CONFIDENTIAL

pharma science

Product Clinical Manufacturing

Submitted to:
PharmAla Biotech Inc.
(hereinafter "**Client**")

Nicholas Kadysh
President
nick@pharmala.ca
647-528-2855

Submitted by:
Pharmascience Inc. 100
boul. de l'Industrie
Candiac, Quebec
J5R 1J1
(hereinafter "**Pharmascience**")

Client and Pharmascience may be hereinafter collectively referred to as the "**Parties**", and each individually as a "**Party**")

September 3, 2021
(the "**Proposal Date**")

CONFIDENTIAL

pharma science

October 21, 2021

Nicholas Kadysh
President
PharmAla Biotech Inc.
647.528.2855
nick@pharmala.ca

Proposal - Clinical Manufacturing for PharmAla MDMA (respectively the "**Product**" and the "**Project**")

Pharmascience would like to thank you for providing it the opportunity to submit its proposal for this Project.

This proposal has been made in good faith based upon product information received to date and is subject to review following receipt and discussion between the Parties for the Project (the "**Proposal**"). Pharmascience considers this Proposal to be proprietary and confidential. This Proposal, once executed, shall constitute a binding agreement of the Parties.

Should the content of this Proposal be agreeable, please sign it and return it to the attention of the undersigned within thirty (30) days of the Proposal Date. After such thirty (30) days, this Proposal shall become null and void.

Scope of Services:

The table below outlines the activities of the Project to be performed by Pharmascience on behalf of Client.

CONFIDENTIAL QUOTATION

Task	Estimated Project Expenses	Estimated Cumulative Expenses	Duration
PharmAla Biotech Inc. - Proposal			
1. Formal tox evaluation	$ 1,800	$ 1,800	1 weeks
2. Prepare specification for the active substance ready to be filled in capsules. Prepare specifications for the capsule size 0. Use a PMS stock item for the HDPE bottle.	$ 1,521	$ 3,321	3 weeks
3. Prepare Master documents to document GMP activities for product for filling in size 0 capsules and packing in HDPE bottles the 40mg, 120mg and placebo formulations.	$ 2,828	$ 6,149	2 weeks
4. Fill and pack 1200 capsules with 40 mg active substance in size 0 caps (target fill weight 40 mg), and pack in bottles of 45 caps, totaling 30 bottles. The remainder caps to be used for release testing.	$ 9,810	$ 15,959	2 weeks
5. Fill and pack 1000 capsules with placebo (granulated starch) in size 0 caps (target fill weight 120 mg), and pack in bottles of 45 caps, totaling 20 bottles. The remainder caps to be used for release testing.	$ 6,540	$ 22,499	2 weeks
6. Method transfer four methods: solubility, assay, excipient content, impurities (3). Method verification: dissolution, Water (KF).	$ 11,154	$ 33,653	12 weeks
7. Incoming material testing, Release testing except microbial analysis for all filled capsules formulation. No Microbial testing included in this offer.	$ 10,498	$ 44,151	6 Weeks
8. Project Management	$ 5,063	$ 49,213	24 weeks

Notes:

1. All primary and secondary components are in addition of these costs.
2. Microbial validation is not included in this Proposal.
3. Estimated expenses represent Pharmascience's good faith estimate based on the information provided by Client and the assumptions set forth in this Proposal. Should the work required by Pharmascience to complete any of the items indicated in the table above go beyond such good faith estimate for any reason whatsoever, Pharmascience shall inform Client of the additional costs required to complete the work. The work will only be completed once Client has agreed in writing to pay for such additional costs.

Invoicing:

Pharmascience will invoice the Project fees to Client as follows, and Client shall pay each invoice within thirty (30) days of the invoice date:

- 25% upon signing of this Proposal by both Parties;
- 25% upon initiation of the filling and packing (step 4 above);
- 25% upon completion of the filling and packing (step 6 above); and
- 25% upon completion of step 8 above.

Client expressly acknowledges that all payments made under this Proposal are non-refundable.

Unless expressly provided otherwise herein, all payments due or payable under this Proposal shall be in Canadian dollars.

All invoices issued by Pharmascience hereunder shall be paid by Client within thirty (30) days of the invoice date.

Standard exclusions and assumptions:

Except as expressly mention herein, Client and Pharmascience each hold and shall maintain during the term of this Proposal all necessary permits and licenses to perform the activities contemplated under this Proposal, including (i) for Pharmascience, the delivery of any Product manufactured hereunder in accordance with the terms herein, and (ii) for Client, the use by Client's customers of any Product manufactured hereunder. Should any such licenses or permits be suspended or withdrawn by the relevant regulatory authorities, then the Party's whose license or permit has been suspended or withdrawn shall inform the other Party of such suspension or withdrawal and shall immediately cease all activities hereunder.

