PROTEIN RESEARCH

Date: 05/22/2020

Gurinder Sandhu
Rritual Mushrooms Inc.
3785 Warren Street
Burnaby, BC v5g2g6 Canada

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Dear Mr. Sandhu,

Thank you for your interest in working with Protein Research. This letter constitutes a Development Services Agreement between **Protein Research** and **Rritual Mushrooms Inc**, hereinafter referred to as "Customer."

ABOUT PROTEIN RESEARCH

We are an industry leading manufacture of nutritional supplements, powders, and premixes.

Our vision is to produce unique, high quality products for health and wellness for our customers, we help maximize your growth which then secures the value and success of our company.

Our Values

- **People** - Respect, teamwork, giving ones best
- **Partnerships** - with our customers and suppliers
- **Quality** - safe product with quality throughout the entire supply chain
- **Innovation** - forefront of new materials, products, and equipment
- **Continuous Improvements** - Processes, trainings, products, and solution-based management

OBJECTIVE

Customer has asked Protein Research to develop 4 mushroom elixir SKU's with specific nutritional requirements and conduct pilot trial runs on this formulation if needed once the formulas are finalized and have been evaluated. The product will be packaged in stick packs that will then be packaged into a tin/display box container. Customer will supply the film and tin/display box for packaging.

Customer is the sole owner of the product formula and is responsible for any notification of new dietary Ingredient (NDI)/Novel Food (NF) to FDA. Customer is fully responsible for the safety, efficacy, and claims made based on the provided formula.

SCOPE OF WORK

Protein Research will perform the following services:

Stage 1a: Preliminary Formula Development (On-Paper)

1. Receive and review the following information from Customer:
    - Completed Product Development Overview (PDOS)
    - Formula, product specification and/or label if available
    - Packaging Requirements
    - Any other information pertinent to the success of the formulation development

2. Schedule and conduct initial team call to review and update information for the PDOS and identify key team members for the project.

3. Following receipt of a signed PDOS, the development team will:
    - Source raw materials: if new materials are required to meet the development guidelines, Customer will be notified as additional fees will apply (see pricing section).
    - Review specifications, allergens, and nutritional information for each raw material for suitability to meet PDOS requirements
    - Source packaging suppliers and receive quotes and samples (if needed)
    - Create initial product formulation (draft, on-paper) and submit to Customer for review. This will include preliminary formula costing, nutritional calculations, and any vitamin/mineral/nutrient overages.

4. Conduct a conference call to review draft formula for approval to move on to bench top formulation. Repeat steps 3-4 up to maximum hours or agree on additional hours for this stage or move to next stage of development.

Stage 1b: Bench Top Formula Development

1. Following approval for bench top work, the development team will:
    - Consider costing of raws when setting up the formula to meet customer target price point
    - Conduct bench top screening of raw materials
    - Create prototype formulations
    - Prepare and package up to 3 prototypes (up to 8 servings of each) to Customer for evaluation (note: samples will be identified with an "R" number code). Prototype samples will be packed in sampling containers not in the final package type).

2. Send samples to Customer with an accompanying sensory form.

3. Receive and review completed sensory form from Customer. Based on Customer feedback, revise prototype formulations as in step 5-6 for up to two additional submissions (three total rounds of sampling).

4. If additional rounds of formulation are requested, there will be an additional fee (see pricing section). This is optional.

5. Once prototype formulation is approved, initiate the following:
    a. Update and confirm plan and service fees for pilot production
    b. Develop Full Quote
    c. Develop preliminary packaging

- Provide information on packaging requirements; packing specifications, supplier information
- Provide a COI
- Submission of sensory forms following each prototype formula sample iteration
- Final approval and sign off on formula sheet and packaging specification
- Provide a PDF of Label graphic design
- Regulatory and Legal review of labels
- Shelf life/Sensory Evaluation (expiration date) testing or Stability - Label claim testing
- Provide sign-off on Finished Product Specification- Finalize prior to 1st Production Order
- ETA on customer supplied packaging components for pilot or 1st production run

EXCLUSIONS FROM AGREEMENT

This Development Services Agreement does not include the following services:

- On-going manufacturing agreement
- Stability or shelf life testing
- Regulatory or legal label review

PRICE ESTIMATE

Pricing is based on scope of work as outlined above, if changes are necessary during the project, changes will be confirmed in writing and pricing will be adjusted as accordingly.

