

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1 - Name and Address of Company:**

Rapid Dose Therapeutics Corp.  
1121 Walkers Line, Unit 3A  
Burlington, ON  
L7N 2G4

**Item 2 - Date of Material Change:**

September 22, 2023

**Item 3 - News Release:**

The news release attached hereto as Schedule "A" was disseminated over EIN Presswire on September 22, 2023.

**Item 4 - Summary of Material Change:**

Rapid Dose Therapeutics Corp. (the "Corporation") completed a second tranche closing of a private placement and amended the terms of its secured debt.

**Item 5 - Full Description of Material Change:**

For a full description of the material change, please refer to the press release of the Corporation dated September 22, 2023 attached hereto as Schedule "A".

**Item 6 - Reliance on subsection 7.1(2) of National Instrument 51-102:**

Not applicable.

**Item 7 - Omitted Information:**

Not applicable.

**Item 8 – Executive Officer:**

The name and business number of an executive officer of the Corporation who is knowledgeable about the material change and this report is Mark Upsdell, Chief Executive Officer, 647-200-4709.

**Item 9 - Date of Report:**

October 2, 2023.

## **SCHEDULE "A"**

See attached.



For Immediate Release

## Corporate Update

### **Closing of Second Tranche of Private Placement Financing, Amendment to Terms of Secured Debt and Director Change**

BURLINGTON, Ontario – September 22, 2023 - Rapid Dose Therapeutics Corp. (“**RDT**” or the “**Company**”) (CSE: DOSE) is pleased to announce that it has closed on \$310,000 in a second tranche of its previously announced private placement financing (the “**Financing**”) bringing the total amount invested to \$1,779,445. The Financing allowed for up to \$5,000,000 of gross proceeds, consisting of up to 5,000,000 units (the “**Units**”) at a price of \$1.00 per Unit. Each Unit consists of \$1.00 principal amount of secured convertible notes (the “**Notes**”) and five (5) common share purchase warrants of the Company (the “**Warrants**”). On this second tranche closing of the Financing, 310,000 Units were purchased; and accordingly, the Company issued \$310,000 principal amount of Notes and 1,550,000 Warrants.

The Notes have a maturity date of November 30, 2025 and bear interest from their date of issue at 12.0% per annum, calculated monthly, accrued, added to principal and payable quarterly in arrears in common shares of the Company (“**Common Shares**”) at a price per share equal to the closing market price of the Common Shares on the Canadian Securities Exchange on the last trading day of each calendar quarter. A loan initiation fee of 5% shall be paid in Common Shares at the end of the first calendar quarter following the applicable closing date at a price per share equal to the closing market price of the Common Shares on the Canadian Securities Exchange on the last trading day of such calendar quarter.

The Notes are convertible, at the option of the holders at any time prior to maturity, into Common Shares at a conversion price of \$0.17 per Common Share. Each whole Warrant may be exercised for one Common Share at a price of \$0.14. Each whole Warrant that was issued on the first tranche closing on July 21, 2023 may be exercised for one Common Share at a price of \$0.14 per Common Share (the “**Floor Price**”). For subsequent tranches closing under the Financing, the exercise price of the Warrants must be the higher of the Floor Price and the closing market price of the Common Shares on the Canadian Securities Exchange on the last trading day immediately prior to any such subsequent tranche closing. Accordingly, the Warrants issued on this second tranche closing have an exercise price of \$0.14. The Warrant term is the same as the maturity of the Notes, being November 30, 2025, notwithstanding the date on which the Warrants are issued. All securities issued on the Financing are subject to a four month hold from the applicable date of closing.

The Company may prepay the Notes in certain circumstances. During the period from June 30, 2024 to December 31, 2024, the Company shall be entitled to prepay all or any portion of each of the Notes with a prepayment fee payable to each noteholder of 3% of the amount of the principal prepayment of the Note. There shall be no prepayment fee if the Notes are prepaid after December 31, 2024.



The Notes are secured pursuant to a general security agreement issued by the Company in favour of the various noteholders. The Company intends to use the proceeds from the Financing for working capital purposes and to repay debt. The first \$2,500,000 of proceeds raised pursuant to the Financing shall be used for general working capital purposes, with any proceeds raised thereafter being used to first repay approximately \$750,000 principal of secured debt as well as any accrued and unpaid interest thereon; provided however, that the Company shall, at any time, have the right to repay the principal and/or interest on the secured debt, in whole or in part, from any proceeds raised pursuant to the Financing.