Client acknowledges having been informed that the performance of the activities under this Proposal by Pharmascience is subject to and conditional upon (i) the issuance by the relevant regulatory authorities of the required amendment under its MDNA license, as well as (ii) obtaining/updating its transportation / export license for this type of product, as applicable, for delivery in Canada, Australia and/or Sweden.

Client represents and warrants that all materials provided hereunder will comply with all applicable laws.

Client further warrants that all Product manufactured by Pharmascience and delivered to Client's customers in accordance with the terms contained in this Proposal will only be used, distributed or sold in accordance with all applicable laws.

Client is responsible for providing the Active Ingredient and placebo to Pharmascience's facility in Candiac, Province of Quebec, Canada.

This Proposal does not contemplate the acquisition of any specific equipment or tooling not already owned by Pharmascience. Should any CAPEX be required to complete the Project, Pharmascience shall inform Client of the additional costs required to do so, and the Parties will proceed with an amendment to this Proposal before Pharmascience proceeds with the acquisition thereof. Expenses for consumables related to the Project, as applicable, will be charged to Client as pass through plus a fifteen percent (15%) administration fee. Expenses for additional testing (not included in #8 above) will be charged at Pharmascience standard testing rates for this type of service. Testing costs to be provided in advance.

In addition, Pharmascience is only responsible for its own permits and licenses. Preparation of the regulatory submission for the commercialization of this Product in any country is out-of-scope.

All delivery/export costs will be charged to Client at costs plus fifteen percent (15%) administration fee.

Subject to obtaining/updating its transportation / export license for this type of product, as applicable, Pharmascience is responsible for any required export documentation required in order to deliver the Product to Client's customers in Canada, Australia and/or Sweden; these documents (if necessary) will be prepared at Client's expense plus fifteen percent (15%) administration fee.

It is understood by the Parties that work will not be initiated until Pharmascience receives a copy of this Proposal signed from Client.

Pharmascience and Client, by signing below, agree to the scope, pricing terms and conditions described in this Proposal. Exhibit A contains Pharmascience's standard terms and conditions governing the work to be performed under this Proposal. By signing this Proposal, Client is agreeing to all terms and conditions contained in Exhibit A.

IN WITNESS WHEREOF the Parties have executed this Proposal with the intent to be bound thereby as of date mentioned below.

PHARMALA BIOTECH INC.

DocuSigned by:
Nicholas Kadysh
B06E03B599AA4B9...

Nicholas Kadysh
President
Date: 10/25/2021

PHARMASCIENCE INC.

Francis Timmons
Director, Financial Planning
Date: 10/26/2021

EXHIBIT A
Standard Terms and Conditions

1. Duration. This Proposal is valid for 30 days from the Proposal Date and becomes binding as of the effective date if signed and delivered by both Parties during that period. Once effective, this Proposal shall remain in full force and effect until the earlier of (i) the completion of all activities contemplated herein; (ii) the execution of another agreement in relation to the Project and/or the Product superseding this Proposal; or (iii) its termination pursuant to its terms.

2. Audits. Upon at least thirty (30) days prior notice to Pharmascience, Client may conduct one facility quality assurance audit per twenty-four (24) month period at no cost. Additional audits will be invoiced separately by Pharmascience to Client at the current rate for such services. Restrictions due to COVID may apply.

3. Regulatory Inspections. Pharmascience will promptly notify Client of any regulatory inspections directly relating to the Project.

4. Price Changes. Pharmascience may revise the prices provided in this Proposal if (i) Client's requirements change or any Client-provided information is inaccurate or incomplete, (ii) Client revises Pharmascience's responsibilities or the Project specifications, instructions, procedures, assumptions, processes, formulation, analytical filling and packaging, or (iii) for such other reasons as set forth in the Proposal.

5. Material. Subject to a project and procurement plan agreed to by the Parties, Client undertakes to provide all the agreed upon and required material (including the Active Ingredient) for the Project within 30 days prior to the dates that have been mutually agreed by the Parties. If Pharmascience is required to source any components or materials, Client will be charged at a pass-through cost plus 15%.

6. Payments. Pharmascience will invoice Client as set forth in the Proposal. A late payment fee of one and a half percent (1.5%) per month (or eighteen percent (18%) per annum) for payments not received by the invoice due date (or, if no date is specified on the invoice, then within thirty (30) days of the invoice date). Failure to charge for interest shall not constitute a waiver of Pharmascience's right to charge interest.

