Rapid Dose Therapeutics Corp.

Management's Discussion and Analysis

August 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") provides discussion and analysis of the financial condition and results of operations of Rapid Dose Therapeutics Corp. (the "Company") for the three-month period ended May 31, 2025, and should be read in conjunction with the Condensed Consolidated Interim Financial Statements and the accompanying notes which have been prepared in accordance with International Financial Reporting Standards.

The MD&A is the responsibility of management and is dated as of October 27 2025.

All dollar amounts in the MD&A are stated in Canadian dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.rapid-dose.com.

Forward-Looking Statements

Certain statements in this MD&A contain "forward-looking information," within the meaning of applicable securities laws, including the "safe harbour provisions" of the Securities Act (Ontario) with respect to the Company. Such statements include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and our objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to our plans and objectives, or estimates or predictions of actions of customers, suppliers, competitors or regulatory authorities. These statements are subject to certain risks, assumptions and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", "anticipate" and similar expressions, as well as future or conditional verbs such as "will", "should", "would" and "could" often identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future events and financial performance. With respect to forward-looking statements contained in this MD&A, the Company has made assumptions and applied certain factors regarding, among other things: future product pricing; costs of inputs; its ability to market products successfully to its anticipated clients; reliance on key personnel; regulatory requirements; the application of federal and state environmental laws; and the impact of increasing competition. These forward-looking statements are also subject to the risks and uncertainties discussed in the "Risks Factors" section of the CSE Listing Statement as filed on SEDAR and elsewhere in this MD&A and other risks detailed from time to time in the publicly filed disclosure documents of the Company which are available at www.sedar.com and on the Company's website at www.rapid-dose.com. Forward-looking statements are not a guarantee of future performance and involve risks, uncertainties and assumptions which could cause actual results to differ materially from the conclusions, forecasts or projections anticipated in these forward-looking statements. Because of these risks, uncertainties and assumptions, the reader should not place undue reliance on these forward-looking statements. The Company's forward-looking statements are made only as of the date of this MD&A and, except as required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances.

See page 18 for Material assumptions and risk factors for forward-looking statements.

The Company

The Company is a public Canadian life-sciences corporation that provides innovative, proprietary, drug-delivery technologies designed to improve outcomes and quality of lives. The Company owns a proprietary oral fast-dissolving drug delivery system, QuickStrip™, which is capable of rapidly releasing into the blood stream a list of pharmaceuticals, emulsified oils and over-the-counter medicines without being degraded or modified by first pass metabolism in the liver. The Company also provides product innovation, production and consultation to the nutraceutical, cannabis healthcare and pharmaceutical manufacturing industries.

The Company is a reporting issuer in Ontario, Alberta and British Columbia and its common shares are listed for trading on the Canadian Securities Exchange ("CSE") under the trading symbol "DOSE".

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.

Business Overview

For the three-month period ended August 31, 2025, the Company recognized revenue of $672,921 (August 31, 2024 - $398,994). The increase in revenue is applicable to the fees earned under a pre-commercialization agreement which was disclosed on January 28, 2025. The Company incurred a net comprehensive loss of $825,474 (August 31, 2024 - $1,099,659) and an accumulated deficit of $46,145,753 (August 31, 2024 an accumulated deficit of $41,613,079).

Expenses during the quarter ended, amounted to $1,201,924 (August 31, 2024 – $1,427,655) including non-cash charges for directors fees of $50,000 paid in common shares ((August 31, 2024 – $50,000) and $72,723 for stock-based compensation for stock options issued under the Company's share option plan (August 31, 2024 - $209,650). Other non-cash charges were interest of $95,195, accretion expenses of $121,223, depreciation of $40,829 and the right of use amortization for the leased premises of $94,366 (August 31, 2024 – $Nil).

As at August 31, 2025, the Company had a working capital deficiency of $6,682,831 (February 28, 2025 – $6,176,753) which includes the unaccreted portion of the secured convertible notes amounting to $2,852,216. The notes are due for repayment on November 30, 2025 in the amount of $3,134,445. The noteholders may elect to exchange their notes for common shares at the price of $0.17 per common share at any time prior to maturity.

The Company expects losses to continue in the near term as it completes the final stages of its preparations for global product launches in nutraceuticals, pharmaceuticals, cannabis and vaccines.

On May 30, 2025, the Company issued an aggregate of 1,888,237 common shares to certain Creditors in exchange for the cancellation of outstanding accounts payable in the aggregate amount of $377,647. The common shares were issued at $0.20 per share.

On June 30, 2025 the Company issued common shares to note holders for interest of $93,776 owed on the notes for the period April1 2025 to June 30 2025.

The continued operation of the Company is dependent on the support of its creditors and the Company's ability to secure advances from related parties and debt and equity financing to meet its existing obligations and finance its operations.

These terms and conditions have not been agreed to by the parties as of July 28, 2025 and accordingly no determination as to the timing and amount of revenue can be established at this time. The parties have continued to operate under the existing expired agreement with continuing provision of services by the Company to its customer.

Introduction of amended tariff regimes in USA and Canada

The United States unilaterally amended tariff rates on imported goods into the United States during the period January 20, 2025 through to the date of issue of this MD&A. Canada and other countries introduced reciprocal or additional tariffs on goods imported into their countries from the United States citing reciprocity for the increased tariffs imposed by the United States administration.

The Company has had no direct monetary exposure to the announced tariffs during the fiscal year which commenced on March 1, 2026. The Company had purchased, received and paid for its primary raw materials used in production from its US based suppliers in advance of the introduction of Canadian import tariffs. The quantities delivered were sufficient to enable continuous production through to the end of the third quarter, November 30, 2025. The Company delivers non-tariff services to a United States customer and uses the USD payments received for those services to pay for its USD purchases, providing a natural hedge against risks of significant changes in the US/CDN dollar exchange rates.

In mid-2024, the Company moved one entire production line to Florida in anticipation of building out a production facility for the US in a collaborative venture with its primary supplier. This provides the Company with the opportunity to produce for the US market within the US. The Company's plans for the US market are being further developed as a consequence of the buy US without tariffs focus announced by the US administration.

There can be no certainty that the present tariff rates imposed on importers into Canada and the United States will remain in place during the current fiscal year, that foreign exchange rates will not be significantly impacted by the results of the imposed tariffs and that products and services sold by the Company will not be impacted by macro-economic factors the US tariffs and the reciprocity of tariffs in Canada and other countries.

Social Responsibility

The Company fosters an environment of social responsibility in every aspect of the business which promotes tolerance, acceptance and care of People, Products and the Planet. The Company remains committed to discovering ways to mitigate excess packaging (within the regulations), reducing overall waste, and finding environmental solutions that align with its mission to make an impactful difference in the lives of its customers. Research into the various packaging methods has been successful in developing novel formats that encourage environmental responsibility. This has been particularly effective in collaborative designing of large volume formats such as used in the tobacco industry. The Company also continues to reinforce the concept of a remote, flexible workplace, which allows each team member to function from their remote locations and limit face-to-face meetings to respond to the pandemic safety measures as well as committing to reducing our carbon footprint in as many ways as possible.

Development of new business opportunities

The Company has focused on developing new oral thin film products which have worldwide health and medical applications. The three primary areas of continuing development are the nicotine, dental and cannabis sectors. The nicotine and dental sector development initiatives have been undertaken pursuant to agreements with strategic partners, who have co-developed the products and initiated market acceptance testing. The collaboration strategy has enabled RDT to minimize the costs and risks of development outlays while RDT's retention of the rights to commercialize the products provides the necessary future financial benefit to the Company and its investors providing the funds.

RDT has undertaken the continuing development of cannabis products with internal staffing and resources with a strategic partner for the development of non-psychoactive cannabidiol (CBD) and its metabolites for the adult market. RDT's development team is doubling the number of SKUs available to medical clients, through formulation of CBC, CBG, CBN and THCV cannabinoid strips. The products came on stream in April and May 2025 with RDT's existing cannabis customer base introducing these SKUs to their medical client base. The Company's customer base in Canada has grown in both numbers and quantity of orders during fiscal year 2025, with the addition of Todd Masse as the Company's Director of Sales. The consistent quality and timely delivery of its cannabis products to Canadian licensed producers has enabled it to increase its selling prices and margins. The Company's credit policies have enabled it to manage its credit terms, avoiding credit losses in a sector where credit risks are considered significant business concern by suppliers to the industry.

Facilities management

A facilities lease for the existing location, covering the same square footage, was executed effective March 1, 2025, for a seven-year term. The cost of the leased facility has increased to $15.00 per square foot, with no rent charged for the first three months to May 31, 2025. RDT committed to the existing facility to retain the Health Canada manufacturing license noted above and has the capacity to build out a pharmaceutical Drug Establishment Licensed production facility for the manufacture of strips containing active pharmaceutical ingredients. The term of the lease (7 years) aligns with the timelines in the business development plan for pharmaceutical product manufacture for the Canadian and international market.

Lease obligations effective March 1 2025

Period of Time	Base rent	Monthly rent	Annual rent
Mar 1, 2025 - May 31, 2025	$ -	$ -	$ -
Jun 1, 2025 - Feb 28, 2026	$15.00	$39,667.50	$357,007.50
Mar 1, 2026 - Feb 28, 2027	$15.49	$40,963.31	$491,559.66
Mar 1, 2027 - Feb 28, 2028	$15.99	$42,285.56	$507,426.66
Mar 1, 2028 - Feb 28, 2029	$16.51	$43,660.70	$523,928.34
Mar 1, 2029 - Feb 28, 2030	$17.05	$45,088.73	$541,064.70
Mar 1, 2030 - Feb 28, 2031	$17.60	$46,543.20	$558,518.40
Mar 1, 2031 - Feb 28, 2032	$18.17	$48,050.57	$576,606.78

The Company applied the practical expedients and did not capitalize the operating lease during the amending lease stub period from the date of expiry of the prior lease, March 31, 2024 to the end of February 2025. The

Company continued to rent the facility from its former landlord under a sub-let agreement. This landlord (a tenant) vacated their space effective March 1, 2025, enabling the Company to commence the new lease directly with the building owner ensuring continuity of occupancy.

