

REFINITIV

DELTA REPORT

10-Q

AMMO, INC.

10-Q - JUNE 30, 2023 COMPARED TO 10-Q - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	496
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 CHANGES	6
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 DELETIONS	482
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 ADDITIONS	8
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AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

This Amended and Restated Exclusive License Agreement ("AGREEMENT") is made by and between the University of Louisiana Lafayette, organized under the Laws of the State of Louisiana, having an address of 104 University Circle, Lafayette, LA 70503 ("LICENSOR"), herein represented by Dr. E. Joseph Savoie, its duly authorized President; and Ammo Technologies, Inc., an Arizona corporation, whose mailing address is 6401 E. Thomas Road, Suite 106, Scottsdale, AZ 85251 ("LICENSEE"), represented herein by Fred W. Wagenhals, its duly authorized President. This AGREEMENT is dated as 16th day of November, 2017 and to be effective starting on January 1, 2018 ("EFFECTIVE DATE").

RECITALS

WHEREAS, LICENSOR is the owner of intellectual property referred to as HYRID LUMINESCENCE AMMUNITION TECHNOLOGY invented and/or developed, in whole or in part, by Dr. William A. Holler man, Brady Broussard, and Noah Bergeron during the course of research funded in whole or in part by the State of Louisiana;

WHEREAS, LICENSOR wishes to partner with another party to commercialize the referenced invention;

WHEREAS, LICENSEE is interested in obtaining an exclusive license to develop and commercialize HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY;

WHEREAS the arrangement contemplated by this AGREEMENT is of mutual interest to LICENSEE and LICENSOR and furthers the objectives of LICENSOR;

WHEREAS the Exclusive License was previously entered into with Hallam, Inc., a Texas corporation, as Original Licensee dated May 21, 2009;

WHEREAS, the Exclusive License was assigned to LICENSEE pursuant to the Assignment and First Amendment to Exclusive License Agreement effective as of the Closing (August 22, 2017) when Hallam, Inc. merged into Ammo Technologies, Inc. pursuant to a Forward Triangular Merger; and

WHEREAS, LICENSOR and LICENSEE now desire to completely amend and restate the Exclusive License.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1. DEFINITIONS

1.1 "AFFILIATE" shall mean any person, directly or indirectly, controlling, controlled by or under direct or indirect common control with LICENSEE whether such control exists on or becomes effective subsequent to the EFFECTIVE DATE, and whether such control is partial or complete. For the purpose of this definition, the term "control" shall mean the power and authority, whether or not exercised, to direct, cause the direction of, or influence the management and policies of another person, whether through ownership of voting securities, by contract, or otherwise.

1.2 "CONFIDENTIAL INFORMATION" shall mean any and all technical information of LICENSOR AND LICENSEE made available and disclosed by it, directly or indirectly, to the other party pursuant to the provisions of this Agreement and which is related to the HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY, except:

(a) technical information which at the time of disclosure is in the public domain,

(b) technical information which after disclosure is published or otherwise becomes part of the public domain through no fault of the recipient (but only after it is published or otherwise becomes part of the public domain),

(c) technical information which the recipient can show was in its possession at the time of disclosure and was not acquired, directly or indirectly, from the other party hereto under this AGREEMENT or was not acquired from a third party under obligation of confidence to one of the parties hereto, or

(d) technical information which is received by the recipient after the time of disclosure hereunder from a third party who did not require the recipient to hold such information in confidence and did not acquire such information, directly or indirectly, from the disclosing party under an obligation of confidence, or from a party who obtains such technical information by fraudulent or illegal means.

For the purposes of this Paragraph 1.2, specific technical information disclosed by one party to the other pursuant to the provisions of this AGREEMENT shall not be deemed, as to the recipient, to be within any of the above exceptions merely because it is embraced by more general information within one of the said exceptions.

The parties agree to maintain CONFIDENTIAL INFORMATION in confidence and to use the same degree of care and procedures which each uses to protect and safeguard its own confidential information of like kind and character to prevent disclosure thereof to others. The obligations of confidentiality imposed shall survive the termination of this AGREEMENT and shall remain in effect for five (5) years thereafter or the life of the PATENT, whichever is longer.

1.3 "DERIVATIVES" shall mean any and all inventions, improved inventions, or modifications of the invention, HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY, developed by LICENSOR or LICENSEE during the term of the AGREEMENT. Those inventions, improved inventions, and technology, developed by LICENSEE that exhibit substantially different functionality than LICENSED TECHNOLOGY shall not be considered DERIVATIVES for the purposes of the AGREEMENT. Any process to apply the LICENSED TECHNOLOGY to ammunition is not considered DERIVATIVES.

1.4 "DOCUMENTATION" shall mean and include, without limitation, all manuals, guides, diagrams, schematics, and other related written materials pertaining to the LICENSED TECHNOLOGY and/or DERIVATIVES, if any, which may be available and furnished by LICENSOR to LICENSEE.

1.5 "INTELLECTUAL PROPERTY" shall mean all inventions, technology and their derivatives whether or not patentable, copyrightable or considered trade secrets embodied in the LICENSED TECHNOLOGY, including any intellectual property rights related to the LICENSED TECHNOLOGY and conceived and/or reduced to practice during the term of this AGREEMENT by LICENSOR or LICENSEE and/or any affiliates thereof all of whom owe a duty to assign to LICENSOR any and all inventions, software and/or technology created during the term of this AGREEMENT.

1.6 "LICENSED TECHNOLOGY" shall mean HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY as represented in U.S. Patent application 11/499,535 filed August 4, 2006, U.S. Patent Continuation in Part application 12/260,583, filed October 29, 2008, and granted as Patent US 8402896 B1 with a publication date of March 26, 2013 (the "PATENT") and all DERIVATIVES thereof, and related additional information or materials. The term LICENSED TECHNOLOGY shall include any and all tradenames, trademarks, service marks, or logos of LICENSOR associated with the LICENSED TECHNOLOGY as of the date of signing.

1.7 "LICENSED TERRITORY" shall mean worldwide.

1.8 "NET SALES" shall mean;

In the case of manufacture and sale of materials by LICENSEE or an AFFILIATE employing the LICENSED TECHNOLOGY or by any SUBLICENSEE:

One cent (1¢) for each and every projectile and/or bullet sold by LICENSEE or SUBLICENSEE utilizing the LICENSED TECHNOLOGY.

1.9 "ROYALTY" or "ROYALTIES" shall mean the monetary sums to be paid to LICENSOR by LICENSEE for use by LICENSEE and/or SUBLICENSEE of the LICENSED TECHNOLOGY and DERIVATIVES as provided in Article 4.

1.10 "SUBLICENSEE" shall mean any person, party, or business entity to which LICENSEE grants a license to develop, commercialize, and/or manufacture the LICENSED TECHNOLOGY, and wherein said term SUBLICENSEE shall also include any and all licenses granted by a SUBLICENSEE to another party.

1.11 "HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY" shall mean LICENSOR'S information relating to tracer ammunition which uses luminescent materials and the methods of making said ammunition, and including the information disclosed in the PATENT, continuations, continuations-in-part, divisions, reissues, and foreign counterparts thereof.

ARTICLE 2. TERM AND RENEWAL

2.1 The initial term of this AGREEMENT shall begin on the EFFECTIVE DATE of this AGREEMENT and shall end four (4) years from the EFFECTIVE DATE unless otherwise terminated pursuant to ARTICLE 8 of this AGREEMENT.

2.2 LICENSOR agrees that LICENSEE may thereafter renew this AGREEMENT for successive periods of four (4) years beyond the then current period provided LICENSEE is in compliance with the terms of this Agreement and upon payment of the minimum Royalties due to LICENSOR for the then-current period.