7. Taxes. All of the amounts expressed in this Proposal are exclusive and do not include any sales tax, value added tax or any other similar taxes required to be added to such amounts in accordance with applicable laws. Client shall be responsible for all taxes required to be paid in any jurisdiction in the world resulting from this Proposal or any related agreements under the Project.

8. Hazardous Materials. Client warrants to Pharmascience that no specific safe handling instructions are applicable to any Client-supplied materials, except as disclosed to Pharmascience in writing by Client prior to delivery. Where appropriate or required by law, Client will provide a Material Safety Data Sheet for all Client-supplied materials and finished product.

9. Shipment. Unless otherwise specified in this Proposal or in any subsequent agreements between the Parties, all products and other materials shipped by Pharmascience are delivered EXW (Incoterms® 2020) Pharmascience's designated facility in the Province of Quebec.

10. Limitation of Liability. Pharmascience's liability under this Proposal for any and all claims for lost, damaged or destroyed Client-supplied materials shall not exceed $25,000. To the fullest extent permitted by applicable laws, in no event shall either Party be liable to compensate the other Party for any indirect, special, punitive, incidental or consequential damages, or for loss of reputation, opportunities or profits, in connection with this Proposal or any breach thereof, whether any such loss or damage may be based upon principles of contract, warranty, negligence or other tort, the failure of any limited or exclusive

remedy to achieve its essential purpose, or for any other reason whatsoever, even if such party has been advised of the possibility of such loss or damages.

11. Confidentiality. The Parties have entered into a Mutual Confidentiality Agreement effective as of July 12, 2021 (the "**Confidentiality Agreement**"). The Parties agree that any disclosure of information pursuant to or in relation with this Proposal is subject to the terms of the Confidentiality Agreement, which is incorporated herein by reference. The Parties further agree that, irrespective of the term contemplated by the Confidentiality Agreement, the latter shall govern the Parties during the term of this Proposal and the greater of (i) a period of ten (10) years after its expiration or termination, for any reason, or (ii) the duration provided for under the Development and Supply Agreement. "**Confidential Information**" has the meaning given to it in the Confidentiality Agreement and for sake of clarity includes, without limitation (i) all information relating to the Project, the Project Scope and the Product, and (ii) the terms of this Proposal. In the event of any inconsistencies between the provisions of the Confidentiality Agreement and the provisions of this Proposal, the provisions of this Proposal shall prevail

12. Intellectual Property. For purposes hereof, "Client IP" means all intellectual property and embodiments thereof owned by or licensed to Client as of the date hereof or developed by Client other than in connection with the Project. "Pharmascience IP" means all intellectual property (including, without limitation, patents, patent applications, know-how, inventions, designs, concepts, improvements, technical information, trademarks or trade names) and embodiments thereof owned by or licensed to Pharmascience as of the date hereof or developed by Pharmascience other than in connection with the Project. "Invention" means any intellectual property developed by either Party in connection with the Project. "Client Invention" means any Invention that relates exclusively to the Project. "Process Invention" means any Invention that relates exclusively to the Pharmascience IP or relates to developing, formulating, manufacturing, filling, processing, packaging, analyzing or testing pharmaceutical products generally. All Client IP and Client Inventions shall be owned solely by Client and no right therein is granted to Pharmascience except for use in the Project. All Pharmascience IP and Process Inventions shall be owed solely by Pharmascience and no right therein is granted to Client hereunder. The Parties shall cooperate to achieve the allocations of rights to Inventions anticipated herein and each Party shall be solely responsible for the costs associated with the protection of its intellectual property.

13. Warranties. Pharmascience will perform the Project in accordance with the written specifications and Project instructions expressly set forth or referenced in this Proposal. THE WARRANTIES SET FORTH IN THIS ARTICLE ARE THE SOLE AND EXCLUSIVE WARRANTIES MADE BY PHARMASCIENCE TO THE CLIENT, AND PHARMASCIENCE MAKES NO OTHER REPRESENTATIONS, WARRANTIES OR GUARANTEES OF ANY KIND WHATSOEVER, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON- INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