DESCRIPTION	SERVICE FEES
Stage 1a: Preliminary Formula Development (On-Paper)	$2,500 for up to 25 hours plus expenses*
Stage 1b: Bench Top Formula Development	$2500 for up to 3 iterations plus expenses*
Stage 2: Pilot Trial with homogeneity and label claim testing	$ TBD plus expenses*
Options: - Additional on-paper formulations - Additional round of bench top prototype - New raw material sourcing and qualification (includes customer supplied ingredients) - CCOF label review	 $2,500 per each addition 25 hours $500 per each additional iteration $ 1400.00 per each new raw material $700.00 per new nonactive raw material (flavor/cocoa/sugar) $200 - $500/product depending on turnaround time

*Extra expenses will include raw material costs, packaging costs, supplies, shipping, analytical and nutrient testing, full label claim testing, microbiological testing, homogeneity testing, etc.

SCHEDULE

The project will begin upon a mutually agreeable date upon receipt of customer information required to initiate the project, and payment. The preliminary timeline is:

DESCRIPTION	ESTIMATE
Development through formula approval and CCOF label review	8 – 16 weeks
Pilot Trial with homogeneity and label claim testing	8 – 16 weeks

d. Initiate Genesis report and nutritional panel testing
e. Preliminary review of organic status

6. Submit pilot production estimate, quote, and preliminary label status to Customer for review and approval.

Stage 2: Pilot Production (if needed)

Following approval of pilot production plans and any change orders to the following scope, the pilot production will be scheduled. The process for conducting this pilot will be:

1. Prepare batch card for ideal pilot size
2. Determine ingredient/nutrient markers for blend homogeneity testing (2-3 markers).
3. Order raw material and packaging (note on packaging: generic, plain white, blank film, and blank carton/case packs, no graphics).
4. Clear raw materials for production (note: any new raw materials will be tested for verification against their certificate of analysis).
5. Schedule blend date.
6. Pre-weigh raw materials.
7. Blend formula.
8. Pull samples for homogeneity testing and send out for analysis.
9. Pack out product into required packaging.
10. Send samples out for micro clearance if pilot samples being used for consumer evaluations.
11. Send samples to Customer for review/approval or Customer is welcome to be on-site during packaging.
12. Receive test results. Review results for correlation to formulation and calculated nutrients and claims. If results pass. If results fail, initiate investigation.
13. Upon completion of production and Customer approval, send out for full label claim and heavy metals testing (Lead, Cadmium, Mercury, Arsenic) if needed.
14. Create nutrition facts panel and ingredient statement and list of recommended structure/function claims using pilot production data and calculations from Genesis. Genesis will not be used independently to create any values.
15. Submit documentation to CCOF for label and formula approval. If changes are needed may be repeated and additional fees for CCOF submissions may apply.

CUSTOMER RESPONSIBILITIES

- Approve PDOS prior to initiating development services, and update (as needed over course of project)

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have casued this Development Services Agreement to be executed by their duly authorized representatives as of the Effective Date.

Customer

By: *"Gurinder Sandhu"*

Name: Gurinder Sandhu

Title: Director & Co-Founder

Date: June 8, 2020

Protein Research

By: *"Ashley Scholl"*

Name: Ashley Scholl

Title: President

Date: June 8, 2020

Total	16 – 32 weeks

CHANGE ORDERS

Should Protein Research or Customer decide that this Development Services Agreement requires revision for modification to the scope, the changes will be confirmed in writing by a change order before work is performed.

PAYMENT

- Protein Research will provide a 100% deposit invoice for service fees upon signed approval of this Development Services Agreement.
- Any additional invoices for add-on service fees or direct expenses will be invoiced monthly as incurred.
- Deposit invoices will be due upon receipt.
- All other Invoices shall be payable within thirty (30) days of receipt of delivery.
- Each invoice shall set forth, in U.S. Dollars, the applicable price properly determined in accordance with the provisions of this Agreement.
- A late fee of 1.5% per month shall apply to any payment not received within thirty (30) days.

OTHER TERMS

- If a purchase order is required, the purchase order is incorporated into this Development Services Agreement. To the extent of any conflicts between the terms and conditions of the PO and the Development Services Agreement, the terms of the Development Services Agreement shall prevail.
- The point of the agreement is to lay out the expectation of the client and understanding of Protein Research and the work that is involved in creating a product going forward. The assumption is that Protein Research will do the contract manufacturing for the finished product once the development project is completed.