Micro Processing Licence

On November 15, 2019, the Company was granted a micro-processing license by Health Canada for its Burlington, Ontario facility in accordance with the Cannabis Act and Cannabis Regulations. The micro-processing license enables the Company to produce cannabis infused QuickStrip™ products for the Canadian market under manufacturing agreements with Canadian licensed producers.

On April 22, 2025, the Company received its Health Canada cannabis site license renewal for its Burlington, Ontario facility for a five-year term expiring April 23, 2030. The Excise Tax license renewal was granted concurrently and is subject to renewal on December 15 2025. The Company continues to operate under the micro-processing regime as the quantity of cannabis product consumed in the strip manufacturing process is substantially below the annual threshold of 600Kg of dried flower.

In June 2023, the Company received approval from the Ontario Cannabis Stores for two products to be sold through the OCS retail and on-line channels, which commenced in the fall of 2023. The Company continues to support the recreational market only through sales to other cannabis licensees as the retail outlets do not provide a sufficient return for the costs of logistics, regulation and taxation for recreational products.

Manufacturing Agreements
The Company manufactures private label QuickStrip™ products for the Canadian market at its facilities located in Burlington, Ontario.

The Company has manufacturing agreements with the following companies:

Aurora (Previously Thrive)
The Company produces CBD and THC QuickStrip™ products for Aurora which were introduced by Thrive throughout Canada into the recreational cannabis market commencing in January 2021, QuickStrip produced products are sold by Aurora under the “Being” brand.

Tweed/Canopy Growth
The Company began production CBD and THC QuickStrip™ products for Tweed in April 2025 with the first delivery of products occurring in May 2025.

Entourage
Entourage operates a medical platform supported by The Laborers' International Union of North America (LIUNA) a growing union of construction workers, service, healthcare and other workers in Canada. The initial shipment of the product occurred in January 2025.

Tilray (previously Aphria)
Tilray Brands, Inc. (“Tilray”) (Nasdaq: TLRY; TSX: TLRY), is a leading global lifestyle and consumer packaged goods company with operations in Canada, the United States, Europe, Australia, and Latin America that is leading as a transformative force at the nexus of cannabis, beverage, wellness, and entertainment. The Initial shipment of quick strip products occurred in April 2025.

Abba Medix-MTL Cannabis
Abba Medix is a Medical Cannabis Company that serves veterans and first responders. They support life after service by providing best in class medical Cannabis Products. The initial shipment of product occurred in August 2025.

Mendo
Mendo is a Medical Cannabis company with the widest selection of products from across Canada and the highest quality compassionate care to patients who truly need it. We understand that for many, pain is a daily part of life and that nobody should have to live in pain when there are treatments available. Medical Cannabis has many medical benefits that ease the pain that traditional medicine cannot offer. Mendo’s focus is to provide a safe environment for patients to receive treatment using Medical Cannabis.

True North Therapeutics (Recover Cann). True North is a medical company focusing on the intersection between cultivation, education and wellness. The initial shipment of product occurred in May 2025. True North Therapeutics is committed to helping veterans access the medical cannabis products and services they need. We understand the challenges that veterans face in navigating the complex legal and medical landscape surrounding medical cannabis, and we strive to provide clear and compassionate guidance every step of the way.

Distributor agreements
The Company entered into several supply and sales agreements during the Fiscal Year 2025. These agreements provide opportunities to sell the Company's existing nutraceutical and cannabis products in Canada and internationally.

Distributor	Date of agreement	Term	Territory
Bodhi Health	January 20, 2025	5 years	unrestricted, pre-approval

Bodhi Health Inc has entered into an agreement with the Company to develop its own brand of nutraceutical sublingual products for global distribution to major retail accounts, Pharmacies, Health food stores and Grocery chains, with strips produced for Bodhi through a non-exclusive production and supply agreement. Bhodi received its initial supply of products from the Company in September 2025, after completing Health Canada registration and packaging requirements.

Skycare Compounders - Pharmaceutical Drug Development

Subsequent to the signing of the collaboration agreement with Skycare Compounding on April 21, 2022, the Company and Skycare have been working collaboratively on the development of products for the medical and dental industry. The pharmaceutical products are developed and produced in Skycare's compounding facility operated by Skycare using RDT's equipment and production processes under a revenue sharing agreement.

Dental product development has been completed, and the products are being sold to Dental Clinic's, Doctors' Offices, Hospitals and Pharmacy's. The major expenditures have been completed including Research & Development, facility & production setup, equipment installation, training, packaging development & design, Certificates of Analysis, Standard Operating procedures, product testing, website development, marketing trials and sales contract agreements in process for sales. Skycare is responsible for the manufacturing, sales and distribution under the agreement.

Dental Market

RDT and Skycare have successfully launched two initial dental products, Xylitol and Lidocaine strips. The "Xylitol" solution addresses "dry mouth", a serious health condition affecting greater than 25% of the North American population. Over $3.0B per annum is spent on dry mouth treatments in Canada. "Lidocaine" is an alternative pain therapy which manages pain and replaces other pain therapy solutions during dental procedures.

RDT and Skycare engaged sales support resources to develop the Canadian dental market commencing with a roll out introduction to dentists and clinicians in September 2025 through conferences, trade shows, education clinics and in office presentation. The sales team has introduced the product to over 600 dental practices in the six months ending February 28, 2025. In the first 60 days since launch, forty (40) clinics purchased strips for their practice. The strips are primarily used as replacement for the gels and other freezing products along with needle replacement for minor dental applications such as fillings and cleanings. The strip application is a cost-effective alternative for traditional dental procedures and provides dentists with a quick acting pain free alternative appreciated by their patients.

LQS (Lidocaine strip)

Initial results are positive with over 600 + clinics presented the product in the first 6 months with 87 clinics now using the quick strip LQS product replacing or augmenting the current topical products used for patience comfort , 123 dental and Dental Corp 2 of the largest multi clinic operators with over 1200 clinics combined have endorsed the use of LQS.

123 Dental

LQS was clinically approved in March, 2025 by the 123 Dental team and is now listed on the Denteria ordering system for all 450+ clinics to order direct. The RDT sales team has been participating in the 123 Dental local events, creating demand for the LQS product.

Dr. Gary Glassman, DDS published an article on LQS and its benefits in the May publication of Oral Health magazine endorsing the product as a replacement for topicals and some procedures that require needles. Dr glassman was center stage at the Ontario Dental Associations tradeshow showcasing and educating the dental communality about the benefits of pain free dentistry that LQS can help deliver.

"Xylitol" Pro Strip Solution

Dry mouth also called Xerostomia is the condition of not having enough saliva to keep the mouth wet. Dry mouth is often a side effect of certain medications of aging issues affecting a large percentage of the population. Xylitol increases salivary flow which has been found to help combat dry mouth. The XyliStrip enhances salivary flow which promotes Ph levels by raising Ph alkalinity. Our technology is placed on the side of the cheek or palate and will adhere and begin to dissolve creating saliva aiding the areas that need moisture. Xylistrip was launched at the Ontario Dental Association Convention in May 2025 and is available to dental practitioners and online at QuickStrip.life.

Nicotine oral thin film strip

In the nicotine segment, the Company continues to develop an oral thin film strip containing nicotine as the active ingredient under a pre-commercialization agreement in collaboration with one of the world's largest international tobacco manufacturers. The objective is to develop a new nicotine product, complete with flavoring and packaging. The Company is assisting in developing data required for submitting an application to the FDA in late 2025 or early 2026. Furthermore, the Company's tobacco collaborator has engaged a third-party marketing firm to create a comprehensive global forecast. A human nicotine trial involving twenty-four (24) patients is currently being conducted to evaluate its impact on heart health in comparison to other nicotine products. Patents have been filed for these products in India and the United States.

The nicotine market is significant as currently there are over 20.0 billion cigarettes being consumed daily on a global basis, and the Company's channel partner is one of the industry's largest players. The Company's role in the sector is to provide manufacturing and continuing product development, through joint venture relationships.

Pharmaceutical

In the pharmaceutical segment, the Company, through its strategic partnership with Skycare Compounding have launched Tadalafil and Sildenafil (generic versions of Cialis and Viagra), both proven erectile dysfunction molecules. The products is available online through licensed medical channels and to doctors, pharmacies, and hospitals. The opportunity in addressing erectile disfunction is a significant market opportunity as it affects approximately 40% of men by age 40 and nearly 70% by age 70. In 2021, the global market was estimated to be approximately US$2.296 billion, growing at over 8% per annum. RDT is committed to making a substantial impact in this field. The costs of the roll out of the ED strategy for the Canadian market will be incorporated into the fiscal year 2026 budget.

Loratadine Oral Thin Film Development

Loratadine is a widely used antihistamine for the treatment of allergic rhinitis (hay fever), which may be triggered by a variety of allergens such as pollen from trees, grasses, and weeds. To address these challenges, Rapid Dose Therapeutics (RDT), in collaboration with McMaster University, investigated the use of RDT's proprietary oral thin film (OTF) technology as a novel delivery system for loratadine. To improve the solubility of loratadine, researchers at McMaster incorporated beta-cyclodextrins (β-CDs)—cyclic sugars known for their ability to encapsulate water-insoluble drugs like loratadine in their core, while the water-compatible outer surface enables the complex to dissolve in water. The β-cyclodextrin–loratadine complex was successfully integrated into RDT's thin film matrix using in-house manufacturing equipment and established process parameters.

The resulting 3 cm x 3 cm oral thin film demonstrated:

- Good mechanical strength,
- Rapid dissolution and drug release in water,
- Effective permeation of loratadine across a synthetic membrane designed to simulate the buccal (cheek) mucosa**,** allowing for direct absorption into systemic circulation.

This buccal delivery approach effectively bypasses the gastrointestinal tract and liver, thereby avoiding first-pass metabolism and preserving the bioavailability of loratadine. These promising results demonstrate the viability of this formulation as an innovative and effective pharmaceutical product.