14. Indemnification. Client shall indemnify, defend and hold Pharmascience, its affiliates and each of their respective officers, directors, employees, agents and representatives (the "**Pharmascience Indemnified Parties**") harmless from and against all suits, claims, liabilities, costs, damages, judgments and other expenses (including reasonable attorneys' fees) ("**Losses**") incurred in connection with any claim made by a third party against the Pharmascience Indemnified Parties caused by, arising out of or resulting from (i) Client's negligence, recklessness or willful misconduct in relation to the Project or this Proposal, (ii) the breach by Client of any provision of this Proposal, (iii) the registration, import, marketing, promotion, sale and/or distribution of the Product in the Territory, or (iv) any claim for personal or bodily injury or death arising from the use, administration, consumption or handling of the Product or materials supplied by Client; except to the extent such Losses arise from Pharmascience's negligence, recklessness, willful misconduct or breach of any provision in this Proposal. Pharmascience shall indemnify Client against any Losses incurred in connection with any claim made by a third party against Client caused by, arising out of, or resulting from (i) Pharmascience's negligence, recklessness or willful misconduct in relation to the Project or this Proposal, or (ii) the breach by Pharmascience of any provision of this Proposal; except to the extent such Losses arise from Client's negligence, recklessness, willful misconduct or breach of any provision in this Proposal.

15. Insurance. During the term of this Proposal, and for a period of five (5) years thereafter, each Party shall maintain in full force and effect a commercial general liability insurance policy, including product and complete operations coverage insuring

against personal injury, death and damage to property. Said policy shall have a liability limit of not less than the equivalent of one million Canadian Dollars (CAD1,000,000) per occurrence and in the aggregate and shall be maintained with a financially sound and reputable insurer. Each Party shall, upon request from the other Party, provide the requesting Party a certificate of insurance evidencing the foregoing coverage. Pharmascience reserves the right to modify the insurance coverage requirements under any future agreements which follow this Proposal.

16. Force Majeure. Neither Party will be liable for any failure to perform or delay in performing (other than payment obligations) resulting from any cause beyond its reasonable control, including without limitation acts of God, fires, floods, strikes or lockouts, embargoes, wars, epidemics or pandemics, hostilities or riots, or shortages in transportation. If the cause continues unabated for more than ninety (90) days, then both Parties shall meet to discuss and negotiate in good faith what modifications to this Proposal should be made. If a resolution cannot be reached, the Party not affected by the Force Majeure event may terminate the Proposal upon at least thirty (30) days prior written notice to the other Party.

17. Record Retention. Unless the Parties otherwise agree in writing, Pharmascience will retain batch, laboratory and other technical records for the minimum period required by applicable law.

18. Independent Contractor. The relationship of the Parties is that of independent contractors and not of joint ventures, co-partners, employer/employee or principal/agent.

19. Publicity. Neither Party will make any press release or other public disclosure regarding this Proposal or the transactions contemplated hereby without the other Party's express prior written consent, such consent not to be unreasonably withheld.

20. Entire Agreement. This Proposal constitute and contain the entire understanding and agreement of the Parties respecting the subject matter hereof and cancels and supersedes any and all prior and contemporaneous negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter

21. Assignment. This Proposal shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Neither Party may assign any of its rights or benefits under this Proposal, or transfer any of its duties or obligations, in whole or in part, except with the prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign this Proposal to an affiliate without the consent of the other Party, provided that such assigning Party shall at all times remain liable for the assignee's compliance with the terms of this Proposal.

22. Amendment and Precedence. These Terms and Conditions constitute part of the Proposal to which they are attached. No term of this Proposal may be amended except upon written agreement of the Parties. In the event of a conflict or inconsistency between these Terms and Conditions and the Proposal to which they are attached, the provisions of the Proposal shall take precedence to the extent of such conflict or inconsistency.

23. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec, without regards to any conflict of law provisions. Furthermore, and without limiting the generality of the foregoing, the Parties hereby specifically exclude the application of the Convention for the International Sales of Goods. Except as expressly stated in this Proposal, a person who is not a party to this Proposal may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

24. Dispute Resolution. All disputes, controversies, or claims arising out or relating to this Proposal shall be resolved by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules"), except to the extent of conflicts between the ICC Rules and the provisions of this Proposal, in which event the provisions of this Proposal shall prevail. The following provisions shall apply to an arbitration commenced pursuant to this clause:

a. The number of arbitrators shall be one, who shall be appointed in accordance with the ICC Rules.
b. The place or legal seat of the arbitration shall be Montréal, Province of Québec, Canada.

