

ROYALTY AGREEMENT AND PRODUCT LICENSE

This Royalty Agreement and License (the "Agreement") dated as of February 1, 2021, is between Callitas Therapeutics Inc., a Kentucky corporation ("Licensor"), and 1288339 B.C. Ltd., a British Columbian corporation ("Licensee").

WHEREAS, Licensor owns the Patents, Intellectual Property and Trade Secrets (defined below); and

WHEREAS, Licensor will allow Licensee to utilize formulas as specified in Exhibit A and attached to this Agreement (the "Formulas") using the Patents, Intellectual Property and Trade Secrets and to manufacture, market, import, export and sell these products; and

WHEREAS, Licensee desires to have Exclusive Distribution rights to the Formulas for sale in the specified Territories; and

WHEREAS, Licensor desires to grant Exclusive Distribution rights to Licensee and Licensee desire to manufacture, market, sell and distribute the Formulas;

DEFINITIONS:

In the Agreement, unless a contrary intention appears, the following words and phrases are defined as follows:

- (a) "Licensed Products" means all material, composition, or other product or service, the manufacture, use, import, offer to sell or sale of which would constitute, but for the license granted to Licensee herein, an infringement of the Technology;
- (b) "Patents" mean all intellectual property, including but not restricted to rights emanating from the Patents and Patent applications outlined in Schedule A, and any expansions thereon from time to time;
- (c) "Intellectual Property" means all rights emanating from the Patents and Trade Secrets;
- (d) "Territories" means Canada, Netherlands and Jamaica.
- (e) "Trade Secrets" means those processes, formulas, customer lists, and other attributes of the development and the business of commercializing the Technology.
- (f) "Technology" means Patents, Trade Secrets and all related intellectual property and know how related thereto those products and Formulas as set out in Schedule A hereto.

NOW, THEREFORE, in consideration of the mutual promises made herein, the parties hereto (the "Parties") hereby agree as follows:

1. License Grant. Licensors hereby grants to Licensee a License to use the Patents, Intellectual Property and Trade Secrets to the Formulas to manufacture (or have manufactured), market, import, export and sell Licensed Products in the Territories. Patent Applications (unless such claim is rejected) or any patent issued thereunder.
2. Term. This License shall be for a term of 5 years, with the Licensee having an option to renew for another 5 years on existing terms. In the event that the Licensee has not taken reasonable steps to commercialize the Technology within 18 months from the date hereof, this License shall become a non-exclusive license.
3. License Acceptance and Acknowledgment. Licensee accepts the License and acknowledges that Licensors owns the Patents, Intellectual Property, Trade Secrets, Formulas and all rights to the Formula. Licensee acknowledges and agrees that Licensee has no rights to use the Patents, Intellectual Property, Trade Secrets or Formulas or manufacture, market, import, export or sell the Licensed Products except as granted under this Agreement, and may not assign or transfer the license without express consent of the Licensors. Licensee shall also have an option to acquire an oral strip manufacturing machine for an amount to be determined and will assume the costs of any samples needed prior to production.
4. Included Sublicense. The License granted herein includes a sublicense to any third party who manufactures the Licensed Products for Licensee or any of its subsidiaries. The License granted herein also includes a sublicense to each of Licensee's subsidiaries and their distributors and members to market, import, export and sell the Licensed Products in the Territories.
5. Exclusivity. During the Term of this Agreement, Licensors will not grant a license to manufacture (or have manufactured), market, import, export or sell the Licensed Products to any Person (meaning any individual, group of individuals, or entities) in the specified Territories.
6. Territories: In addition to the immediate grant of the rights hereunder in the Territories, the Licensee shall have the right of first refusal to all additional territories on the terms contained herein or on other mutually agreeable terms.
7. Royalty & Term. Licensee will grant to Licensors an exclusive 5 year license for the Technologies for the Territories, which can be renewed by the Licensee for an additional 5 year term at its discretion. In return for the License, the Licensee will provide the Licensors with a cash payment of US \$ 250,000 (\$25,000 of which will be paid upon execution hereof, \$100,000 at the earlier of 6 months from the date hereof and the patent grant, with the balance of \$125,000 being paid at the Licensee's option by a

mix of cash and Licensee shares on the six month anniversary date hereof) and a royalty of 5% on gross sales.