Vaccine Oral Thin Film Product Development

This project tackles one of the biggest global challenges in vaccine distribution — the need to keep vaccines cold during shipping and storage. Many viral vaccines (like those for flu, measles, and COVID-19) must be kept between -50°C and 8°C. This "cold chain" requirement is expensive, complex, and often unreliable, especially in lower-income countries. As a result, nearly half of all vaccines are discarded due to breaks in cold storage.

In collaboration with McMaster University, RDT has explored the use of its oral thin film (OTF) technology to preserve vaccines without refrigeration. In this study, researchers successfully incorporated a model virus (adenovirus) into RDT's dissolvable films. By adjusting the concentrations of key ingredients like sugars and surfactants in the film, they significantly improved the stability of the virus at room temperature. In the best-performing formulation, the virus remained active for at least 6 days at room temperature — a 250-fold improvement over earlier versions.

These films are needle-free, easy to ship, and can be self-administered, making them ideal for use in remote and underserved areas. The one-hour film-making process is simple, scalable, and cost-effective, paving the way for use with a wide range of other vaccines in the future.

This work demonstrates strong potential to revolutionize how vaccines are delivered worldwide — cutting costs, eliminating cold-chain barriers, and making lifesaving immunizations more accessible to everyone, everywhere.

COVID mRNA Vaccine QuickStrip

The company continues the ongoing research with the oral delivery of the COVID vaccine without the need for cold-chain logistics. We have established relationships with pharmaceutical companies who have developed vaccines and want to investigate the QuickStrip delivery format. Revenue for the R&D by RDT will be generated as a fee for service with strategic pharmaceutical partners and through application of government funding grants similar to the IRAP grants received in fiscal years 2021 and 2022.

The additional expenditures for the submission of IP to the USPO or other jurisdictions is budgeted as an annual expenditure of $300,000. In addition, the Company has contracted for services of $225,000 annually for project management and the development of pharmaceutical relationships. The costs of testing are funded by and is the responsibility of strategic pharmaceutical partners who own the vaccines.

Key players in the UK associated with the WHO and the global pandemic preparedness group 100 Days Mission are aware of the RDT delivery platform and are supportive of its continued development.

The Company in conjunction with McMaster University received the award of a Mitacs Accelerate grant, with a cost to RDT of $30,000 in May 2025 in addition to $55,000 expended in 2023, to continue the development of Thin Polymer Films for the Vaccine Delivery Project, led by Prof. Alex Adronov, of McMaster University. This grant-funded research project aims to support further formulation development and proof of-concept studies to develop the capability to vaccinate individuals leveraging RDT's QuickStrip™ Oral Thin Film ("OTF ") technology.

Previously, the initial phase of research led by Prof. Alex Adronov had demonstrated that the RDT QuickStrip™ technology is effective at encapsulating and releasing biomolecules and m-RNA loaded lipid nanoparticles. The delivery is made possible by RDT's QuickStrip™ technology. This work will pave the way for buccal or sublingual vaccine delivery, eliminating the need for costly and unpleasant intramuscular injections. In addition, investigation of thermal stability of active ingredients within the OTF is underway, which will help alleviate the need for cold-chain storage and transport of these delivery constructs. The project has further evolved to study a variety of biomolecules where formulation optimization and various proof of concept experiments, both in vitro and in vivo, are under way.

Nutraceuticals

The Company's nutraceutical products are being distributed through "Relay" stores at airports as well as through online e-commerce channels. This distribution network ensures that consumers have convenient access to the Company's nutraceutical products across various retail channels. RDT can provide partners with over 40 sublingual / buccal products to select from, ranging from nutraceuticals to dental, pharmaceuticals to nicotine. The cost of establishing shelf space at Canadian retail establishments is the critical barrier to market development at this time as it requires concurrent consumer awareness marketing support to create the necessary pull to ensure adequate turnover for the retailers.

In September, 2025 the Company delivered its first shipment of nutraceuticals to Bodhi Health for distribution in the North American market. Bodhi is undergoing filed testing of its initial product, curcumin, to determine its optimum distribution strategy.

Clinical Studies

In its continuing effort to enhance drug delivery and improve health outcomes, RDT has initiated a Nicotine pharmacokinetic trial in collaboration with Panexcell Clinical Lab PVT. The trial is comparing QuickStrip™ nicotine bioanalytics to cigarettes with a plan to demonstrate that smokers can easily switch an oral thin film for a safer alternative to smoking. Expected to last 160 days for the entire scope of the project, the results will provide incontrovertible evidence of the speed of delivery through the oral mucosa. This is a novel study that has never been conducted anywhere in the world. RDT leads the way in the nicotine delivery market by committing to this important clinical trial that will demonstrate to regulators like the FDA and Health Canada that QuickStrip is a viable solution to help smokers quit.

May 22, 2025 - The Company in partnership with McMaster University ("McMaster") demonstrated the results of their collaborative research project titled "Incorporation of Loratadine-Cyclodextrin Complexes in Oral Thin Film Strips. Loratadine, sold under the brand name Claritin, among others, is an antihistamine commonly used to treat allergic rhinitis. It undergoes liver first pass metabolism and is a prime candidate for incorporation within an OTF.

This research project enabled RDT to advance its formulation capabilities by successfully utilizing a method that increases the solubility of the commonly used drug loratadine, allowing it to be effectively loaded into the QuickStrip™ delivery platform.

May 29, 2024 – The Company is working on a formulated CBD/THC strip for Dr. J. Patrick Neary and researchers at the University of Regina who are leading a research project in a National Football League (NFL) – funded clinical trial program entitled "Naturally Produced Cannabinoids for Pain Management and Neuroprotection from Concussion and Participation in Contact Sports" led by. RDT will partake in a randomized, two-arm clinical study, which is part of a larger clinical program designed by an expert team of cerebrovascular and neurophysiologists, clinical psychologists, pharmacokineticists, and physicians from the Universities of Regina, Saskatchewan, and British Columbia.

The primary research objective of the study is to determine the relative oral bioavailability and other pharmacokinetic (PK) parameters of the non-psychoactive cannabidiol (CBD) and its metabolites, when administered to a healthy adult population as RDT's sublingual QuickStrip™ product, versus a standard oral formulation.

The data generated from this study will demonstrate the efficacy of the QuickStrip™ product and serve as the basis for including RDT's QuickStrip™ in the subsequent clinical studies as part of the overall clinical program funded by the NFL. "This study has the potential to change not only the lives of current and former NFL players, but also the lives of anyone who may suffer from a concussion," said Dr. Patrick Neary, exercise physiologist and professor in the Faculty of Kinesiology and Health Studies at the University of Regina.

Collaborative Research

The Company is continuing to develop its commercialization opportunities during the testing phases to ensure that, with successful outcomes, the Company is prepared to execute a go to market plan that covers the shortest possible timelines within the constraints of the regulatory processes for applying and approving a vaccine delivery alternative.

In May 2021, the Company, McMaster University and the National Research Council (NRC) entered into a three-way material transfer agreement which provided the research team at McMaster University in early June 2021 with the Covid-19 spike protein in sufficient quantities to enable animal testing of the QuickStrip™ infused with

the spike protein for the purpose of determining the capabilities of developing antibodies from this vaccine delivery method. The COVID pandemic has provided a unique opportunity for the Company to exploit their flagship QuickStrip™ technology as an efficient and effective vaccine delivery method for a variety of viruses including COVID, SARS, Ebola, Yellow Fever, and Malaria. The use of the QuickStrip™ simplifies the logistics challenges of delivering vaccines to the world's most remote communities by eliminating the cost and access to freezer storage and eliminating the requirement to allocate health care professionals for administering needles.
The Company is confident that suitable partners in the pharmaceutical industry will be anxious to test infusing their own vaccine formulations into the QuickStrip™ format.

On July 21, 2020, the Company announced the commencement of COVID-19 vaccine research in conjunction with McMaster University and the team lead by Drs. Alex Adronov, James Mahony and Mark Larché. The federally funded project tests the use of QuickStrip™ for administering vaccines orally as a convenient and safe alternative to injection with needles, the currently accepted delivery format for most vaccines.

On June 19, 2020, the Company filed a non-provisional patent with the USPTO for an "Apparatus for and method of converting CBD and/or CBD derivatives to at least one other type of cannabinoid and/or cannabinoid derivative such as THC". In conjunction with McMaster University and the team led by Dr. James McNulty, RDT has discovered a new and efficient way to create THC from CBD. The project's research has continued on subsequent to the non-provisional patent filing with continuing input from the Company's science research team. These patent applications have been registered in Canada, the United States and in Europe.

On February 4, 2020, the Company secured government funding of $400,000 from The National Research Council of Canada Industrial Research Assistance to support a project focused on commercial development and scale-up manufacturing of cannabis infused QuickStrip™ oral dissolvable film strips. The funding helped the Company to augment product commercialization by enhancing its manufacturing competency while creating new jobs and training skilled technical employees. The Company received $200,000 of its grant funding in the fiscal year ended February 28, 2021, and the final $200,000 in the fiscal year ended February 28, 2022.

On January 23, 2020, the Company announced a new research partnership program entitled "Rapid Delivery of Therapeutics via Dissolution of Polymeric Films" with McMaster University, located in Hamilton, Ontario, Canada. The project focuses on developing novel biopolymer compositions that can offer enhanced drug delivery performance when formulated in oral dissolvable thin films. This research program has been awarded a NSERC Collaborative Research and Development grant by the Natural Sciences and Engineering Research Council of Canada. The project is being administered in conjunction with the vaccine project as a secondary funding source for the McMaster research team.

Share Capital

Authorized

An unlimited number of common shares without par value.

Common Shares

As at August 31, 2025, the Company had 131,886,770 common shares outstanding.
(February 28, 2025 – 129,534,817 common shares outstanding),

A summary of the capitalization is provided as follows:

Common shares	132,869,838
Warrants	27,893,393
Options	12,700,000
Convertible notes ($3,134,445)*	18,437,912
Fully Diluted	190,918,075

* Convertible notes can be converted into common shares at a price of $0.17 per common share.