c. The language to be used in all aspects of the arbitration shall be English.
d. All awards issued by the arbitral tribunal shall be final, non-appealable and binding on the Parties. Any award may be filed in any court of competent jurisdiction and may be enforced by a Party as a final judgment in such court. The Parties expressly waive, to the maximum extent permitted by law, any right of appeal of any award.
e. The Parties agree that any arbitration carried out hereunder shall be kept strictly private and confidential, and that the existence of the proceedings and any element of it (including but not limited to all awards, the identity of the Parties and all witnesses and experts, all materials created for the purposes of the arbitration, all testimony or other oral submissions, all documents disclosed in arbitration and all documents produced by a Party that were not already in the possession of the other Party) shall be kept strictly private and confidential, except (i) with the consent of the Parties, (ii) to the extent disclosure may be lawfully required in bona fide judicial proceedings relating to the arbitration, (iii) where disclosure is lawfully required by a legal duty, or (iv) where such information is already in the public domain other than as a result of a breach of this clause. The Parties shall request that the arbitral tribunal and the ICC keep any arbitration carried out hereunder strictly private and confidential, including but not limited to all of the foregoing items, and shall request that the arbitral tribunal and the ICC refrain from publishing or disclosing any such items. The Parties also agree not to use any information disclosed to them during the arbitration for any purpose other than in connection with the arbitration.

25. Counterparts and Electronic Signatures. This Proposal and all documents delivered by the Parties under or in connection with this Proposal a) may be signed in one or more counterparts, each of which shall be deemed to be an original, but when taken together shall constitute one and the same instrument; and b) may be executed by electronic signature (e.g. DocuSign, Adobe Sign or similar electronic signature technology) or by the transmission by facsimile, email or other means of electronic transmission of an executed counterpart thereof, and any such signature shall for all purposes have the same validity, legal effect and admissibility in evidence as an original signature.

26. Termination Rights and Consequences.

1. In addition to the Parties mutual agreement in writing to cancel the Project and terminate this Proposal, the Parties shall have the following termination rights:

   a. Either Party may cancel the Project and terminate this Proposal upon delivering a written notice of termination to the other Party if any one or more of the following events occur:

      i. the other Party files a petition in bankruptcy or is adjudged a bankrupt, or a petition in bankruptcy is filed against it and is not dismissed within sixty (60) days, or it becomes insolvent, takes advantage of legislation for creditor relief, has a receiver or receiver-manager appointed in relation to its assets or other similar types of events, or discontinues its business; or
      ii. the other Party violates or fails to perform any of its undertakings, agreements, covenants or obligations under this Proposal (excluding matters otherwise specifically addressed with a termination right elsewhere in this Proposal) and the failure is not capable of cure or, if capable of cure, is not remedied within sixty (60) days after receipt of a written notice from the non-defaulting Party (or such longer period of time agreed to in writing by the non-defaulting Party), then the non-defaulting Party may terminate immediately this Proposal upon delivering to the defaulting Party a written notice of termination to this effect.

   b. Client's failure to pay any amounts due under this Proposal within fifteen (15) days after such payments are due shall constitute cause for immediate termination of this Proposal by Pharmascience upon written notice

to Client or, at Pharmascience's sole discretion, Pharmascience shall be relieved of any further obligation to perform under this Proposal until all outstanding payments are brought current.

c. If at any time Client stops the Project or fails to provide required information or instruction to allow Pharmascience to perform the activities provided for in this Proposal (including, without limitation, all information required to allow Pharmascience to deliver the Products per the terms herein), and such situation continues for a period of five (5) months or more, it shall constitute cause for termination of this Proposal by Pharmascience upon written notice to Client at least thirty (30) days in advance. In the event of such a termination, in addition of the other consequences provided for herein, all destruction costs and fees will be charged to Client as pass through plus a fifteen percent (15%) administration fee.

2. Upon termination of this Proposal, for any reason, Client shall:
   i. pay all outstanding invoices without delay;
   ii. pay for all Product manufactured or in the process of being manufactured pursuant to this Proposal and/or any purchase orders issued by Client, as well as all destruction costs at cost plus fifteen percent (15%) administration fee;
   iii. pay Pharmascience the cost of the work completed as of the date of termination of the Project, as indicated in this Proposal;
   iv. reimburse Pharmascience for all costs associated with the procurement of non-Client-provided material in inventory and dedicated to the Project (including release costs, non-reimbursable deposits made in preparation for future work, irreversible future payment obligations, unpaid invoices at the time of the termination, etc.), plus a fifteen percent (15%) administration fee; and
   v. reimburse Pharmascience for any expenses associated with any Capex in relation to the Project, as indicated in the Proposal (including non-reimbursable deposits made or irreversible future payment obligations), plus a fifteen percent (15%) administration fee.