8. Records. Licensee agrees to keep adequate and sufficiently detailed records to enable Licensee's financial obligations as required under this Agreement to be readily determined and provide such records for inspection and copying by Licensor's authorized representatives, with reasonable notice, at any time during Licensee's regular business hours. Licensee agrees to make any records that it is required to generate or maintain under the terms of this Agreement available for inspection by Licensor's authorized representatives for three (3) years after the last royalty period to which the records refer. Licensee shall provide a report showing the number of units sold in each month and the total dollar royalty paid to Licensor, net of product returns, as determined by Section 5, above. The royalty report shall be sent by the 30th of the month for the prior month's royalty calculation

9. Licensor's Warranty. Licensor represents and warrants to Licensee that Licensor is the sole owner of all rights in and to the Formulas and that Licensor has all rights and interests required to grant the rights under this Agreement to Licensee without violating any agreement Licensor has with any third party and without infringing the intellectual property rights of any third party. LICENSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, PATENTABILITY OR USEFULNESS OF ANY OF THE FORMULAS OR LICENSED PRODUCTS.

10. Patent Prosecution and Indemnity. Licensor agrees that it will diligently prosecute the Patent Applications, and will indemnify and hold harmless Licensee from any claim that Licensee's use of the Inventions (as licensed hereunder) infringes on any other person's intellectual property rights.

11. General Confidentiality Provisions.

Confidential Information Defined. For purposes of this Agreement, the term "Confidential Information" shall mean any and all information with respect to the business, services, production processes, products, business plans, technologies, systems, formulae, specifications, customers, sales, marketing and service methods or strategies of Licensor or Licensees, including, but not limited to, trade secrets, data, analyses, compilations and reports, proposals, estimates, marketing plans and strategies, sales forecasts, pricing and cost information, customer lists and contacts, product specifications, new product information, research and development information, software, inventions, know how, product formulae, tax returns, financial statements, reports and other business information of Licensor or Licensees. "Customers" means all

purchasers of products or services, including without limitation distributors, members and consumers. All of the foregoing information, whether oral or written, furnished by one party to another under this Agreement, or any of their respective agents, employees, owners or other representatives, together with analyses, compilations, notes of conversations and other documents prepared for or by a receiving party that contain or otherwise reflect Confidential Information, is also included within the term "Confidential Information."

Non-Disclosure. Licensor and Licensees agree to hold the Confidential Information in the strictest confidence and not to at any time, during or after the termination of this Agreement, directly or indirectly, intentionally or inadvertently, disclose any Confidential Information to any third party. Licensor and Licensees will protect and guard the Confidential Information against disclosure, directly or indirectly, in the same manner that it protects the confidentiality of their own proprietary and confidential information and materials of like kind, but in no event less than a reasonable standard of care. Licensor and Licensees will also take reasonable steps necessary to avoid inadvertent disclosure of all Confidential Information and materials in their possession.

Use of Confidential Information. Licensor and Licensees agree not to use any Confidential Information at any time, in any fashion, form or manner, for any purpose other than as contemplated in this Agreement without the express written consent of Licensor. Licensor and Licensees shall not at any time, during or after the termination of this Agreement, use any Confidential Information for their own benefit or for the benefit of any third party.

Access to Confidential Information. Licensor and Licensees agree to restrict access to all Confidential Information to their owners, directors, officers, employees, agents, accountants, attorneys and other representatives solely on a need-to-know basis for the purposes contemplated in this Agreement. Licensor and Licensees further agree to be responsible for ensuring that their representatives comply with the terms of this Agreement and the confidentiality obligations contained in this Agreement.

Return of Confidential Information. All Confidential Information made available to Licensor and Licensees under this Agreement, including without limitation, all abstracts and copies of Confidential Information, must be immediately returned to the party who supplied such information upon the termination of this Agreement or upon the earlier request of such party. Any materials prepared by Licensor and Licensees which contain or are related to or which utilize Confidential Information, including copies, summaries or abstracts must be destroyed upon termination of this Agreement.

12. Survival of Confidentiality Obligations. The parties agree that the terms of Section 11 shall survive the termination of this Agreement for a period of 2 years.