Financial transactions

The Company issued shares during the six-month period ended August 31 2025 as follows:

- On July 7, 2025 the Company issued 476,190 common shares to the independent directors in settlement of directors fees of $100,000 owing for the six-month period ended May 31 2025.
- On June 30, 2025 the Company issued 506.878 common shares at $0.185 per share as consideration for the $93,775 of quarterly interest on the secured convertible notes. Interest paid to related parties amounted to $50,751.

- On May 31, 2025, the Company issued 1,888,237 common shares, at a price of $0.20, as settlement of liabilities to Creditors in outstanding accounts payable in the aggregate amount of $377,647.
- On March 31, 2025 the Company issued 463,716 common shares at $0.20 per share as consideration for the $92,745 quarterly interest on the secured convertible notes. Interest paid to related parties amounted to $50,193.

The Company issued shares during the fiscal year ended February 28, 2025 as follows:

- On January 15, 2025, the Company issued 681,815 Common Shares at a price of $0.22 per share to the Company's five independent directors for directors fees of $150,000 ($10,000 per director per quarter) for the three fiscal quarters ended November 30, 2024;

- On July 19, 2024, the Company raised $309,000 through the issue of 1,817,648 common shares at $0.17 per share, representing 6% of the proceeds from the private placement. On October 29, 2024, the Company raised $542,000 through the issue of 3,188,232 common shares at $0.17 per share. In connection with the offering, the Company incurred shares issuance costs totaling $80,081consisting of legal and financing fees;

- The Company closed on $660,000 of subscribed units in three tranches during the quarter ended May 31, 2024, bringing the total amount raised in the private placement to $1,930,000. Each Unit was priced at $0.17 and consisted of one (1) common share of the Company (a "Common Share") and one (1) common share purchase warrant of the Company (a "Warrant"). Each Warrant is exercisable to acquire one (1) Common Share at a price of $0.20 per Common Share for a term of two (2) years from the date of issuance of such Warrant. During the quarter ended May 31, 2024, the Company issued 3,882,349 Common Shares and 3,882,349 Warrants in connection with the closing of private equity placement. Included therein were 232,940 non-transferable agent warrants (each, an "Agent Warrant") equal to 6% of the number of Units issued to investors in the Financing that were introduced to the Company by the Agent. Each Agent Warrant will be exercisable to acquire one (1) Common Share at a price of $0.20 per Common Share for a term of two (2) years from the date of issuance of such Agent Warrant amounting to $28,251. In addition, the Company paid share issue costs of $39,000, representing 6% of the proceeds from the private placement and $39,600 of legal fees;

- On March 31, 2024, and on June 30, 2024, the Company issued 520,968 common shares at $0.18 per share as consideration for the $93,776 of quarterly interest on the secured convertible notes. Interest paid to related parties amounted to $50,751. On September 30, 2024, the Company issued 557,677 common shares at $0.17 per share as consideration for $94,806 of quarterly interest on the secured convertible notes. On December 31, 2024, the Company issued 430,930 common shares at $0.22 per share as consideration for $ $94,806 of quarterly interest on the secured convertible notes.

- On each of March 31, 2024, and on June 30, 2024, the Company issued 41,968 common shares at $0.18 per share as consideration for the $7,555 of quarterly interest on the related party loan. On September 30, 2024, the Company issued 39,996 common shares at $0.17 per share as consideration for the $6,799 quarterly interest on the related party loan which matured and was repaid on September 22, 2024;

The Company issued shares during the fiscal year ended February 29, 2024 as follows:

- During the previous fiscal year, the Company issued shares and warrants in connection with the issue of

secured convertible notes. The Company settled debt issuance fees of $156,722 by the issue of 1,300,316 common shares and 740,522 common shares were issued for interest of $99,216 to the note holders;

- The Company approved the assignment of a debt obligation in the amount of $250,000 to a related party which provided for the issue of shares for debt issuance fees amounting to $12,500. The debt issuance fees were settled by the issue of 125,000 common shares. (refer Note 11). 53,688 common shares issued to the related party for interest of $8,378;

- The Company issued 4,369,457 common shares, at a price of $0.16, as settlement of liabilities to Creditors in outstanding accounts payable in the aggregate amount of $699,618;

- On February 16, 2024 the Company issued 6,470,565 units at a price of $0.17 per unit with gross proceeds of $1,100,000. 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 $0.20 per common share until two years from the date of issue. On February 23, 2024 the Company issued 1,176,470 units at a price of $0.17 per unit with proceeds of $200,000. 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 $0.20 per common share until two years from the date of issue. The Company incurred share issuance cost of $150,505 which includes broker warrants of $55,646;

- On January 15, 2024, the Company issued 4,349,457 common shares in settlement of $699,618 of unpaid vendor liabilities at a price of $0.16 per share;

- On December 31, 2023, the Company issued 798,942 common shares for interest and fees owing on convertible notes at a price of $0.165 per share;

- On December 22, 2023, the Company issued $855,000 of secured convertible notes, convertible at $0.17 per common share, together with 4,275,000 warrants at an exercise price of $0.14 expiring November 20, 2025, in a fourth tranche closing of the announced convertible notes private placement financing;

- On November 14, 2023, the Company issued $500,000 of secured convertible notes at $0.17 per common share, together with 2,500,000 warrants, exercisable at $0.14 per share, in a third tranche closing of the announced convertible notes private placement financing;

- On September 30, 2023, the Company issued 2,040,888 common shares at $0.10 per share for interest and fees owing on convertible notes and issued 132,397 of common shares for interest and fees owing on the related party loan each at $0.10 per share;

- On September 22, 2023, the Company issued $310,000 of secured convertible notes at $0.17 per common share, together with 1,550,000 warrants exercisable at $0.14 per share in a second tranche closing of the announced convertible notes private placement financing;

- On July 21, 2023, the Company issued $1,469,445 of secured convertible notes at $0.17 per common share, together with 7,347,225 warrants exercisable at $0.14 per share, expiring on November 30, 2025, in the first tranche closing in accordance with the terms of the convertible note private financing agreement;

Stock options, convertible notes and contributed surplus

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 may 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.

On October 25, 2024, the Company granted 850,000 stock options to employees and a contractor at $0.24 per share expiring on October 25 2026. On issue, twenty-five (25%) percent of the options were vested, with further vesting of twenty-five (25%) of the options vested every six months until fully vested on April 25, 2026. Options granted to officers of the Company totaled 500,000 options.

On April 1, 2024, the Company issued 9,350,000 to employees and company advisors at an exercise price of $0.18 per share expiring on April 1, 2026. On issue, twenty-five (25%) percent of the options were vested, with further vesting of twenty-five (25%) of the options vested every six months until fully vested on October 1, 2025.Options granted to officers of the Company totaled 4,350,000 options. The issue included the re-issue of 5,350,000 stock options cancelled on February 28, 2024 and 4,000,000 new options to the employees and advisors.

Stock options amounting to 2,500,000 were issued to independent directors, on February 23, 2025, at $0.15 per share, vesting in accordance with the Company's Stock Option Plan policy, expiring twenty-four months from the date of issue.

	Weighted Ave $	Number of Options	Contributed surplus $
Balance, February 28, 2023	0.56	9,104,750	4,853,253
Expired	0.375	(3,754,750)	-
Extinguishment	-	-	(17,202)
Fair valuation of convertible notes	-	-	245,726
Cancelled February 28, 2024	0.24	(5,350,000)	-
Options issued, February 23, 2024	0.15	2,500,000	-
Stock based compensation	-	-	162,249
Balance, February 29, 2024		2,500,000	5,244,026
Options issued, April 1, 2024	0.18	9,350,000	-
Options issued, October 25, 2024	0.24	850,000	-
Transfer to deficit		-	(13,009)
Stock based compensation		-	1,416,298
Balance, February 28, 2025		12,700,000	6,647,315
Stock based compensation		-	209,650
Balance, August31, 2025		12,700,000	6,856,965

Date of issue:	Oct 25 2024	April 1 2024	Feb 23 2024
Number of Options issued	850,000	9,350,000	2,500,000
Exercise price	$0.24	$0.18	$0.15
Share Price	$0.25	$0.195	$0.15
Risk-free interest rate	3.09%	4.27%	4.17%
Expected volatility based on historical volatility	139.3%	149.52%	147.09%
Expected life of warrants	2 years	2 years	2 years
Expected dividend yield	0%	0%	0%
Fair value	$143,390	$1,336,388	$267,700
Number issued to management & directors	500,000	4,350,000	2,500,000
Vesting term: 25% on issuance and 25% after every 6 months.			

Warrants

A summary of the continuity of warrant activity is as follows:

	Weighted average price	Number of warrants	Warrant reserve
	$		$
Balance, February 28, 2023		16,813,838	2,299,675
Expired and extinguished	0.4	(16,284,681)	(1,720)
Issued – secured convertible note	0.14	15,672,225	1,291,732
Issued, September 2023	0.14	1,250,000	48,486
Issued – private placement	0.2	7,647,035	530,134

Issued – issuance cost	0.2	458,823	55,646
Balance, February 29, 2024		**25,557,240**	**4,223,953**
Expired warrants, August 8, 2024	0.4	(23,000)	-
Expired warrants, September 22, 2024	0.14	(1,250,000)	-
Issued – private placement	0.20	3,882,349	269,145
Issued brokers warrants	0.20	232,941	28,251
Transfer to deficit	-	-	(49,787)
Expired warrants	0.4	(506,157)	-
Balance, February 28 and August 31, 2025		**27,893,393**	**4,471,562**

Included in the issued warrants above are warrants issued to directors of the Company amounting to 9,371,855 in connection with the issue of their secured convertible notes and related party debt.

Brokers' Warrants

(i) On April 3, April 15, and May 15, 2024, the Company closed three tranches of private placement financing and issued 3,882,349 warrants to the subscribers of the units and issued 232,941 brokers' warrants in accordance with the terms of the private placement offering. The warrants may be exercised at the price of $0.20 per share expiring on the second anniversary date of the issuance of the warrants.

