

## **SUPPLEMENTAL REPORT**

### **Settlement Agreement with Continuation Capital, Inc.**

On March 18, 2019, Easton Pharmaceuticals, Inc. a Wyoming corporation (the "Company"), entered into a Settlement Agreement and Stipulation (the "Settlement Agreement") with Continuation Capital, Inc., a Delaware corporation ("CCI"). Pursuant to the Settlement Agreement, the Company agreed to issue shares of its common stock to CCI in exchange for the settlement of certain past due obligations and accounts payable of the Company (the "Subject Debts") in the aggregate amount of \$535,022.28 ("the Settlement Amount"). Prior to its entering into the Settlement Agreement, CCI had purchased the Subject Debts from certain vendors of the Company, pursuant to separate claim purchase agreements between CCI and such vendors.

CCI sought payment of the Subject Debts by the Company in the matter entitled Continuation Capital Inc., a Delaware corporation, vs. Easton Pharmaceuticals, Inc., a Wyoming corporation ("the CCI Action"), in the Circuit Court of the Twelfth Judicial Circuit in and for Sarasota County, Florida (the "Florida Circuit Court"). In settlement of the CCI Action, the Company and CCI entered into the Settlement Agreement. On March 19, 2019, the Florida Circuit Court entered an order approving the Settlement Agreement (the "CCI Order"). In the CCI Order, the Florida Circuit Court found, among other things, that the Settlement Agreement was fair to CCI, within the meaning of Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), and that the sale of shares of Company common stock (the "Settlement Shares") to CCI and the resale of the Settlement Shares by CCI, assuming satisfaction of all other applicable securities laws and regulations, will be exempt from registration under the Securities Act.

Pursuant to the terms of the Settlement Agreement, as approved by the CCI Order, the Company agreed to issue Settlement Shares to CCI in one or more tranches, as necessary, sufficient to satisfy the Settlement Amount, by delivery of one or more issuance requests (each, a "Share Request") to the Company. Each Share Request is to state the portion of the Settlement Amount to be satisfied by such Share Request. In accordance with the Settlement Agreement, the per share price of the Settlement Shares shall be equal to 50% of the lowest-traded price of the Company's common stock for the thirty-day trading period immediately preceding the date of the applicable Share Request. Share Requests shall be made by CCI, until such time as the Settlement Amount shall have been paid in full. Additionally, the Company is to issue, pursuant to Section 3(a)(10) of the Securities Act, 3,333,333 shares of its common stock to CCI, as and for a settlement fee.

The Settlement Agreement further provides that, in no event, shall the number of shares of Company common stock beneficially owned by CCI, or deemed beneficially owned by CCI, at any time, exceed 9.99% of the Company's then-outstanding shares of common stock, as determined in accordance with Section 16 of the Securities Exchange Act of 1934 and the regulations promulgated there under.

The Company has initially reserved 800 million shares of its common stock to provide for issuances made pursuant to the Settlement Agreement.

The Company has duly caused this Supplemental Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 20, 2019.

/s/ Evan Karras

President & CEO

Easton Pharmaceuticals, Inc.