ARTICLE 3. LICENSE

3.1 LICENSOR hereby grants to LICENSEE an exclusive license to make, use, and sell, or otherwise exploit, including the grant of sub licenses to third parties for commercial purposes, the LICENSED TECHNOLOGY, DERIVATIVES, INTELLECTUAL PROPERTY, and DOCUMENTATION within the LICENSED TERRITORY as provided for in this AGREEMENT. This grant of the license is subject to rights retained by LICENSOR to:

3.1.1 Publish the general scientific findings from research related to the LICENSED TECHNOLOGY and DERIVATIVES subject to the terms of Article 6;

3.1.2 Use LICENSED TECHNOLOGY and DERIVATIVES for research, teaching, and other educationally-related purposes.

3.2 The license granted through this AGREEMENT is exclusive in the LICENSED TERRITORY for the term of this AGREEMENT.

3.3 LICENSEE may extend the license granted herein to any AFFILIATE on the condition that the AFFILIATE is bound by this AGREEMENT to the same extent as is LICENSEE, which extension shall be agreed to in writing by AFFILIATE. The granting of sublicenses by LICENSEE or by any SUBLICENSEE shall require fifteen (15) day notification to LICENSOR. Should LICENSOR provide any comments relative to the granting of said sublicenses, LICENSEE shall reasonably consider said comments by LICENSOR. If no comment is made by LICENSOR within the fifteen (15) day notification period, LICENSEE may assume that LICENSOR has no objection to the granting of said sublicense.

3.4 LICENSOR shall retain ownership of the LICENSED TECHNOLOGY, DERIVATIVES, TRADENAMES developed by it, DOCUMENTATION of LICENSOR and any patents, copyrights, technology, and tangible research materials and other INTELLECTUAL PROPERTY related thereto as of the date of signing without regard to whether DERIVATIVES or INTELLECTUAL PROPERTY created during the term of this AGREEMENT were developed by LICENSOR or LICENSEE and/or LICENSEE'S AFFILIATES. LICENSEE will own any trademarks developed by it.

3.5 LICENSEE acknowledges that LICENSOR is the owner of all of the INTELLECTUAL PROPERTY associated with the LICENSED TECHNOLOGY and its DERIVATIVES. LICENSEE hereby agrees that it will not do or cause to be done any act or thing contesting or interfering with such ownership.

3.6 LICENSEE shall disclose all derivatives of the LICENSED TECHNOLOGY and its DERIVATIVES which LICENSEE and/or its AFFILIATES may develop during the term of this AGREEMENT. LICENSEE shall also be obligated to disclose to LICENSOR all derivatives of the LICENSED TECHNOLOGY and DERIVATIVES that LICENSEE may develop that relate to any other potential uses of the LICENSED TECHNOLOGY and its DERIVATIVES. LICENSOR agrees that all disclosures of LICENSEE made to LICENSOR hereunder shall be deemed confidential.

3.7 LICENSEE shall cooperate fully in any efforts made by LICENSOR to obtain and perfect LICENSOR'S interest in the INTELLECTUAL PROPERTY, such cooperation including, but not limited to, LICENSEE and its AFFILIATES' review and execution of patent applications, copyright registrations, trademark registrations, assignments, and any other related documents. LICENSEE also agrees to cooperate fully in any litigation involving the INTELLECTUAL PROPERTY. LICENSEE'S duty to cooperate in obtaining protection for, and in any litigation concerning, the LICENSED TECHNOLOGY, DERIVATIVES, and INTELLECTUAL PROPERTY related thereto shall continue beyond the term of this AGREEMENT. In performing its obligations pursuant to this section 3.7, LICENSEE agrees to bear TWO THOUSAND AND NO/100 (\$2,000.00) DOLLARS of the cost of same subject to the limitations set forth in section 5.2 hereof once a defensible patent related to LICENSED TECHNOLOGY AND THIS AGREEMENT has been issued.

3.8 LICENSEE shall provide to LICENSOR monthly backups of all data related to this AGREEMENT and/or LICENSED TECHNOLOGY, as indicated in Section 4.4. To the extent that compliance with this section 3.8 is determined to be a violation of any duty to protect the privacy of such information, LICENSEE shall not be required to comply; but rather, will archive said information and in the event of a Termination of this Agreement, cooperate in securing the consent of the appropriate parties for release of the information to LICENSOR.

ARTICLE 4. CONSIDERATION: ROYALTY COMPUTATION, PAYMENT AND REPORTING

4.1 LICENSEE shall pay to LICENSORS a nonrefundable license issue fee of SIX THOUSAND AND NO/100 (\$6,000.00) DOLLARS, payable within 5 days of the execution of this AGREEMENT. This fee is creditable toward royalties or minimums due to LICENSOR from LICENSEE up to the EFFECTIVE DATE.

4.2 During the term of this AGREEMENT, LICENSEE or SUBLICENSEE shall pay to LICENSOR, in accordance with Section 4.5, a ROYALTY on quarterly NET SALES, as defined in Section 1.8, calculated on a quarter calendar year basis, of One Cent (1¢) per projectile and/or bullet as ROYALTY on NET SALES.

4.3 If the minimum ROYALTIES, as listed in this section, for current calendar year have not been met, commencing January 1, 2018 and on each calendar year thereafter, LICENSEE guarantees that it will pay to LICENSOR within 30 days of the end of each designated period set forth below, the minimum ROYALTIES, prescribed herein, during the term of this AGREEMENT. No credit for amounts paid in excess of minimum ROYALTIES will be carried forward.

4.3.1 \$20,000 per calendar year commencing for the calendar year January 1, 2018, with the first payment due on January 30, 2019 (for the period ending December 31, 2018) less ROYALTIES on Net Sales.

4.4 LICENSEE will provide quarterly written royalty reports ("Royalty Reports") to LICENSOR, accompanied by payment for ROYALTIES due within thirty (30) days after the last day of March, June, September, and December of each calendar year during the term of the AGREEMENT. Royalty Reports shall include at least the following information, receipts, and/or other documentation as it relates to LICENSED TECHNOLOGY covered by this AGREEMENT:

1. Gross Sales;
2. Net Sales.

Royalty Reports shall be certified as accurate by a duly authorized representative of LICENSEE and shall separately state for the preceding quarterly period the following information: the type and quantity of royalty bearing transactions and the total ROYALTY payable. Royalty Reports shall be furnished to LICENSOR regardless of whether any ROYALTY bearing transactions were completed during the reporting period or whether any ROYALTY is actually owed. The receipt or acceptance by LICENSOR of Royalty Reports or ROYALTY payments shall not prevent LICENSOR from subsequently challenging the validity or accuracy of Royalty Reports or the accompanying ROYALTY payments.

4.5 LICENSEE shall make all payments required under this AGREEMENT in United States dollars by check(s) representing current and available funds written against LICENSEE'S account in a federally insured United States bank. Payment should be made payable to the University of Louisiana at Lafayette referencing HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY and sent to:

Dr. E. Joseph Savoie
Office of the President
University of Louisiana at Lafayette
104 University Circle
Lafayette, LA 70503

4.6 "Final" Royalty Reports and ROYALTY payments shall be made within thirty (30) days after the expiration or termination of this AGREEMENT with respect to all ROYALTY bearing transactions completed by LICENSEE but not previously reported and/or paid.

4.7 Any ROYALTY payment not made by LICENSEE to LICENSOR when first due shall thereafter additionally bear interest payable at a ten (10%) per cent per annum rate until such payments and interest thereon are paid in full.

4.8 LICENSEE will make and retain, and as necessary, and cause its AFFILIATE(s) to make and retain, for at least seven (7) years following the submission of a Royalty Report to LICENSOR hereunder, true and accurate records, files, and books of account containing all data reasonably required for the full computation and verification of the amounts to be paid under this AGREEMENT and set forth in said Royalty Report.