(ii) On February 16, and again on February 23, 2024, the Company closed two tranches of private placement financing and issued brokers' warrants of 458,823 in accordance with the terms of the private placement offering. The warrants may be exercised at the price of $0.20 per share expiring on the second anniversary date of the issuance of the warrants.

Secured convertible notes

During the fiscal year ended February 29, 2024, the Company issued secured convertible notes ("Secured Convertible notes") in exchange for gross cash proceeds of $1,935,000, (net proceeds of $1,825,610) bearing interest of 12% per annum, payable quarterly, payable in common shares of the Company. The holders of the Secured Convertible Notes may convert, at their option, the principal amount into shares of the Company at a price of $0.17 per share, with a maturity date of November 30, 2025.

The Company settled $1,199,445 of unsecured debt through the issuance of the secured convertible notes. The secured convertible notes have substantially different terms and since there has been a substantial modification of the terms of the existing financial liabilities, these transactions have been accounted for as an extinguishment of the original financial liabilities and the recognition of new financial liabilities. The Company has recognized an extinguishment of liability of $558,814 in the statement of loss and comprehensive loss.

In connection with the issuance of the Secured Convertible Notes, the Company paid $156,722 for debt issuance fees through the issuance of 1,300,326 common shares and legal fees of 109,390.

The Company recorded interest expense for the year ended February 28, 2025 of $377,164 paid through the issue of 2,030,543 common shares (February 29, 2024 - $99,295 paid through the issue of 740,522 common shares) and accretion expense for the year ended February 28, 2025 of $484,892 (February 29, 2024 - $142,914).

At the subscription of the Secured Convertible Notes, each investor was also issued 5 warrant "Warrant Shares" to be utilized for the future purchase of shares of the Company. The total number of Subscription Warrants issued were 15,672,225. The holders of the Warrant Shares convert the principal amount into shares of the Company at a price of $0.14 per share. These Subscription Warrants were issued based on the original amount invested into the Secured Convertible Notes. The expiry of the Subscription Warrants is November 30, 2025.

The Company used the Black-Scholes option-pricing model to estimate fair value of the embedded warrant and conversion feature of loan. The inputs used by management to determine the fair value are the expected future volatility in the price of the Company's shares and the expected life of the Secured Convertible Notes.

The conversion features, embedded warrants require a fixed number of shares to settle, therefore, they meet the criteria of fixed to fixed under IFRS and hence classified as equity. Accordingly, the fair values of these were deducted from the gross proceeds and were accreted over the term of the note.

The Company may prepay the Notes in certain circumstances. During the period from June 30, 2024, to December 31, 2024, the Company was 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. No prepayment of the notes was made during the six months ended December 31, 2024.

There shall be no prepayment fee if the Notes are repaid after December 31, 2024. No prepayment of the notes was made during the two months ended February 28, 2025.

The Notes are convertible into Common Shares at a conversion price of $0.17 per Common Share, at the option of the holders, at any time prior to maturity.

The Notes are secured pursuant to a general security agreement issued by the Company in favour of the various noteholders. The following range of assumptions were used to value the equity components:

Volatility: 120% to 145% ;
Risk-free interest rate: 3.22% to 4.02%
Expected life (years): 1.94 to 2.36 years
Share price: $0.11 to 0.17 ;
Exercise price: $0.14 - $0.17

A discount rate of 22% was used to value the debt component of the convertible notes.

A reconciliation of the beginning and ending balances of the Convertible notes, and warrants from the time of issuance and for the years ended February 29, 2024, is as follows:

A reconciliation of the secured convertible notes payable for the year ended February 28, 2025, is as follows:

	Notes	Warrants	Conversion Feature	Total
	$	$	$	$
Balance, February 28, 2023	-	-	-	-
Issuance of convertible notes, net of issuance costs	1,981,964	1,291,732	245,726	3,519,422
Accretion of notes	142,914	-	-	142,914
Balance, February 29, 2024	2,124,878	1,291,732	245,726	3,662,336
Accretion of notes	484,892	-	-	484,892
Balance, February 28, 2025	2,609,770	1,291,732	245,726	4,147,228
Accretion of notes	242,446	-	-	242,446
Balance, August 31, 2025	2,852,216	1,291,732	245,726	4,369,674

Accounts payable and accrued liabilities	**August 31, 2025**	**February 28, 2025**
	$	$
Accounts payable	1,743,336	1,938,008
Accrued liabilities	2,178,741	2,292,700
	3,922,077	4,230,708

During the quarter ended May 31, 2025, the Company has settled certain accounts payable and accrued liabilities by issuance of common shares of $377,647 (1,888,237 common shares). There is no gain/loss on settlement. Unpaid wages of $250,000 due to officers are included in accrued liabilities.

Notes payable

Notes payable consists of advances of $221,500 from shareholders of the Company. The notes are unsecured, non-bearing interest and due on demand.

A loan of $100,000 is due to an unrelated third party. The note is unsecured, bearing interest at twelve percent (12%) per annum. Interest on the note amounted to $3,000 for the quarter ended August 31, 2025.

Related party balances and 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 Senior Vice President, Business Development.

Related party debt

Due to a related party represents unsecured advances from an individual who is an officer and director of the Company.

	August 31, 2025	February 28, 2025
Notes payable to related party	12,000	12,000

The note is non-interest bearing, unsecured and due on demand and classified under Notes Payable. In the year ended February 28, 2025, the note was included in Accounts payable and accrued liabilities.

Related party transactions

Related party debts are comprised of:

1) A secured convertible note of $500,000 and an unsecured promissory note of $12,000 from an individual who is an officer and director of the Company. The promissory note is due on demand has been accrued and included in Notes payable.

2) A secured convertible note in the amount of $346,371 is due to a company controlled by a director of the Company.

3) Convertible notes amounting to $850,000 are due to two other directors of the Company.

Compensation of key management personnel

Key management personnel include those persons 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.

Officers

The following table sets out the total value of compensation provided to Officers of the Company:

	Three months ended August 31, 2025			Three months ended August 31, 2024		
	Salaries	Stock-based compensation	Total	Salaries	Stock-based compensation	Total
	$	$	$	$	$	$
Mark Upsdell, CEO	37,500	8,933	46,433	37,500	63,946	101,446
Jason Lewis, SVP	37,500	8,635	46,135	37,500	61,814	99,314
Douglas Hyland, CFO	37,500	20,358	57,858	37,500	46,893	

	112,500	37,926	150,426	112,500	172,653	285,153

The following table sets out the unpaid compensation to Officers at August 31, 2025

	$
Mark Upsdell	100,000
Douglas Hyland	100,000
Jason Lewis	50,000
	250,000

Directors

Fees for independent Directors commenced March 1, 2024, in the amount of $10,000 per director, per quarter, payable in cash or in common shares of the Company at the Company's discretion at the end of each quarter at the then current market price. Payment of fees for the six-month period to May 31, 2025, were approved at the Board of Directors on June 20, 2025. Shares totaling 476,190 were issued in settlement of the $100,000 of directors' fees at the closing price of $0.21 and paid on July 11, 2025.

The Company issued stock options to non-management directors on February 23, 2024. The Company recorded stock-based compensation of $12,942 to the directors of the Company in its accounts as at August 31, 2025.

The following table sets out compensation to non-management Directors for directors fees and stock options earned or received on February 23, 2024, and on April 1, 2024 for the three-month periods ended August 31, 2025 and 2024:

	Three months ended August 31 2025			Three months ended August 31 2024		
Directors	**Directors fees**	**Stock-based compensation**	**Total**	**Directors fees**	**Stock-based compensation**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
John McKimm	10,000	2,231	12,231	10,000	12,270	22,270
Peter Thilo-Hasler	10,000	4,018	14,018	10,000	21,249	31,249
Christine Hrudka	10,000	2,231	12,231	10,000	12,270	22,270
Marisa Cornacchia	10,000	2,231	12,231	10,000	12,270	22,270
Angela O'Leary	10,000	2,231	12,231	10,000	12,270	22,270
	50,000	12,942	62,942	50,000	70,327	120,327

Interest paid to officer and directors

During the three-month periods ended August 31, 2025 and 2024, the Company accrued and paid interest to officers and directors in common shares as follows:

	Three months ended August 31 2025		Three months ended August 31 2024	
	Interest paid	**Common shares issued**	**Interest paid**	**Common shares issued**
	$		**$**	
Mark Upsdell	14,959	80,858	14,959	83,105
John McKimm	10,632	56,013	10,362	57,567
Angela O'Leary	23,934	129,373	23,934	132,968
Christine Hrudka	1,496	8,085	1,496	8,310
Interest paid to officers and directors	**50,751**	**274,329**	**50,751**	**281,950**

Material assumptions and risk factors for forward-looking statements
The following table outlines certain forward-looking statements contained in this MD&A and provides material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward-looking statement	Assumption	Risk factor
Liquidity and Capital Resources "Management is of the opinion that sufficient working capital will be obtained from advances from related parties and equity financings to meet the Company's liabilities and commitments as they	Advances from related parties and equity financings will be obtained and such advances and financings will be in sufficient amounts to meet the Company's liabilities and commitments as they come due.	The Company is unable to obtain future financing to meet its liabilities and commitments as they become due.

Risks and Uncertainties
There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. If any of these risks occur, the Company's business, financial condition or results of operation may be adversely affected.

Limited operating history
Because the Company has a limited operating history and is in an emerging area of business, investors should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets.

These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues;
- risks relating to different regulatory regimes in different jurisdictions; and
- risks relating to evolving and uncertain regulatory regimes.

The Company's future growth will depend substantially on its ability to address these, and other risks described in this section and in its other continuous disclosure materials available on SEDAR and on the Company's website. If it does not successfully address these risks, its business may be significantly adversely affected.

Managing growth
In order to manage growth and change in strategy effectively, the Company must: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, distribution capabilities and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. The inability of the Company to deal with this growth may have a material adverse effect on its business, financial condition, results of operations and prospects.

