released at February 19, 2022. Each Warrant entitles the holder to acquire one Common Share at $0.375 each expiring in March 2023.

The acquisition and escrow agreements allowed for a reduction of all, or a portion of, the number of Units to be released in the final escrow release, upon the occurrence of certain defined events detailed in the Acquisition Agreement.

As a result, on the final escrow release at February 19, 2022, 1,248,882 units were not released from escrow in accordance with the terms of the agreements which provided RDT with the right to claw back units on a pro rata shareholder by shareholder basis if the total amount of the cash and cash equivalents at closing was less than $3,000,000.

Impairment of Goodwill

The acquisition consisted of cash, capital equipment, intellectual property and brands. The President of CCB was retained by the Company to commercialize the items from CBB. The President of CCB contract was not renewed at end of term.

At the end of each quarterly reporting period, the Company assesses whether there were events or changes in circumstances that would indicate that a cash generating unit (CGU) or group of CGUs were impaired. The Company considers external and internal factors, including overall financial performance and relevant entity-specific factors, as part of this assessment.

Goodwill was initially recognized on acquisition of CCB in March, 2021 and is monitored at company-wide CGU level. The Company noted indicators of impairment as at February 28, 2022, including market capitalization and ongoing business transformation plans and, as a result, carried out an assessment of the impairment of its goodwill and other assets. In testing for impairment, goodwill and other assets acquired in a business combination were allocated to the cash-generating units to which they related. The Company has determined that there is only one CGU at the Company level. As a result of impairment testing performed at February 28, 2022, the Company determined an impairment loss of $4,084,741, representing the difference of the amount determined through Value in Use and the carrying value of the assets.

19. SUBSEQUENT EVENTS

Debt financing

On July 4, 2022, the Company obtained short term working capital financing of $250,000 from a private lender, with interest payable monthly at 12%, secured by a promissory note and a general security agreement. The note is due on the earlier of date of delivery of a demand letter requiring payment or July 5, 2023. An officer of the Company has guaranteed the loan.

The repayment of the promissory note originally dated January 31, 2022, was extended to January 31, 2023, under the same terms and conditions.

Loans payable

The Company obtained private loans to assist with financing operations amounting to $135,000 in December 2022. The loans are unsecured, due on demand bearing interest at twelve percent (12%) per annum, payable annually.

On January 4, 2023, the Company obtained further advances from an officer of the Company amounting to $90,000 secured by Promissory notes are non-interest bearing and mature on April 1, 2023