4.9 Upon thirty (30) days advance notice by LICENSOR, and at any reasonable time during normal business hours, but no more frequently than once during each consecutive twelve-month period beginning with the EFFECTIVE DATE of the AGREEMENT, LICENSEE will permit, and will cause its AFFILIATE(S) to permit, the reasonable inspection of the aforementioned records, files, and books of account by LICENSOR through a duly authorized representative mutually accepted by both parties, or a representative of the Office of the State Legislative Auditor as required by law, for the sole purpose of verifying the information set forth in the Royalty Reports. In the event that such inspection reveals an overpayment by LICENSEE of the actual amount owed to LICENSOR, such overpayment with interest thereon calculated at a per annum rate equal to the applicable, allowable legal interest rate will be credited against future ROYALTIES due LICENSOR by LICENSEE. If however, such inspection reveals an underpayment by LICENSEE of the actual amount owed to LICENSOR, LICENSEE will, within thirty (30) days of such determination, pay LICENSOR such underpayment in full together with interest thereon calculated monthly at a per annum rate equal to the applicable, allowable legal interest rate.

4.10 The cost of the inspection of LICENSEE'S records, files, and books of account prescribed in paragraph 4.9 above shall be borne by LICENSOR; provided, however, that in the event such inspection reveals an underpayment of ROYALTIES due by LICENSEE to LICENSOR of ten percent (10%) or more of ROYALTIES due, then LICENSEE shall pay for the inspection.

4.11 All taxes resulting by operation of this AGREEMENT shall be borne by the party obligated to pay them under applicable law. Each party shall be responsible for its payment of taxes as required by law.

ARTICLE 5. FUTURE PATENTS AND FUTURE PATENT EXPENSES

5.1 LICENSOR will control the prosecution of its own patents, copyrights, and trademarks developed by it and pursued after the EFFECTIVE DATE of this Agreement and will own all patents, copyrights, and trademarks developed by it included in LICENSED TECHNOLOGY.

5.2 LICENSEE shall reimburse LICENSOR for all reasonable patent expenses, incurred after the latter of the EFFECTIVE DATE of the, or after a defensible patent related to the LICENSED TECHNOLOGY has been issued. LICENSOR will invoice LICENSEE for those expenses and LICENSEE shall pay LICENSOR the invoiced amount within 30 days of receipt of said invoice. The total patent expenses for which LICENSEE shall be responsible during the term of the AGREEMENT shall not exceed \$2,000.00 in any one calendar year during the term of this AGREEMENT.

ARTICLE 6. CONFIDENTIALITY, PUBLICATION, USE OF NAME

6.1 LICENSOR shall not use LICENSEE'S name, corporate name, or name of any corporate officer, or affiliates without LICENSEE'S prior written consent. LICENSEE shall not use LICENSOR'S name, or the name of any officer, faculty member, student or employee thereof, without LICENSOR'S prior written consent.

ARTICLE 7. DISCLAIMER OF WARRANTIES, INDEMNIFICATION

7.1 LICENSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, WARRANTIES WITH RESPECT TO THE CONDUCT, COMPLETION, SUCCESS, OR PARTICULAR RESULTS OF THE RESEARCH FROM WHICH THE LICENSED TECHNOLOGY OR DERIVATIVES ARE DEVELOPED, OR THE CONDITION, OWNERSHIP, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE LICENSED TECHNOLOGY OR DERIVATIVES. LICENSOR SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES SUFFERED BY LICENSEE OR ANY OTHER PERSON RESULTING FROM THE USE OF LICENSED TECHNOLOGY OR DERIVATIVES, OR ANY PRODUCTS RESULTING THEREFROM.

7.2 LICENSEE shall protect, defend, indemnify, and hold harmless LICENSOR, and any employees, trustees, members, officers, directors, faculty and students (collectively, the "INDEMNIFIED PERSONS") from and against any and all liability, claims, demands, lawsuits, losses, damages, costs, or expenses (including attorney's fees), for which the INDEMNIFIED PERSONS may be alleged to be responsible, or be required to pay arising out of or related to LICENSEE'S performance of this AGREEMENT. LICENSEE shall notify LICENSOR upon learning of the institution or threatened institution of any such liability, claims, demands, lawsuits, losses, damages, costs, and expenses and LICENSOR shall cooperate with LICENSEE in every proper way in the defense or settlement thereof at LICENSEE'S request and expense. LICENSEE shall not be required to indemnify, defend, release, or hold LICENSOR harmless of or from allegations of its own negligence or the failure to perform its obligations under this AGREEMENT.

ARTICLE 8. TERMINATION

8.1 LICENSEE may terminate this AGREEMENT by giving LICENSOR written notice at least 60 days in advance of the effective date of termination selected by LICENSEE.

8.2 LICENSOR may terminate this AGREEMENT if LICENSEE:

8.2.1 Is delinquent on any report or payment and such delinquency continues for 60 days following written notice thereof;

8.2.2 Is in breach of any provision and fails to cure said breach following 30 days written notice;

8.2.3 Provides any knowingly false report; or

8.2.4 LICENSEE fails to pay LUMINESCENCE AMMUNITION ROYALTY PAYMENTS as provided in Section 2.3.

8.3 Termination of this AGREEMENT shall not affect the rights and obligations of the parties accrued prior to termination hereof. The provisions of Article 6 entitled CONFIDENTIALITY, PUBLICATION, USE OF NAME; Article 7, entitled DISCLAIMER OF WARRANTIES, INDEMNIFICATION; and Article 9, entitled ADDITIONAL PROVISIONS, shall survive such termination.

ARTICLE 9. ADDITIONAL PROVISIONS

9.1 No rights hereunder may be assigned by LICENSEE, directly or by merger or other operation of law, without the express written consent of LICENSOR, which consent shall not be unreasonably withheld. Any prohibited assignment of this AGREEMENT or the rights hereunder shall be null and void. No assignment shall relieve LICENSEE of responsibility for the performance of any accrued obligations, which it has prior to such assignment.

9.2 A waiver by either party of a breach or violation of any provision of this AGREEMENT will not constitute or be construed as a waiver of any subsequent breach or violation of that provision or as a waiver of any breach or violation of any other provision of this AGREEMENT.

9.3 Nothing herein shall be deemed to establish a relationship of principal and agent between LICENSOR and LICENSEE, nor any of their agents or employees, nor shall this AGREEMENT be construed as creating any form of legal association or arrangement which would impose liability upon one party for the act or failure to act of the other party. Nothing in this AGREEMENT, express or implied, is intended to confer on any person other than the parties hereto or their permitted assigns, any benefits, rights or remedies.

9.4 Notices, statements, reports and other communications under this AGREEMENT shall be in writing and shall be deemed to have been received as of the date dispatched if sent by public overnight courier (e.g., Federal Express) and addressed as follows:

If to LICENSOR:

Dr. E. Joseph Savoie

Office of the President

University of Louisiana at Lafayette

104 University Cir.

Lafayette LA 70503

And

Office of Innovation Management

University of Louisiana at Lafayette

P.O. Box 43610

Lafayette, LA 70504-3610

If to LICENSEE:

Fred W. Wagenhals

Ammo Technologies, Inc.

6401 E. Thomas Road, Suite 106

Scottsdale, AZ 85251

9.5 This AGREEMENT and all claims arising out of or relating to this AGREEMENT shall be governed exclusively by the laws of the State of Louisiana, without regard to conflicts of law principles and federal law, as applicable.