Competition
Due to the nature of the Company's proprietary delivery system and the multiple barriers of entry, the Company has very few competitors in the nutraceutical and pharmaceutical industries in which the Company operates, the Company anticipates very little initial competition from large, well-trenched industry competitors. As well, because of the early stage of the cannabis industry in which the Company will operate, the Company expects to have very limited competition from new entrants. To become and remain competitive, the Company will continue its research and development, marketing, sales and support. The Company does not currently have sufficient resources to finance all the research and development, marketing and sales support efforts which may be required to gain significant market penetration in each of its vertical markets. The inability to remain competitive as the product lines mature could materially affect the business, financial condition and results of operations of the Company.

Retention, acquisition and integration of skilled personnel
The loss of any member of the Company's management team could have a material adverse effect on its business and results of operations. In addition, the inability to hire new personnel and the increased costs of hiring new personnel could have a material adverse effect on the Company's business and operating results.
At present and for the near future, the Company will depend upon a relatively small number of key employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel, and the Company may not be successful in attracting, training, integrating, motivating or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Legal proceedings
From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and, where appropriate, establish reserves for the estimated liabilities in accordance with International Financial Reporting Standards. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Regulatory compliance risks
Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at a great cost to operate its business. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by local governmental authorities. The impact of the compliance regime, any delays in obtaining, or failure to obtain or keep the regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.
The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and the financial condition of the Company.

Reliance on securing and maintaining agreements with licensed partners.
The Company must secure service agreements with licensees that have obtained the requisite licenses with the appropriate regulatory authorities in the targeted jurisdictions to grow, store and sell cannabis products (“Licensees”). The failure of a Licensee to comply with the requirements of their license or to maintain their license would have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantee that the applicable licenses will be maintained by Licensees or granted to other prospective Licensees in the future.

Product liability
As a distributor of products designed to be consumed by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused damage, loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination.

Adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products cause injury or illness, include inadequate instructions for use or include inadequate warnings concerning health risks, possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Company could: i) result in increased costs; ii) adversely affect the Company's reputation with its Licensed Partners and consumers generally; and iii) have a material adverse effect on the results of operations and financial condition of the Company. There can be no assurance that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Intellectual property
The Company has certain proprietary intellectual property, including but not limited to brands, trademarks, trade names, patent applications and proprietary processes. The Company relies on this intellectual property, know-how and other proprietary information, and generally requires employees, consultants and suppliers to sign confidentiality agreements. The company requires all customers, partners and organizations that receive any materials from the Company to sign a Material Transfer Agreement acknowledging the Intellectual property confidentiality, Company ownership and authorized usage However, any confidentiality agreement may be breached, and the Company may not have adequate remedies for such breaches. Third parties may independently develop substantially equivalent proprietary information without infringing upon any of the Company's proprietary technology. Third parties may otherwise gain access to the Company's proprietary information and adopt it in a competitive manner. Any loss of intellectual property protection may have a material adverse effect on the Company's business, results of operations or prospects.

Unfavourable publicity or consumer perception
The success of the Company's products may be significantly influenced by the public's perception of marijuana's medicinal applications. Medical marijuana is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to medical marijuana will be favourable. The medical marijuana industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical marijuana is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of medical marijuana may have a material adverse effect on our operational results, consumer base and financial results.

Consumer acceptance
There can be no assurance that the Company will develop any product that will be met with widespread consumer acceptance. Both new and established products fail to generate consumer interest on a regular basis. There is no assurance that the Company's products will be successfully adopted by consumers at one time or will still be in demand in the future. If the Company cannot develop and sell products in commercial quantities, the Company's current strategy will fail.

Insurance coverage
The Company's insurance coverage includes policies covering general liability, product liability, errors and omissions, marine cargo and property/machinery insurance. The Company's production is, in general, subject to different risks and hazards, including adverse weather conditions, fires, other natural phenomena, industrial accidents, labour disputes, changes in the legal and regulatory framework applicable to the Company and environmental contingencies. Although management of the Company believes that the events and amounts of liability covered by its insurance policies will be reasonable, considering the risks relevant to its business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects could be adversely affected.

Due to the number and size of claims against companies involved in the cannabis industry, a number of insurers providing directors and officers liability insurance ("D&O") have decided not to insure businesses operating in the Company's sector. The Company, however, has maintained D&O insurance coverage, in force throughout the 2025 fiscal year, which was extended December 20, 2025 under the same terms and conditions.

Product recalls
Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall, remedial action and any legal proceedings that might arise in connection with the recall.

The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if the Company is subject to recall, the image of the Company could be harmed.

A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Limited avenues to market and promote products
To be successful, the Company's business must be successfully marketed. The market for the Company's products and services has and is expected to grow significantly and may require substantial sales and marketing capability. The Company will be dependent on independent parties to market its products and services. There can be no assurance that the Company can continue to market or can enter into satisfactory arrangements with third parties to continue to market its products and services in a manner that would assure its growth and acceptance in the marketplace.

Global economy
Financial markets are influenced by the economic and market conditions in other countries, including the United States and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Canada, investor reactions to developments in these other countries may substantially affect the capital flows into and the market value of securities of issuers with operations in the United States and Canada.

Access to capital
In executing its business plan, the Company makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its formation, the Company has financed these expenditures through equity offerings. The Company will have further capital requirements and other expenditures as it proceeds to expand its business and/or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. The Company can provide no assurance that it will be able to obtain financing to meet its growth needs.

Foreign sales and currency risks
The Company's functional currency is denominated in Canadian dollars. The Company currently expects future sales will be denominated in Canadian and U.S. dollars and may, in the future, have sales denominated in the currencies of additional countries. In addition, the Company incurs the majority of its operating expenses in Canadian dollars. In the future, the proportion of the Company's sales that are international is expected to increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Company's business, financial condition and results of operations. The Company has not previously engaged in foreign currency hedging. If the Company decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide the Company from foreign currency fluctuations and can themselves result in losses.

Tax risks
The Company will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Company's earnings may be impacted by changes in the proportion of earnings taxed in different

jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses.
The Company will be subject to income taxes and non-income taxes in a variety of jurisdictions, and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of the Company's provision for income taxes and other tax liabilities will require significant judgment.

Repatriation of profits
As a company holding the stock of operating subsidiaries in other jurisdictions, it is anticipated that a significant amount of the Company's funds will be generated by the Company's operating subsidiaries. The Company's subsidiaries are subject to the requirements of various regulatory bodies, both domestically and internationally. Accordingly, if the Company's operating subsidiaries are unable, due to regulatory restrictions or otherwise, to pay dividends and make other payments to the Company when needed, the Company may be unable to satisfy the Company's obligations when they arise.

Off Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Change in accounting standards

Standards, Amendments, and Interpretations Issued but not yet Adopted

The IASB has issued several new standards and amendments that will be effective on various dates.

Standards issued and adopted

In February 2021, the IASB issued narrow-scope amendments to IAS 1, IFRS Practice Statement 2, Making Materiality Judgements and IAS 8, Accounting Polices, Changes in Accounting Estimates and Errors. The amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarify how to distinguish changes in accounting policies from changes in accounting estimates. Beginning Mar 1, 2023, the Company adopted the amendments. The adoption of the amendments did not have a material impact on the Annual Financial Statements.

Selected Financial Information

The following tables show selected financial information for the three-month period ended August 31, 2025 compared to the three-month period ended August 31, 2024. The selected financial information set out below may not be indicative of the Company's future performance. The information contained in each table should be read in conjunction with the Company's Consolidated Financial Statements and related notes.

All amounts in $,000

Summary Information	As at August 31, 2025	As at August 31, 2024
(Expressed in thousands of Canadian dollars – audited)	**$**	**$**
Current assets	998	641
Non-current assets	3,251	1,075
Total assets	4,249	1,716
Current liabilities	7,881	3,105
Non-current liabilities	2,249	2,367
Revenue	673	516
Net comprehensive loss	825	1,099
Shareholders' equity (deficiency)	(5,881)	(3,755)

Discussion of Operations

(in $,000s)

For the three-month period ended August 31, 2025, the Company reported a net comprehensive loss of $825 or $0.01 per share compared to a net comprehensive loss of $1,099 for the three-month period ended August 31, 2024;

Revenue and gross profit

Segmented information
The Company has one operating segment comprising production, distribution, research, and the provision of technical services for the delivery of oral thin film strips containing active ingredients.

Entity-wide disclosure:
The Company has one operating segment comprising production, distribution, research, and the provision of technical services for the delivery of oral thin film strips containing active ingredients.

The Company has three primary sources of revenue:

1) Sales of health and wellness products consisting of nutraceuticals and xylitol;
2) Sale of white label manufacturing, to medical cannabis companies under cannabis licensing, consists of sales of oral thin film strips containing active ingredients;
3) Service revenue consists of research and development consulting services provided for the application of active ingredients with the Company's oral thin film polymer formulation and processes.