\$500,000 of the Company's secured debt that was initially due on July 31, 2023 was extended to November 30, 2023. \$250,000 of the Company's secured debt that was initially due on July 5, 2023 was acquired by Madison Partners Corporation (the "**Madison Debt**"). Madison Partners Corporation agreed to extend the Madison Debt until September 22, 2024 and in exchange the Company agreed to (i) issue 1,250,000 warrants to Madison Partners Corporation, where each warrant may be exercised for one Common Share at a price of \$0.14, for a one year term and (ii) pay a loan fee of \$12,500 to Madison Partners Corporation which shall be payable in Common Shares at the end of the first calendar quarter following the date hereof, with each such Common Share being issued at the closing market price of a Common Share on the Canadian Securities Exchange on the last trading day immediately prior to the end of the relevant calendar quarter. Interest on the Madison Debt is 12.0% per annum calculated monthly, compounded, accrued, added to the principal amount and payable quarterly in arrears on a calendar quarter basis (each an "**Interest Payment Date**") until the Madison Debt is fully repaid. Interest will be paid in Common Shares at the price per share equivalent to the closing market price of a Common Share on the Canadian Securities Exchange on the last trading day immediately preceding the end of the relevant Interest Payment Date. The Company is entitled to prepay the outstanding principal amount, in whole or in part, together with all accrued interest, without penalty or bonus.

An insider of the Company participated in this second tranche of the Financing in the amount of \$30,000. Issuance of the Notes and Warrants indirectly to John McKimm (via his holding company, Madison Partners Corporation), a director of the Company, in the amount of \$30,000 of Notes and 150,000 Warrants, is a related party transaction within the meaning of Multilateral Instrument 61-101 ("**MI 61-101**").

An insider of the Company was also involved in the amendment to the Madison Debt. Such debt amendment and issuance of the 1,250,000 warrants and payment of the \$12,500 loan fee indirectly to John McKimm (via his holding company, Madison Partners Corporation), a director of the Company, is a related party transaction within the meaning of MI 61-101.

The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(b) (Company is listed on the Canadian



Securities Exchange) and Section 5.7(1)(a) (fair market value of the transaction insofar as it involves related parties does not exceed 25% of the Company's market capitalization) in respect of the aforementioned related party transactions. A resolution of the board of directors of the Company was passed to approve the Financing. A resolution of the board of directors of the Company was also passed to approve the amendment to the Madison Debt, with interested parties abstaining. There were no materially contrary views or abstentions by any other directors.

The Company did not file a material change report more than 21 days before issuing this press release, which it considers reasonable in the circumstances, as the participation in the transactions by a related party of the Company was not definitive until shortly prior to closing and the Company was attempting to close the transactions expeditiously.

The Company would also like to announce the recent resignation of Andrew Duckman from the Company's board of directors effective September 18, 2023.

**About Rapid Dose Therapeutics Corp.**

Rapid Dose Therapeutics is a Canadian biotechnology company revolutionizing drug delivery through innovation. The Company's flagship product QuickStrip™ is a thin, orally dissolvable film, that can be infused with an infinite list of active ingredients, including nutraceuticals, pharmaceuticals and vaccines, that are delivered quickly into the bloodstream, resulting in rapid onset of the active ingredient. For more information about the Company, visit [www.rapid-dose.com](http://www.rapid-dose.com).

**Contacts:**

**RDT Investor Contact:**

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:**

*Certain information in this news release may contain forward-looking information within the meaning of applicable securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may", "should", "anticipate", "expect", "potential", "believe", "intend", "will", "could", "are planned to", "are expected to" or the negative of these terms and similar expressions. Statements containing forward-looking information, including, without limitation, in respect of the delivery of equipment and products using the QuickStrip™ product delivery method, the generation of recurring revenues, the plans,*



*estimates, forecasts, projections, expectations or beliefs of RDT management as to future events or results and are believed to be reasonable based on information currently available to RDT management. Forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions; adverse industry events; marketing costs; loss of markets; termination of WLM agreements; future legislative and regulatory developments involving cannabis; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; the cannabis industry in Canada generally, income tax and regulatory matters; the ability to implement its business strategies; competition; currency and interest rate fluctuations and other risks. Readers are cautioned that the foregoing list is not exhaustive. There can be no assurance that statements of forward-looking information, although considered reasonable by RDT management at the time of preparation, will prove to be accurate as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Actual results and future events could differ materially from those anticipated in such forward-looking statements. Readers should not place undue reliance on forward-looking statements. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release, and the Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.*

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. This press release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities described herein in the United States. The securities described in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.