9.6 LICENSOR AND LICENSEE shall not discriminate on the basis of race, color, national origin, age, religion, sex, sexual orientation, or disability in admission to, access to, treatment in or employment as required by Title VI and Title VII of the Civil Rights Act of 1964, Age Discrimination in Employment Act of 1967, Age Discrimination Act of 1975, the Equal Pay Act of 1963, Title IX of the Education Amendments of 1972, Executive Order 11246, Section 503 and 504 of the Rehabilitation Act of 1973, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and the 1990 Americans with Disabilities Act.

9.7 Neither party shall be liable for any failure to perform as required by this AGREEMENT to the extent such failure to perform is due to circumstances reasonably beyond such party's control, including, without limitation, labor disturbances or labor disputes of any kind, failure of any governmental approval required for full performance, civil disorders or commotions, acts of aggression, acts of God, energy or other conservation measures imposed by law or regulation, failure of utilities, disease, or other such occurrences.

9.8 LICENSEE and LICENSOR shall comply with all laws, regulations, and other legal requirements applicable in connection with this AGREEMENT, including, but not limited to, any legal requirements applicable to the use of the results of the LICENSED TECHNOLOGY or DERIVATIVES and laws controlling the export of technical data, HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY, and all other export controlled commodities.

9.9 Notwithstanding the definitions set forth in section 1.3, 1.5, 1.6 and any other provision of this AGREEMENT, this AGREEMENT does not in any way affect, apply to, include, or otherwise grant any rights to LICENSEE in connection with any intellectual property or programs other than HYBRID LUMINESCENCE AMMUNITION TECHNOLOGY.

9.10 This AGREEMENT embodies the entire understanding between the parties relating to the subject matter hereof and supersedes all prior understandings and agreements, whether written or oral. This AGREEMENT may not be varied except by a written document signed by duly authorized representatives of both parties.

[Remainder of page intentionally left blank. Signature page to follow.]

Signatures Appear on the Following Page
IN WITNESS WHEREOF, the duly authorized representatives of the parties hereby execute this AGREEMENT as of the date first written above.

WITNESSES:	University of Louisiana at Lafayette
_____	<i>/s/ E. Joseph Savoie</i>
	Dr. E. Joseph Savoie, President
	Ammo Technologies, Inc.
_____	<i>/s/ Fred Wagenhals</i>
	Fred W. Wagenhals, President

FIRST AMENDMENT TO AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

This First Amendment to the Amended and Restated Exclusive License Agreement ("FIRST AMENDMENT") is made by and between the University of Louisiana Lafayette, organized under the Laws of the State of Louisiana, having an address of 104 University Circle, Lafayette, LA 70503 ("LICENSOR"), herein represented by Dr. E. Joseph Savoie, its duly authorized President; and Ammo Technologies, Inc., an Arizona corporation, whose mailing address is 6401 E. Thomas Road, Suite 106, Scottsdale, AZ 85251 ("LICENSEE"), represented by Fred W. Wagenhals, its duly authorized President. This AGREEMENT is dated as ____ day of April, 2018 and to be effective starting on April 1, 2018 ("EFFECTIVE DATE").

RECITALS

WHEREAS, LICENSOR is the owner of intellectual property referred to as HYRID LUMINESCENCE AMMUNITION TECHNOLOGY invented and/or developed, in whole or in part, by Dr. William A. Hollernan, Brady Broussard, and Noah Bergeron during the course of research funded in whole or in part by the State of Louisiana; and

WHEREAS, LICENSOR and LICENSEE entered into the Amended and Restated Exclusive License Agreement (the "AGREEMENT") dated as 23rd day of November, 2017 and to be effective starting on January 1, 2018 ("EFFECTIVE DATE")

WHEREAS, the LICENSEE now desire to amend a portion of the AGREEMENT as set forth below which LICENSOR approves.

NOW, THEREFORE, the parties hereto agree as follows:

1. Section 4.4 of the AGREEMENT is deleted in its entirety and in its place a new Section 4.4 shall read as follows:
LICENSEE will provide, at the sole election of LICENSEE, either monthly or quarterly written royalty reports ("Royalty Reports") to LICENSOR, accompanied by payment for ROYALTIES due within thirty (30) days after the last day of each month, if LICENSEE elects monthly reporting for the Royalty Reports, or March, June, September, and December, if LICENSEE elects quarterly reporting of the Royalty Reports of each calendar year during the term of the AGREEMENT. Royalty Reports shall include at least the following information, Customer Name, Type of Sale, Date of Sale, Number, Sku, Case Quantity, Rounds Per Case, Extended Rounds and Royalty Amounts, such as is set forth in Exhibit "A" and/or other documentation as it relates to LICENSED TECHNOLOGY covered by this AGREEMENT:
 1. **Net Sales.**
Royalty Reports shall be certified as accurate by a duly authorized representative of LICENSEE and shall separately state for the preceding monthly or quarterly period elected by LICENSEE the following information: the Net Sales of royalty bearing transactions and the total ROYALTY payable. Royalty Reports shall be furnished to LICENSOR regardless of whether any ROYALTY bearing transactions were completed during the reporting period or whether any ROYALTY is actually owed. The receipt or acceptance by LICENSOR of Royalty Reports or ROYALTY payments shall not prevent LICENSOR from subsequently challenging the validity or accuracy of Royalty Reports or the accompanying ROYALTY payments.
2. All of the provisions of the AGREEMENT, shall remain in full force and effect, except as expressly modified by this FIRST AMENDMENT.

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereby execute this FIRST AMENDMENT as of the date first written above.

WITNESS:	University of Louisiana at Lafayette
	By: /s/ Joseph Savoie
Print Name:	Dr. E. Joseph Savoie, President
WITNESS	Ammo Technologies, Inc.
	By: /s/ Fred Wagenhals
Print Name	Fred W. Wagenhals, President

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SECOND AMENDMENT TO AMENDED AND RESTATED EXCLUSIVE LICENSE AGREEMENT

This Second Amendment to Amended and Restated Exclusive License Agreement (the "Second Amendment") is made as of this 22nd day of June, 2022, by and among the University of Louisiana at Lafayette, organized under the Laws of the State of Louisiana, ("LICENSOR"), herein represented by Dr. E. Joseph Savoie, its duly authorized President; and Ammo Technologies, Inc., an Arizona corporation, ("LICENSEE"), represented herein by Fred W. Wagenhals, its duly authorized President. Licensor and Licensee are sometimes referred to herein as the "Party" or, collectively, the "Parties."

RECITALS

WHEREAS, the Parties entered into that certain Amended and Restated Exclusive License Agreement dated as of November 16, 2017 and made effective January 1, 2018 (the "License Agreement") for the purposes of licensing certain Hybrid Luminescence Ammunition Technology for development and commercialization as defined in the License Agreement.

WHEREAS, the Agreement has previously been amended, including the First Amendment to the License Agreement made effective April 19, 2018 (the "Prior Amendment").

WHEREAS, the Parties now wish to further amend and modify the License Agreement by this Second Amendment to extend the term of the License Agreement pursuant to Article 2 of the License Agreement for additional time, as set forth herein.

WHEREAS, this Second Amendment has been signed by the Parties for their mutual benefit and to properly modify the underlying License Agreement so that it supersedes and replaces all prior and contemporaneous agreements and understandings, oral and written, with regard to such provisions amended by this Second Amendment;

WHEREAS, the Parties intend for this Second Amendment to the License Agreement to be effective as of January 1, 2022 (the "Effective Date");

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and representations contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct in all material respects and are hereby incorporated herein as a material part of this Second Amendment.

2. Term and Renewal of License Agreement. Pursuant to Article 2, Section 2 of the License Agreement, the Parties agree to extend the term of the License Agreement for a successive period of four (4) years beyond the current term ("Renewed Term"). The new term shall be from January 1, 2022 to January 1, 2026.