The following table sets out the revenue and costs for each revenue source:

Segmented Information	**Three-month period ended August 31, 2025**				**Three-month period ended August 31, 2024**		
	Revenue	**Cost of Sales**	**Gross Profit**		**Revenue**	**Cost of Sales**	**Gross Profit**
	$	**$**	**$**		**$**	**$**	**$**
Health and wellness	**2,770**	**8,104**	**(5,334)**	**Health and wellness**	**5,483**	**3,531**	1,952
White Label	173,352	36,405	136,946	White Label	250,530	53,593	196,937
Product Testing		3,562	(3,562)	Product Testing	5,570	7,495	(1,925)
White Label	**173,352**	**39,967**	**133,384**	**White Label**	**256,100**	**61,088**	**195,012**
Dental services	-	-	-	Dental services	7,728	-	7,728
Contract development services	496,800	248,400	248,400	Contract development services	246,605	123,300	123,305
Services revenue	**496,800**	**248,400**	**248,400**	**Services revenue**	**254,333**	**123,300**	**131,033**
Total	**672,921**	**296,471**	**376,450**	**Total**	**515,916**	**187,920**	**327,996**

	Six-month period ended August 31, 2025				Six-month period ended August 31, 2024		
	Revenue	Cost of Sales	Gross Profit		Revenue	Cost of Sales	Gross Profit
	$	$	$		$	$	$
Health and wellness	**7,088**	**11,864**	**(4,776)**	**Health and wellness**	**9,801**	**7,292**	**(2,560)**
White Label	335,515	79,113	256,401	White Label	412,693	96,301	316,392
Product Testing	1,020	7,058	(6,038)	Product Testing	6,590	10,991	(4,401)
White Label	**336,535**	**86,171**	**250,363**	**White Label**	**419,283**	**107,292**	**311,991**
Dental services	107,640	86,846	20,794	Research program services	115,368	86,846	28,522
Contract development services	1,004,400	502,620	501,780	Contract development services	754,205	377,520	376,685
Services revenue	**1,112,040**	**589,466**	**522,574**	**Services revenue**	**869,573**	**464,366**	**405,207**
Total	**1,455,662**	**687,501**	**768,161**	**Total**	**1,298,657**	**578,951**	**714,638**

Customer Concentration:
Two customers comprise 86% of total revenue during the three-month period ended August 31, 2025 (three customers had 90% of total revenue during the three-month period ended August 31, 2024). One customer comprised 45% of White Label revenue during the three-month period ended August 31, 2025. (Three customers had 95% of White Label Revenue for the second quarter of fiscal year 2025) One customer comprised 100% (2024 – 100%) of services revenue and 79% of total revenue.

Geographic Information:
All of the Company's operations and assets are in Canada.

Financial results

The following Table provides a more detailed breakdown of the Company's financial results for the year ended February 28, 2025, compared with the year ended February 29, 2024:

	Three-month period ended August 31 2025	Three-month period ended August 31 2024
(expressed in thousands of Canadian dollars - audited)	**$**	
Revenue	672,921	515,916
Cost of sales	296,471	187,920
Gross Profit	**376,450**	**327,996**
Operating Expenses		
Personnel	416,976	351,868
Stock-based compensation	72,723	241,937
General and administrative	175,319	381,739
Sales and marketing	99,632	133,731
Research and development	19,389	26,019
Depreciation	135,198	50,215
Interest & accretion	282,687	242,146
Total operating expenses	**1,201,924**	**1,427,655**
Net Loss comprehensive loss	**825,474**	**1,099,659**

The comparative losses reflect the following:

Expenses

Increased revenue from the services provided to a key account under a pre-commercialization agreement for developing a nicotine infused strip. Revenue of $496 (2025 - $246) was paid in USD at the average rate of exchange of 1.38. The Company, in turn, pays its collaborative partner in the project 50% of the fees paid by the customer;

A decrease in the revenue for the delivery of cannabis infused strips under White label Agreements to $173. In the prior fiscal year, the revenue of $ 250 included first time delivery for a new customer.

Base rent and common area maintenance costs increased from an average of $30 to $50 per month for the three-month period ended August 31, 2024 and 2025 respectively in connection with the lease agreement effective March 1, 2025. The existing Health Canada cannabis site license and a planned expansion of the production facilities for producing pharma grade products were the contributing factors to extending the lease at the present in spite of the 67% increase in rental costs incurred within the lease.

Share based compensation costs were reduced to $72 from prior's years quarterly cost of $241.

Summary of Quarterly Results

The following table provides a comparison of the results for each of the previous eight quarters:

(expressed in thousands of dollars)	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	30-Nov	28-Feb	31-May	31-Aug	30-Nov	28-Feb	31-May	31-Aug
	CY2023	CY2024	CY2024	CY2024	CY2024	CY2025	CY2025	CY2025
	$	$	$	$	$	$	$	$
Revenue:	233	193	399	516	501	679	783	672
Net Loss:	(981)	(2,843)	(1,256)	(1,100)	(1,364)	(1,177)	(724)	(825)
Per share loss	(0.01)	(0.02)	(0.01	(0.01	(0.01)	(0.01)	(0.01)	(0.01)

Liquidity and Capital Resources

The Company has operated primarily as a product development company since its inception and begun generating revenue from oral thin film strip formulations revenue through both in house production and licensing. The Company has financed its first years of operations with equity and debt financing. As at August 31 2025, the loss from operations and working capital deficiencies limit the Company's ability to fund its operations.

On July 19, 2024, the Company raised $309,000 through the issue of 1,817,648 common shares at $0.17 per share. On October 29, 2024, the Company raised $542,000 through the issue of 3,188,232 common shares at $0.17 per share. In connection with the offering, the Company incurred shares issuance costs totaling $80,081 consisting of legal and financing fees.

The Company closed on $660,000 of subscribed units in three tranches during the year ended February 28, 2025 bringing the total amount raised in the private placement to $1,930,000. Each Unit was priced at $0.17 and consisted of one (1) common share of the Company (a "Common Share") and one (1) common share purchase warrant of the Company (a "Warrant"). Each Warrant is exercisable to acquire one (1) Common Share at a price of $0.20 per Common Share for a term of two (2) years from the date of issuance of such Warrant. During the year ended February 28, 2025, the Company issued 3,882,349 Common Shares and 3,882,349 Warrants in connection with the closing of private equity placement. Included therein were 232,940 non-transferable agent warrants (each, an "Agent Warrant") equal to 6% of the number of Units issued to investors in the Financing that were introduced to the Company by the Agent. Each Agent Warrant will be exercisable to acquire one (1) Common Share at a price of $0.20 per Common Share for a term of two (2) years from the date of issuance of such Agent Warrant amounting to $28,251. In addition, the Company paid share issue costs of $39,600, representing 6% of the proceeds from the private placement;

In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company.

The following table details the current assets and liabilities which comprise the work capital deficiency as at August 31 2025:

Working capital breakdown:	**$**
Cash and cash equivalents	8,570
Amounts receivable	685,913
Inventory	200,283
Prepaid expenses	103,481
Total current assets	**998,247**
Less:	
Accounts payable and accrued liabilities	4,444,135
Notes payable	333,500
Unearned revenue	15,640
Secured convertible notes	2,852,216
Current portion of lease liability	15,640
Total current liabilities	**7,881,078**
Working capital deficiency	**6,882,830**

The working capital deficiency includes the secured convertible notes maturing November 30, 2025. The Company requires liquidity to repay the note obligations or seek conversion or extension alternatives. The Board and Company are working to address the availability of the cash resources through development of a sales stream to complement its nicotine initiatives, to monetize capital and intellectual property assets and to access capital markets. A combination of these liquidity strategies is being deployed to provide the necessary liquidity.

For the year ended February 28 2025, the Company had an average monthly cash burn rate of approximately $320,000 (FY2024 - $275,000). The Company conserved cash through managing vendor payment terms and the timing and amount of the consideration paid for trade payables. On May 30, 2025 the Company settled $377,647 of vendor payables by the issue of 1,888,237 common shares.

The Company is addressing its liquidity requirements as a vital component of its product development strategies. The Company requires access to sufficient financial resources to finance its vaccine program, its development of market awareness for its nutraceutical product lines and for managing its ongoing operations which are building a sustainable revenue stream through white label manufacturing. The Company has previously utilized private placement financing for serving its liquidity requirements.

The pharmaceutical vertical relationship has been initiated with Skycare Compounding. Effective September 15, 2024, the Company and Skycare engaged the services of a dental associate for the purpose of introducing OTF strips containing Lidocaine, an active pharmaceutical ingredient used in dental clinics and surgeries. The co-development strategy has enabled the Company to accelerate pharma product development utilizing its existing equipment and technical expertise with resulting cost control and minimized cost outlays.

Products under development can be sold into the Canadian medical marketplace through Skycare providing a source of revenue for the Company with cost control. This strategy of leveraging its technology with strategic partners enables the Company to accelerate access to markets it could not enter without significant financing. The analysis of the Canadian market for the products under development indicate the need and size of the market can generate sufficient sales volumes in the early stages of the selling cycle to enable the Company to access its market acceptance and potential for further penetration and scale up of pharma-based products.

The Company has received significant international interest in its vaccine development programs. In May 2022 the Company was asked to participate in a global program at the 6th UNECE International Public-Private Partnerships (PPP) Forum and was shortlisted as one of the top four finalists of the UNECE entries. The submission centered on equitable access to medicines, vaccines, and nutritional supplements, with a particular emphasis on childhood immunization, which is key to reducing infectious disease-related morbidity and mortality

in developing countries. UNECE recognized the development of the Company's proprietary, temperature and humidity-stable, oral thin film technology, QuickStrip™ - which can be used for vaccines, pharmaceutical and nutraceutical products - and the Company's aim to widen access to health and wellness products across the world.

The Company has completed its first shipment of nutraceutical product to Bodhi Health, a Canadian distributor providing expertise in the delivery of health and wellness products to the Canadian consumer market.

The Company had a product development agreement focused on nicotine and the cessation of smoking with an international company with access to the global market . The agreement has been amended over the prior three years since its initial agreement on December 15, 2022, increasing the monthly fees for services from $USD30,000 to USD$60,000 effective June 2024 and to USD$120,000 effective December 19, 2024. The agreement has now been extended to April 3, 2026 in order to complete pre-commercialization milestones, including patent reviews. An ensuing commercialization agreement to provide OTF strips utilizing the requested active ingredients would include access to the necessary working capital to finance intellectual property and production to enable the Company to fulfill a commercial agreement.

The Company's primary operating costs are personnel and occupancy, both utilized in the White Label manufacturing vertical. The Company does not yet produce and sell sufficient quantities to attain a level of profitability required to support the licensing and costs structure for the cannabis product vertical. The Company had obtained Ontario Cannabis Stores (OCS) product approvals to sell its own brands through the highly regulated Ontario cannabis retail outlets. In early 2025, after twelve months of selling through the OCS channels the Company elected to pull out of the retail market as the required marketing support costs for the retail recreational market throughout Canada was not economically feasible. The success and sustainability of the OTF formulation and production processes provide the Company with the capability of access liquidity for the business in three ways:

1) Penetration of the market in Canada through direct selling which becomes feasible when Health Canada separates the CBD and THC regulatory licensing and sales channels;
2) Entering into licensing agreements for the rights to use the Company's technology and equipment for international markets;
3) Monetization of the Canadian cannabis vertical through a strategic partnership or outright sale of the division to a Canadian licensed producer.