13. Irreparable Harm. Each party agrees that a party will suffer irreparable harm in the event that the other party or any of its representatives should fail to comply with any of the obligations set forth in Section 11 above, and that monetary damages will be inadequate to compensate for such a breach. Accordingly, the parties agree that each party, in addition to any other remedies available at law or in equity, will be entitled to temporary, preliminary and permanent injunctive or other equitable relief to enforce the terms of Section 11 above in the event of a breach thereof by the other party.

14. Headings. The headings on the sections are for reference only and are not to be used for construction purposes.

15. Notices and Payments. All notices, communications and payments shall be made to the parties at the address shown on the signature page hereof, or such other address as one party may from time to time give in writing to the other party. Any notice, report or any other communication required or permitted to be given by one Party to the other Party by this Agreement shall be in writing and either: (a) served personally on the other Party; (b) sent by express, registered or certified first-class mail, postage prepaid, addressed to the other Party at its address as indicated above, or to such other address as the addressee shall have previously furnished to the other Party by proper notice; (c) delivered by commercial courier to the other Party; or (d) sent by facsimile to the other Party at its facsimile number indicated above or to such other facsimile number as the Party shall have previously furnished to the other Party by proper notice, with machine confirmation of transmission. All payments shall be made via wire transfer to the bank account of the Licensor.

16. Severability and Waiver. If one or more of the provisions of this Agreement are or become legally ineffective or invalid, the validity of the remaining provisions of the Agreement shall not be affected thereby. The waiver of any breach of the Agreement by either party hereto in no event constitutes a waiver as to any further breach, whether similar or dissimilar in nature.

17. Survival. Any covenant contained in this Agreement, which, by its terms, requires performance by a party after expiration or termination of this Agreement will be enforceable notwithstanding expiration or termination of this Agreement for any reason whatsoever, and shall survive such termination or expiration.

18. Assignment: In the event that Licensee transfers the License or merges with a public company, 1,000,000 common shares of that public company will be paid to the Licensor.

19. Counterparts. This Agreement may be executed in any number of counterparts, all of which together are deemed to constitute one and the same agreement.

20. Governing Law, Exclusive Jurisdiction and Venue. All questions concerning the construction, validity, enforcement and interpretation of this Agreement and all claims and disputes relating to this Agreement shall be governed by the internal laws of the Commonwealth of Kentucky, United States of America, without giving effect to any choice of law or conflict of law provision or rule (whether of the Commonwealth of Kentucky or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the Commonwealth of Kentucky. All Parties hereto consent to the exclusive jurisdiction of the courts of the United States of America, Commonwealth of Kentucky located in Campbell County, Kentucky and the United States Federal Courts located in Kenton County, Kentucky in any and all actions and proceedings arising under this Agreement.

21. Entire Agreement. This Agreement supersedes any past oral or written commercial discussions or agreements between the parties concerning the Formulas and sets forth the entire understanding of the parties and will not be modified without the express written consent of all parties.

22. No Waiver. The failure of Licensor or Licensee to terminate this Agreement by reason of the breach of any of its provisions by the Licensor or Licensee, or the failure to exercise any other rights or remedies under this Agreement, will not be construed as a waiver of the rights or remedies available for any subsequent breach of the terms and provisions of this Agreement.

23. Attorneys' Fees and Costs. In any action or proceeding to enforce or constitute this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party reasonable attorneys' fees and other costs and expenses of pursuing or defending the action or proceeding.

IN WITNESS WHEREOF, the parties hereto by their duly authorized representative have executed this Agreement on the day and year first above written.

Licensor's Address:

187 Pavilion Parkway
Suite 200
Newport, KY 41071
E-mail: bkeane@callitas.com

Licensee's Address:

Licensor:

Callitas Therapeutics Inc.

By: Brian D. Keane
Its: CEO

Licensee:

1288339 B.C. Ltd.

By: [Signature]
Its: President

EXHIBIT A

The following products and the intellectual property used in them (together the "Technology") shall be the subject of the License:

- a) Novel substrate delivery process of Psilocybin/Psilocin for micro dosing and bioavailability
- b) Patent application _____