The Parties hereby acknowledge and agree that LICENSEE is in compliance with the terms of the License Agreement specifically including payment of the minimum Royalties due to LICENSOR for the then-current period.

3. Full Force and Effect of Other Terms. The Parties hereby confirm that all other terms and conditions of the License Agreement and Prior Amendment are in full force and effect and are un-amended except as expressly provided in this Second Amendment.

4. Counterparts. This Second Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

5. Electronic Signatures. The Parties agree that any form of electronic signature, including but not limited to signatures via facsimile, scanning, or electronic mail, may substitute for the original signature and shall have the same legal effect as the original signature.

SIGNATURES

IN WITNESS WHEREOF, the duly authorized representatives of the parties hereby execute this Second Amendment as of the date first written above.

University of Louisiana at Lafayette

/s/ Joseph Savoie

6/30/2022

Dr. E. Joseph Savoie, President

Ammo Technologies, Inc.

/s/ Fred Wagenhals

7/7/2022

Fred W. Wagenhals, President

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Exhibit 10.4

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into December 15, 2022 (the "Effective Date") between **AMMO, Inc.**, a Delaware corporation (the "Company"), and **Jared R. Smith** ("Employee"). Company and Employee are sometimes referred to individually as "Party" and collectively as "Parties".

RECITALS

A. The Company is a public company, and its securities are quoted in the over-the-counter market under the ticker symbol "POWW"; and

B. The Employee has experience in the guns and ammunition industry and the Company desires to hire Employee to serve as its Chief Operating Officer.

C. The Company and Employee desire to embody the terms and conditions of Employee's employment in a written agreement, which will supersede all prior agreements of employment, whether written or oral, between the Company and Employee, pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of their mutual covenants and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I.

EMPLOYMENT DUTIES AND TERM

Section 1.1 Employment.

(a) The Company shall employ Employee as Chief Operating Officer and President of AMMO Inc. commencing on January 2, 2022 ("Start Date"). In this capacity, Employee shall perform such duties, assume such responsibilities and devote such time, attention and energy to the business of the Company at such locations as the Company's officers or Employee's supervisor shall from time to time require.

(b) Employee shall not, during the term of Employee's employment hereunder, be engaged in any other activities if such activities materially interfere with Employee's duties and responsibilities for the Company.

(c) Employee shall perform all such duties as instructed by the Company's Board of Directors, including the duties set forth in Exhibit "A" attached hereto and incorporated herein by reference.

(d) In connection with the Employment, Employee shall be appointed to serve as a member of the Company's Board of Directors within 90 days of the Start Date.

(e) As previously announced, the Company has created a Succession Planning Committee, and the current Chief Executive Officer will recommend Employee as an internal candidate for the consideration by the Succession Committee to become the Chief Executive Officer of the Company.

Section 1.2 Term. The Employment is on at-will basis, terminable by either party at any time for cause or no cause. The term of this Agreement shall commence on the Effective Date and shall continue, unless sooner terminated, until three (3) years thereafter (the "Initial Term"). The Company, in its discretion, shall have the right to extend this Agreement for up to three (3) additional one (1) year terms (the "Additional Terms," and collectively with the Initial Term, the "Term") subject to sixty (60) advance written agreement by parties.

ARTICLE II.

COMPENSATION

Section 2.1 Compensation. During the Term of Employment, Company shall pay and Employee shall receive the following compensation:

(a) Salary. The Company shall pay Employee Four Hundred and Seventy-Five Thousand Dollars (\$475,000.00) per year during the Term paid in accordance with Company's normal payroll practices ("Salary"). Employee shall be eligible for annual increase in Salary of up to 6% per year based upon performance in the discretion of the Board of Directors Compensation Committee.

(b) Stock Incentive Compensation; Performance Based Stock Grant. Employee shall earn an aggregate 600,000, restricted shares of common stock in the Company (or 200,000 shares per year) during the Initial Term (the "Shares"). The Shares shall be earned and vest quarterly and shall be issued quarterly in accordance with the Company's standard share issuance practices (the "Shares Delivery Date"). Company and Employee agree that Employee may file a Section 83(b) election with the Internal Revenue Service in a form to be agreed to prior to the Commencement of Employment (the "Shares Grant Date") and which shall be filed by Employee within thirty (30) days of the Shares Grant Date.

(c) Performance Bonus. During the Term, Employee shall be eligible to receive performance-based bonus compensation which shall be determined in the sole discretion of the Company's Compensation Committee of the Board of Directors, from time to time. The Bonus target shall be 100-125% of Employee's annual Salary ("Bonus") and based upon performance for any full fiscal year of service (or pro-rated year as applicable during the first year). The bonus for the fiscal year ended March 31, 2023 is guaranteed for the sum of the pro-rated portion of the employee's salary. Employee shall be entitled to receive a prorated Bonus for year ended March 31, 2023, to be issued in within 15 days of closing the financials for year ended March 31, 2023.

(d) Board Compensation. Solely as compensation for Employee's service on the Board, he will receive, consistent with the compensation the other members of the Board, ten thousand (10,000) shares of the Company's common stock each quarter.

Section 2.3 Restricted Stock. The Shares that may be issued by the Company pursuant to this Agreement will **not be registered** and are being issued pursuant to a specific exemption under the Securities Act, as well as under certain state securities laws for transactions by an issuer not involving any public offering or in reliance on limited federal preemption from such state securities registration laws. The shares to be issued by the Company pursuant to this Agreement must be held and may not be sold, transferred, or otherwise disposed of for value unless such securities are subsequently registered under the Securities Act or an exemption from such registration is available, and that the certificates representing the shares of the Company's Common Stock issued pursuant to this Agreement will bear a legend in substantially the following form so restricting the sale of such securities:

The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), and are "restricted securities" within the meaning of Rule 144 promulgated under the Securities Act. The securities have been acquired for investment and may not be sold or transferred without complying with Rule 144 in the absence of an effective registration or other compliance under the Securities Act.

The Company reserves the right to issue the Shares under the Company's equity incentive plan, in its sole discretion.

Section 2.4 Participation in Employee Benefit Plans; Incentive Programs. Employee shall be entitled to participate in any employee benefit plans, the Company may establish or adopt for the benefit of employees of the Company. Employee benefits will become available to Employee in the first month following the active employment. Employer shall provide 3% match on 401(k) contributions after one year of employment with vesting of matching funds per the Company timeline and Company written policies. During the Term the Company shall provide Employee with health and medical insurance benefits with 100% of monthly premiums paid for by Company for the Employee and his/her immediate family.

Section 2.5 Time Off. Employee shall be entitled to 4 weeks of paid time off per year, whether because of sickness, vacation or to service Employee's outside business interest as Employee shall determine ("Time Off"). Employee shall receive paid holidays commensurate with Company policy. The timing of vacations shall be scheduled in a manner reasonably acceptable to the Company. Accrued but unused Time Off shall not roll over to the next fiscal year and is 'use it or lose it' Time Off.

Section 2.6 Expenses. The Company shall reimburse Employee's reasonable and actual out-of-pocket expenses incurred by Employee which are approved in advance by the Company in the performance of his duties and responsibilities under this Agreement.

(a) Relocation Expenses. In connection with the Employment, Employee shall be granted a relocation expense allowance of up to \$25,000 to be reimbursed by Company to Employee within 120 days of the Start Date, subject to timely submission of all reimbursable expenses to the Company.

ARTICLE III.