Each of these alternatives form part of the decision making regarding the Company's liquidity and access to financial resources in the 2026 fiscal year.

The Company is currently reliant on short term financing with maturities of secured convertible notes occurring in the fiscal year 2026. The unsecured convertible loan of $100,000 which matured on August 8, 2024, was repaid at that date. The related party loan of $250,000 which matured on September 22, 2024, was also repaid on the maturity date and the security agreement thereto released. The Company currently has short-term notes amounting to $332,500 which will be applied to a private placement offering or repaid in part or in whole on completion of a capital raise. Access to capital markets is required by the Company during fiscal 2026 in order to provide the Company with sufficient financing alternatives.

The Company has financing available through the issue of 27,893,393 warrants (11,557,036 warrants at $0.14 and 16,336,357 at $0.20) issued during the 2024 fiscal year in connection with its related party debt, equity and convertible note financing. The 11,557,036 warrants were issued in connection with the secured convertible note financing and expire on November 30, 2025.

The Company is currently exploring an extension agreement with its secured convertible noteholders to defer repayment for a further six months beyond the notes' current maturity date of November 30, 2025. There can be no assurance that the noteholders will agree to such an extension. In the event the notes are not repaid by maturity, and an extension agreement is not reached, then the notes would be in technical default, and the noteholders could decide to enforce on their security. The Company is also exploring alternative financing options to secure the necessary funds to repay the notes; however, the outcome of such discussions is uncertain. Failure to obtain such an extension or financing may result in a default under the notes and have a material adverse impact on the Company's working capital and financial condition.

The Company issued 2,500,000 stock options to non-management directors on February 23, 2024, at an exercise price of $0.15 per common share, 9,350,000 options to management and advisors on April 1, 2024, at an exercise price of $0.18 per common share and 850,000 options to employees and a services contractor on October 25, 2024, at $0.24 per share with a twenty-four-month exercise period.

Promoters

Mark Upsdell was considered a promoter of the Company in 2018 by having taken the initiative in substantially reorganizing the business of the Company in connection with its amalgamation and reverse takeover transaction which resulted in the Company's common shares listing on the Canadian Securities Exchange. Mark Upsdell continues to be a promoter of the Company due to his continued involvement in the governance and management of the Company and his shareholdings in the Company. Mr. Upsdell is currently a director as well as the Chief Executive Officer and President of the Company and owns 12,711,527 common shares of the Company representing just under 10% of its issued and outstanding shares including common shares issued for the payment of interest and fees on the convertible note of $500,000. Mr. Upsdell holds 2,500,000 warrants which may be exercised at $0.14 per warrant exchangeable for one common share with expiry on November 30, 2025. Mr. Upsdell also owns 1,500,000 stock options exercisable at $0.18 per share for twenty-four months, issued on April 1, 2024.

Pursuant to an employment agreement between the Company and Mark Upsdell for his services as Chief Executive Officer and President of the Company, Mr. Upsdell is compensated at the rate of $300,000 annually. During the Covid-19 pandemic, Mr. Upsdell agreed to temporarily waive a portion of his compensation in order to conserve the Company's cash resources and his base salary was accordingly set at $150,000. Depending on the Company's financial position going forward, Mr. Upsdell's base salary may return to the amount entitled under his employment agreement, subject to the approval of the Board of Directors.

Changes in key management personnel

Date	Change
August 28, 2024	Jason Lewis, Vice President Business Development, was appointed to the Board of Directors of the Company
February 7, 2024	Angela O'Leary was appointed a Director to the Board of Directors of the Company
September 18, 2023	Andrew Duckman resigned as Director from the Board of Directors
August 1, 2023	Andrew Duckman, Christine Hrudka and Marissa Cornacchia were appointed Directors to the Board of Directors of the Company
April 14, 2023	John McKimm was appointed a Director to the Board of Directors of the Company
April 14, 2023	Jason Lewis resigned as Director form the Board of Directors
March 19, 2022	Thomas Bryson's employment contract with the Company ended on March 19, 2022 and was not renewed.
March 19, 2021	Thomas Bryson was appointed President of Rapid Dose Therapeutics Corp.
August 3, 2020	Peter Thilo Hasler was appointed as a director
August 29, 2020	Ken Fox resigned as a director.
February 28, 2020	Doug Hyland was named interim Chief Financial Officer ("CFO") to hold the position until such time as a replacement CFO was appointed.
February 20, 2020	Donald Sheldon resigned as a director and Miles Nagamatsu resigned as Chief Financial Officer.

Advisory Board
There are members on the Company's Advisory Board.

Rodney Butt MSc MBA
Rod is a Global Prescription Product Development Professional with more than thirty years experience in defining strategic options to bring unique products through the Clinical/Regulatory requirements. Rod coordinates the Company's Research and development projects with research, institutional and pharmaceutical collaborators on the Company's product development efforts.

Dr. Glogauer
Dr. Glogauer is the Dentist in Chief at the University Health Network and Princess Margaret Cancer Centre and a Full Professor in the Faculty of Dentistry at the University of Toronto. His keen interest in research makes Dr. Glogauer the ideal Scientific Director at the Centre for Advanced Dental Research and Care at Mt. Sinai Hospital and the Chief Scientific Officer and Founder of Ostia Sciences Inc.

The Advisory Board has been constituted to provide guidance to management and the Board of Directors regarding strategic initiatives relating to the development of the Company's intellectual properties. Advisory Board members are eligible for Share Purchase Options granted pursuant to the Company's Stock Option Plan.

On December 15, 2021, 250,000 share purchase options were issued at $0.55 per share, vesting semi-annually over two years and expiring on December 15, 2026. On January 5, 2022, 200,000 share purchase options were issued at $0.51 per share vesting semi-annually over two years and expiring on January 5, 2027. The options were cancelled on February 28, 2025, and replaced with options at the option price of $0.18 on April 1, 2025.

Statement of Corporate Governance

National Instrument 58-101: *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the Company to disclose, on an annual basis, its approach to corporate governance with reference to the governance guidelines provided in National Policy 58-201: *Corporate Governance Guidelines* ("NP 58- 201").

The Company has reviewed its corporate governance practices under the guidelines contained in NP 58- 201. The Company's practices comply generally with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current state of development and therefore the Company's governance practices do not reflect these particular guidelines. Set out below is a description of the Company's corporate governance practices as required to be disclosed by NI 58-101.

Board of Directors

As of the date of this MD&A, the Board is comprised of seven directors. Mark Upsdell and Jason Lewis are not independent because of being the Chief Executive Officer of RDT and SVP Business Development respectively.

Directorships

One independent director is currently a director of other issuers that are reporting issuers (or the equivalent) in a jurisdiction in Canada or abroad.

Orientation and Continuing Education

Changes to the Board are infrequent so there is no need for a formal orientation program for directors. The Board does not provide formal continuing education for directors. Directors of RDT maintain the skill and knowledge necessary to meet their obligations as directors through a combination of their existing education, experience as businesspersons and managers, professional continuing education requirements, service as directors of other issuers and advice from RDT's legal counsel, auditor and other advisers.

The Company does not offer a formal orientation and education program for new directors. The new directors familiarize themselves with the Company by speaking to other directors and by reading documents provided by the executive officers.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the "**Code**"). The Code provides guidance on the conduct of the Company's business and sets out the principles and procedures to be adhered to by the Company's Directors, officers, employees and consultants.

Directors and officers of RDT are expected to disclose dealings in the industry in which RDT operates. They are also subject to the general obligation under corporate law to declare and fully disclose any conflict of interest, refrain from participating in any discussion and not vote on any material contract or transaction with RDT in which the applicable director or officer has an interest. Accordingly, any related party contract or transaction would require approval of the directors who are independent of the contract or transaction or, if there is no director who is independent of the contract or transaction, shareholder approval or ratification.

The Board monitors the ethical conduct of the Company and its management and ensures that it complies with applicable legal and regulatory requirements.

Nomination of Directors

RDT does not have a formal process or committee for proposing new nominees to the Board.

Compensation

The Board has appointed a compensation committee who recommends compensation and employment policy to the Board. The Board is responsible for determining the compensation (including long-term incentives in the form of stock options) to be granted to RDT's executive officers (including the chief executive officer) and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position.
Management directors are required to abstain from voting in respect of their own compensation, thereby providing any independent members of the Board with considerable input as to executive compensation.

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for executive officers. Neither the Company nor the Board currently has any contractual arrangement with any executive compensation consultant. The Board reviews and makes determinations with respect to executive officer compensation on an *ad hoc* basis. When determining executive officers' compensation, the Board reviews the performance of executive officers based on their achievements during the preceding year.

The Board uses all the data available to it to ensure that the Company is maintaining a level of compensation that is both commensurate with the size of the Company and sufficient to retain key personnel.

In reviewing comparative data, the Board does not engage in benchmarking for the purpose of establishing compensation levels relative to any predetermined level and does not compare its compensation to a specific peer group of companies. In the Board's view, external data provides insight into external competitiveness, but it is not an appropriate single basis for establishing compensation levels. External data is considered, along with an assessment of individual performance and experience, the Company's business strategy, and general economic considerations.

Board Committees

The standing committees of the Board are:
1) Governance and Compensation Committee, chaired by Christine Hrudka; and
2) Audit Committee, chaired by John McKimm.

Assessments

The Board has responsibility for assessing the effectiveness of the Board as a whole, and the contribution of individual directors. Due to the small size of the Board, no formal process is in place. Shareholders have the ultimate authority to determine whether to re-elect the current directors or to elect one or more replacement directors.

The directors, the Board and its committees are assessed on an ongoing basis by reviewing their respective attendance and performance. The Board expects to establish a formal assessment process in the future.

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On behalf of the management and the Board of Directors, thank you for your continued support:

"Mark Upsdell" , **Mark Upsdell, Chairman and CEO**