TERMINATION OF EMPLOYMENT

Section 3.1 Death & Disability of Employee. In the event of the Employee's death during the Term of Employment, this Agreement shall terminate immediately. If, during the Term, the Employee shall suffer a "Disability" within the meaning of Section 22(e)(3) of the Internal Revenue Code of 1986, the Company may terminate the Employee's employment. Section 22(e)(3) provides, in relevant part: "An individual is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months." In the event the Employee is terminated due to death or Disability, the Employee (or his estate in the event of his death) shall be receive (i) all of Employee's unpaid Salary through the date of death/Disability and a severance benefit of two (2) month's pay, (ii) all reimbursable expenses and benefits owing to Employee through the date of Employee's death/Disability together with any benefits payable under any life insurance program in which Employee is a participant, if applicable, and (iii) Employee's estate shall be entitled to any pro-rata vested or earned Bonus, payable at the end the respective fiscal year.

Section 3.2 **Termination with Cause By Company.** The Company may terminate this Agreement at any time during the Term for “Cause” upon written notice to Employee, upon which termination shall be effective immediately. For purposes of this Agreement, “Cause” means the following, without limitation:

- (a) Willful misconduct or willful failure by the Employee to perform his responsibilities to the Company;
- (b) Employee’s material breach of this Agreement;
- (c) Employee’s willful failure to adhere to any written Company Employer policy if Employee has been given reasonable opportunity to comply with such policy or cure his failure;
- (d) Executive engages in misfeasance or malfeasance demonstrated by a pattern of failure to perform job duties diligently and professionally;
- (e) the appropriation (or attempted appropriation) of a material business opportunity of the Company, including attempting to secure or securing any personal profit in connection with any transaction entered into on behalf of the Company;
- (f) the misappropriation (or attempted misappropriation) of any of the Company’s funds or property; or
- (g) The conviction of, the indictment for (or procedural equivalent), or entering of a guilty plea or plea of no contest with respect to any major felony involving moral turpitude, including breach of trust, dishonesty, or physical harm to any person, that reflects adversely upon the standing of the Company in the community.

Section 3.3 **Termination Without Cause By Company.** The Company may terminate this Agreement at any time during the Term without “Cause” upon 5 days written notice to Employee.

Section 3.4 **Termination By Employee for Good Reason.** Employee may terminate this Agreement at any time by providing the Company 30 days’ written notice, with or without “Good Reason.” For purposes hereof, the term “Good Reason” shall exist upon (i) a material diminution in the Employees’ Salary; (ii) a material diminution in the Employee’s authority, duties or responsibilities; (iii) a material change in geographic location at which the Employee performs services; or (iv) any material breach by the Company of this Agreement. “Good Reason Process” means the following series of actions: (i) the Employee reasonably determines in good faith that Good Reason exists, (ii) the Employee notifies the Company or the acquiring or succeeding corporation (if applicable) in writing of the existence of Good Reason within 60 days of the occurrence of the event that gave rise to the existence of Good Reason, (iii) the Employee cooperates in good faith with the Company’s (or the acquiring or succeeding corporations, if applicable) efforts to remedy the conditions that gave rise to the existence of Good Reason for a period of 30 days following such notice (such 30 day period, the “Cure Period”), (iv) notwithstanding such efforts, Good Reason continues to exist and (v) the Employee terminates his employment within 30 days after the end of the Cure Period. For the avoidance of doubt, if the Company or the acquiring or succeeding corporation successfully remedies the conditions that gave rise to the existence of Good Reason during the Cure Period, Good Reason shall be deemed not to have existed. In the event the Employee terminates employment under this Agreement for Good Reason, the Employee shall be eligible to receive the severance benefits set forth in Section 3.6

Section 3.5 **Termination by the Employee without Good Reason.** The Employee may terminate the Employee’s employment with the Company without Good Reason at any time subject to the Employee’s provision of thirty (30) days’ advance written notice to the Company (the “Applicable Notice Period”), provided, however, that the Company may, in its sole discretion, in lieu of all or part of the Applicable Notice Period, pay the Employee an amount equal to the Salary that would otherwise have been payable to the Employee had the Employee remained employed for the duration of the Applicable Notice Period. In such instance, the Employee’s termination will become effective on the date set forth in a written notice of termination to be provided by the Company (the “Early Termination Date”), and the Employee will be paid an amount equal to the base Salary the Employee would have received had the Employee remained employed by the Company between the Early Termination Date and the end of the Applicable

Notice Period (the “Early Termination Payment”), with the Early Termination Payment to be made no later than the 30th day following the end of the Applicable Notice Period.

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Section 3.6 **Compensation upon Termination.**

(a) For Cause/Without Good Reason. In the event that the Company terminates the Employee's employment hereunder due to a Termination for Cause or the Employee voluntarily terminates employment with the Company without Good Reason, the Employee shall be entitled to accrued but unpaid Salary, reimbursable expenses and benefits owing to Employee through the day on which Employee is terminated, and all vested Shares through date of termination.

(b) Without Cause/Good Reason. In the event that the Company terminates the Employee's employment hereunder due to a Termination without Cause or Employee terminates the employment hereunder for Good Reason, Employee shall be entitled to compensation, including Base Salary and insurance benefits for a period of twelve (12) months from the effective date of termination (the "Severance Period"), and 100% of the Shares, including any remaining unvested Shares shall immediately become vested and issuable. The Employee's reimbursable expenses shall be paid within 15 days of Termination. Except as otherwise contemplated by this Agreement, Employee will not be entitled to any other compensation upon termination of this Agreement.

(c) The salary and fringe benefits to be paid are referred to herein as the "Termination Compensation." Employee shall not be entitled to any Termination Compensation unless, Employee complies with all surviving provisions of any confidentiality agreement that Employee may have signed and Employee's execution of a standard release of claims in favor of the Company or its successor.

(d) If Employee terminates this Agreement by providing appropriate notice, the Company, at its election, Company may (i) require Employee to continue to perform duties hereunder for the full notice period, or (ii) terminate Employee employment at any time during such notice period, provided that any such termination shall not be deemed to be a termination without cause of Employee's employment by the Company. Unless otherwise provided by this Section, all compensation and benefits paid by Company to Employee shall cease upon his last day of employment.

Section 3.7 **Change in Control.** In addition, notwithstanding the foregoing, in the event that Employee's continuous status as an employee of the Company is terminated by the Company without Cause or Employee terminates the employment with the Company for Good Reason, in either case upon or within twelve (12) months after a Change in Control ("CoC") as defined below then, subject to Employee's execution of a standard release of claims in favor of the Company or its successor, (i) Employee shall receive the Salary for a period of twelve (12) months, (ii) 100% of the Shares, including any remaining unvested Shares shall immediately become vested and issuable, (iii) Employee shall be entitled to the Bonus through the date of termination, if applicable, and (iv) Employee shall be released from any restriction on Non-Competition as set forth in Section 4.2 herein.

As used in this Agreement, "**Change in Control**" shall be deemed to have occurred if any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Exchange Act) is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities; (ii) if during any period of 18 consecutive months, individuals who were members of the Board at the beginning of such period (the "Incumbent Directors") cease at any time during such period for any reason to constitute at least a majority of the Board; (iii) a sale of substantially all of the assets of the Company; or (iv) a liquidation of the Company. "Change in Control" shall specifically exclude any spin-off or reorganization of the Company contemplated prior to the Effective Date of this Agreement except as detailed above within Section 1.1(e).

ARTICLE IV.
RESTRICTIVE COVENANTS

Section 4.1 Confidentiality.

(a) Employee recognizes and acknowledges that Employee has had and will continue to have access to various trade secrets and/or proprietary information (collectively, the “Confidential Information”) concerning the Company. Employee acknowledges that the Confidential Information has been developed solely through the substantial efforts of the Company over a long period of time, and that such Confidential Information is valuable and unique and constitutes a trade secret of the Company.

(b) Employee agrees to keep all Confidential Information of the Company in strict confidence and agrees not to disclose any Confidential Information to any other person, firm, association, company, corporation or other entity for any reason except as such disclosure may be required in connection with his employment hereunder. Employee further agrees not to use any Confidential Information for any purpose except on behalf of the Company.

(c) For purposes of this Agreement, “Confidential Information” shall mean any information, process or idea that is not generally known in the industry, that the Company considers confidential and/or that gives the Company a competitive advantage, including, without limitation: (i) books and records relating to operation, finance, accounting, sales, personnel and management, (ii) policies and matters relating particularly to operations such as customer service requirements, costs of providing service and equipment, operating costs, and price matters, and (iii) various trade or business secrets, including business opportunities, marketing or business diversification plans, business development and bidding techniques, methods of processes, financial data and the like. If Employee is unsure whether certain information or material is Confidential Information, Employee shall treat that information or material as confidential unless Employee is informed by the Company, in writing, to the contrary. “Confidential Information” shall not include any information which: (i) is or becomes publicly available through no act or failure of Employee; (ii) was or is rightfully learned by Employee from a source other than the Company before being received from the Company; (iii) becomes independently available to Employee as a matter of right from a third Party having lawful right to make such communication; or (iv) is developed by Employee independently of any Confidential Information.

(d) Employee further agrees that upon termination of his employment with the Company, for whatever reason, Employee will surrender to the Company all of the property, notes, manuals, reports, documents and other things in Employee’s possession, including copies or computerized records thereof, which relate directly or indirectly to Confidential Information.

4.2 Non-Competition. Beginning on the date hereof and through the date that is six (6) months following the Termination Date (the “Restricted Period”), Employee will not, and will cause his or her affiliates not to, directly or indirectly, through or in association with any third party, in any territory which the Company operates as of the time Employee is no longer employed by, consulting for, serving as a board member of, or no longer otherwise works for, the Company, (i) engage in, market, sell, or provide any products or services which are the same or similar to or otherwise competitive with the products and services sold or provided by the Company or (ii) own, acquire, or control any interest, financial or otherwise, in a third party or business or manage, participate in, consult with, render services for or otherwise, any business, that in each case is engaged in selling or providing the same, similar or otherwise competitive services or products which the Company is selling or providing, other than ownership of one percent or less of the equity of a publicly traded company. Upon a Change in Control and in the event Employee’s status as employee is terminated for any reason, the Restricted Period shall be reduced to five (5) business days.

4.3 Non-Solicitation.

(a) During the Restricted Period, Employee will not, and will cause his or her affiliates not to, directly or indirectly, through or in association with any third party (1) call on, solicit, or service, engage or contract with, or take any action which may interfere with, impair, subvert, disrupt, or alter the relationship, contractual or otherwise, between the Company and any current or prospective customer, supplier, distributor, agent, contractor, developer, service provider, licensor, or licensee or other material business relation of the Company, (2) divert or take away the business or patronage (with respect to products or services of the kind or type developed, produced, marketed, furnished, or sold by the Company) of any of the clients, customers, or accounts, or prospective clients, customers, or accounts, of the Company or (3) attempt to do any of the foregoing, either for Employee’s own purposes or for any other third party.

(b) During the Restricted Period, Employee will not, and will cause his or her affiliates not to, directly or indirectly, through or in association with any third party (1) solicit, induce, recruit, or encourage any employees or independent contractors of or consultants to the Company to terminate their relationship with the Company or take away or hire such employees, independent contractors, or consultants or (2) attempt to do any of the foregoing, either for Employee’s own purposes or for any other third party.

Section 4.4 No Derogatory Statements. Employee shall not engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity, reputation or goodwill of the Company, its competitors or its management.

Section 4.5 Remedies. If the provisions of this Article are violated, or threatened to be violated, in whole or in part, the Company shall be entitled to a temporary restraining order or a preliminary injunction restraining or enjoining Employee from using or disclosing, in whole or in part, such Confidential Information, without prejudice to any other remedies the Company may have at law or in equity. If Employee violates this Article, Employee agrees that the Company would be irreparably harmed.

ARTICLE V.

PROPERTY; INVENTIONS AND PATENTS

Section 5.1 **Property.** Employee agrees that all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos, products, equipment, and all similar or related information and materials (whether patentable or unpatentable) (collectively, "Inventions") which relate to the Company's actual or anticipated business, research and development, or existing or future products or services and which are conceived, developed, or made by Employee or any other employee or person at his direction, advice or assistance (whether during usual business hours and whether alone or in conjunction with any other person) while employed (and for the Restricted Period if and to the extent such Inventions result from any work performed for the Company, any use of the Company's premises or property or any use of the Company's Confidential Information) by the Company (including those conceived, developed, or made prior to the date of this Agreement) together with all patent applications, letters patent, trademark, brands, tradename and service mark applications or registrations, copyrights, and reissues thereof that may be granted for or upon any of the foregoing (collectively referred to herein as, the "Work Product"), belong in all instances to the Company. Employee will promptly disclose such Work Product to the Company and perform all actions reasonably requested by the Company (whether during or after the Term) to establish and confirm the Company's ownership of such Work Product (including, without limitation, the execution and delivery of assignments, consents, powers of attorney, and other instruments) and to provide reasonable assistance to the Company (whether during or after the Term) in connection with the prosecution of any applications for patents, trademarks, brands, trade names, service marks, or reissues thereof or in the prosecution or defense of interferences relating to any Work Product. Employee recognizes and agrees that the Work Product, to the extent copyrightable, constitutes works for hire under the copyright laws of the United States and that to the extent Work Product constitutes works for hire, the Work Product is the exclusive property of the Company, and all right, title, and interest in the Work Product vests in the Company. To the extent Work Product is not works for hire, the Work Product, and all of Employee's right, title, and interest in Work Product, including without limitation every priority right, is hereby assigned to the Company.

Section 5.2 **Cooperation.** Employee shall, during the Term and at any time thereafter, assist and cooperate fully with the Company in obtaining for the Company the grant of letters patent, copyrights, and any other intellectual property rights relating to the Work Product in the United States and/or such other countries as the Company may designate. With respect to Work Product, Employee shall, during the Term and at any time thereafter, execute all applications, statements, instruments of transfer, assignment, conveyance or confirmation, or other documents, furnish all such information to the Company and take all such other appropriate lawful actions as the Company requests that are necessary to establish the Company's ownership of such Work Product. Employee will not assert or make a claim of ownership of any Work Product, and Employee will not file any applications for patents or copyright or trademark registration relating to any Work Product.

Section 5.3 **No Designation as Inventor;** Waiver of Moral Rights. Employee agrees the Company shall not be required to designate Employee as the inventor or author of any Work Product. Employee hereby irrevocably and unconditionally waives and releases, to the extent permitted by applicable law, all of Employee's rights to such designation and any rights concerning future modifications to any Work Product. To the extent permitted by applicable law, Employee hereby waives all claims to moral rights in and to any Work Product.

Section 5.4 **Pre-Existing and Third-Party Materials.** Employee will not, in the course of employment with the Company, incorporate into or in any way use in creating any Work Product any pre-existing invention, improvement, development, concept, discovery, works, or other proprietary right or information owned by Employee or in which Employee has an interest without the Company's prior written permission. Employee hereby grants the Company a nonexclusive, royalty-free, fully paid, perpetual, irrevocable, sublicensable, worldwide license to make, have made, modify, use, sell, copy, and distribute, and to use or exploit in any way and in any medium, whether or not now known or existing, such item as part of or in connection with such Work Product. Employee will not incorporate any invention, improvement, development, concept, discovery, intellectual property, or other proprietary information owned by any party other than Employee into any Work Product without the Company's prior written permission.

Section 5.5 **Attorney-in-Fact.** Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney-in-fact, to act for and on Employee's behalf to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright, trademark, and mask work registrations with the same legal force and effect as if executed by Employee, if the Company is unable because of Employee's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Employee's signature for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright or trademark registrations covering the Work Product owned by the Company pursuant to this Section.

ARTICLE VI.

MISCELLANEOUS

Section 6.1 **Assignment; Binding Effect; Amendment.** This Agreement and the rights of the Parties under it may not be assigned (except by operation of law and except that it may be assigned by the Company to an Affiliated Entity) and shall be binding upon and shall inure to the benefit of the Parties and their successors and assigns. This Agreement, upon execution and delivery, constitutes a valid and binding agreement of the Parties enforceable in accordance with its terms and may be modified or amended only by a written instrument executed by all Parties hereto.

Section 6.2 **Entire Agreement.** This Agreement is the final, complete and exclusive statement and expression of the agreement among the Parties hereto with relation to the subject matter of this Agreement, it being understood that there are no oral representations, understandings or agreements covering the same subject matter as this Agreement. This Agreement supersedes, and cannot be varied, contradicted or supplemented by evidence of any prior or contemporaneous discussions, correspondence, or oral or written agreements of any kind.

Section 6.3 **Counterparts.** This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

Section 6.4 **Notices.** All notices or other communications required or permitted hereunder shall be in writing and may be given by depositing the same in United States mail, addressed to the Party to be notified, postage prepaid and registered or certified with return receipt requested, by nationally recognized overnight courier or by delivering the same in person to such Party.

(a) If to Employee, addressed to Employee's last known address of record

(b) If to the Company, addressed to it at:

Ammo, Inc.
Attn: Fred Wagenhals
7681 E. Gray Road
Scottsdale, AZ 85260

Notice shall be deemed given and effective the day personally delivered, the day after being sent by overnight courier, subject to signature verification, and three business days after the deposit in the U.S. mail of a writing addressed as above and sent first class mail, certified, return receipt requested, or when actually received, if earlier. Any Party may change the address for notice by notifying the other Parties of such change in accordance with this Section.

Section 6.5 Governing Law; Arbitration. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona, without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Arizona; provided, however, that the following provisions shall be governed by the Federal Arbitration Act:

(a) Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, in accordance with the rules of the American Arbitration Association for employment disputes as then in effect. For the avoidance of doubt, it is understood and agreed that this Agreement to arbitrate includes any and all claims and disputes, including, without limitation, as to arbitrability, with respect to Employee's employment with the Company or the termination of such employment, including, without limitation, any claim for alleged discrimination, harassment, or retaliation under on the basis of race, sex, color, national origin, sexual orientation, age, religion, creed, marital status, veteran status, alienage, citizenship, disability or handicap, or any other legally protected status, and any alleged violation of any federal, state, or other governmental law, statute or regulation, including, but not limited to, any alleged violation of Title VII of the Civil Rights Act of 1964, other civil rights statutes including, without limitation, 42 U.S.C. § 1981, 42 U.S.C. § 1982, and 42 U.S.C. § 1985, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Employee Retirement Income Security Act, the Fair Labor Standards Act, the Occupational Safety and Health Act, the Immigration Reform and Control Act, the Sarbanes-Oxley Act, or any state or local law, statute or regulation, as such statutes, laws, and regulations are amended. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

Section 6.6 No Waiver. No delay of or omission in the exercise of any right, power or remedy accruing to any Party as a result of any breach or default by any other Party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of or in any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

Section 6.7 Captions. The headings of this Agreement are inserted for convenience only, and shall not constitute a part of this Agreement or be used to construe or interpret any provision hereof.

Section 6.8 Severability. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as most nearly to retain the intent of the Parties. If such modification is not possible, such provision shall be severed from this Agreement. In either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 6.9 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute shall be deemed to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” means including, without limitation. The Parties intend that representations, warranties and covenants contained herein shall have independent significance. If any Party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the Party has not breached shall not detract from or mitigate the fact the Party is in breach of the first representation, warranty or covenant.

Section 6.10 No Derogatory Statement. The Company shall not engage in any pattern of conduct that involves the making or publishing of written or oral statements or remarks (including, without limitation, the repetition or distribution of derogatory rumors, allegations, negative reports or comments) which are disparaging, deleterious or damaging to the integrity or reputation of Employee.

Section 6.11 Indemnification by the Company. The Company shall indemnify, defend and hold Employee harmless from any liabilities, obligations, claims, penalties, fines or losses resulting from any unauthorized or unlawful acts of the Company which contravene any applicable statute, rule, regulation or order of any jurisdiction, foreign or domestic.

Section 6.12 Headings. The headings used herein are for convenience only and do not limit the contents of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed effective as of the day and year first above written.

AMMO, INC.

By: Fred Wagenhals
Its: Chief Executive Officer

EMPLOYEE:

By: Jared R. Smith

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EXHIBIT A
JOB DUTIES AND RESPONSIBILITIES

The Chief Operating Officer (“COO”) is responsible for leading the development and execution of the Company’s long-term strategy with a view to creating shareholder value. The COO’s leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company’s long and short-term plans. The COO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management. The COO will work closely with and directly answer to the CEO as his/her supervisor.

More specifically, the duties and responsibilities of the COO include the following:

1. to lead, in conjunction with the Board, the development of the Company’s strategy along with the CEO;
2. to lead and oversee the implementation of the Company’s long and short term plans in accordance with its strategy;
3. to ensure the Company is appropriately organized and staffed and to have the authority to hire and terminate staff as necessary to enable it to achieve the approved strategy;
4. to ensure that expenditures of the Company are within the authorized annual budget of the Company, if one is adopted;
5. to assess the principal risks of the Company and to ensure that these risks are being monitored and managed;
6. to ensure effective internal controls and management information systems are in place;
7. to ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
8. to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
9. to act as a liaison between management and the Board;
10. communicate effectively with shareholders, employees, Government authorities, other stakeholders and the public;
11. to keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place to ensure that the COO, CEO and management of the Company are adequately informed;
12. to ensure that the Directors are properly informed and that sufficient information is provided to the Board to enable the Directors to form appropriate judgments;
13. to ensure the integrity of all public disclosure by the Company;
14. in concert with the Chairman, to develop Board agendas;
15. to sit on committees of the Board where appropriate as determined by the Board; and
16. to abide by specific internally established control systems and authorities, to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the Company’s standards and policies, including its environmental, safety and health policies.

CERTIFICATION

I, Fred W. Wagenhals, Jared R. Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AMMO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2023 August 9, 2023

By: /s/ Fred W. Wagenhals Jared R. Smith

Name: Fred W. Wagenhals Jared R. Smith

Title: Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Robert D. Wiley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AMMO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent

functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 14, 2023 August 9, 2023

By: /s/ Robert D. Wiley

Name: Robert D. Wiley

Title: Chief Financial Officer (Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Quarterly Report of AMMO, Inc. (the "Company") on Form 10-Q for the period ended December 31, 2022 June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned Fred W. Wagenhals, Jared R. Smith, Chief Executive Officer (Principal Executive Officer) of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report fully complies with the requirements of Section 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 14, 2023 August 9, 2023

By: /s/ Fred W. Wagenhals Jared R. Smith

Name: Fred W. Wagenhals Jared R. Smith

Title: Chief Executive Officer (Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Quarterly Report of AMMO, Inc. (the "Company") on Form 10-Q for the period ended **December 31, 2022** **June 30, 2023** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Rob Wiley, Chief Financial Officer (Principal Financial Officer) of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Quarterly Report fully complies with the requirements of Section 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: **February 14, 2023** **August 9, 2023**

By: /s/ **Rob** Robert D. Wiley

Name: **Rob** Robert D. Wiley

Title: Chief Financial Officer (Principal Financial Officer)

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