

## PRESS RELEASE

November 19, 2015

### **Biosenta Announces Restructuring Proposal to Creditors**

Nov. 19, 2015 (Toronto) --Biosenta Inc. (the "Company") (CNSX: ZRO) announced today that it has filed a restructuring proposal to creditors (the "Proposal") today. The Proposal is made under the Canadian Bankruptcy and Insolvency Act (the Act). A copy has been filed on the Company's profile at [www.sedar.com](http://www.sedar.com). The Proposal has been approved by the board of the Company, which has appointed Farber Financial Group as the trustee (the "Trustee").

Under this Proposal, eligible creditors will be given the choice of receiving either up to 50% of the eligible claim amount in cash (with 15% up front, subject to proration if aggregate payments thereunder would exceed \$215,000, and 35% payable contingent on there being sufficient cash flow over time) or in common shares (based on approximately 18,248 shares per \$1,000.00 of eligible claim amount, or approximately \$0.05 per share, assuming that 30% of unsecured creditors accept equity) as full and final settlement of claims.

A 30% acceptance of equity rate by unsecured creditors would result in the issuance of approximately 52.34 million shares for a price of approximately \$0.05 per share. If 100% of unsecured creditors accepted equity, which is not expected, approximately 655.5 million shares would be issued for a price of approximately \$0.0095 per share.

Secured creditors that have either invested or expressed a willingness to invest up to \$800,000 in total on a secured basis to help finance the Company while it pursues the Proposal, have entered into general security agreements which include all assets of the Company as security. If the Proposal succeeds, it is expected that they would also receive shares on the same basis described above.

In addition to the up to \$300,000 loan to the Company announced on Nov. 2, 2015, a third party, New South Biolabs LLC, has expressed interest in funding up to \$500,000 on similar terms, contingent on progress with the Proposal. More particularly, upon the Proposal being confirmed by the Trustee as having been accepted by the requisite eligible creditors, the third party proposes to subscribe for \$500,000 in aggregate worth of 1%, secured (2<sup>nd</sup> ranking), 6 month term to maturity (subject to early maturity on bankruptcy), no covenant, convertible debentures, on the following subscription schedule:

- a. On the business day following such completion, \$150,000;
- b. 30 days following such completion (or the next business day, if it is not a business day), \$150,000;
- c. 60 days following such completion (or the next business day, if it is not a business day), \$100,000; and
- d. 90 days following such completion (or the next business day, if it is not a business day), \$50,000.

They would be mandatorily converted into Biosenta common shares (based on the same conversion ratio as applies to unsecured creditors) immediately following the entry into effectiveness of the Proposal (with court approval). If the Proposal becomes effective before the date of proposed issuance of any of the convertible debentures, then the applicable common shares would be issued in lieu of the convertible debentures on the same timetable.

In addition, it is proposed that the Company and New South Biolabs LLC (“NSB”) would mutually agree to terminate all obligations of both parties under their existing agreement dated March 2013, and irrevocably release each other from any and all claims against each other in connection therewith, and that, in exchange for past financial contributions, NSB would receive an additional common shares of the Company. Assuming that 30% of unsecured creditors accept equity, NSB would hold approximately 18.39 million shares or 13.57% of the total issued and outstanding shares in the event that the Proposal is successfully completed.

All common shares issued as described above would be subject to a minimum 4 month hold period. It is unclear whether the Company will be able to maintain its current stock exchange listing, and it may well be delisted.

By virtue of a court order, legal proceedings against the Company have been stayed at this time.

A meeting of eligible creditors is scheduled for December 7, 2015 at 2 pm (Toronto time) at the Trustee's offices, which are located at Suite 1600, 150 York St Toronto, Ontario, Canada M5H 3S5.

The board of the Company has approved the Proposal, as the Company is unable to pay creditors in full in a timely manner. Management of the Company has made every effort to raise funds over the past 10 months, without success, most probably as a consequence of the effects of the possible improprieties and breaches of fiduciary duty that may have been committed by former directors, as reported in a press release on March 26, 2015.

While there can be no assurance of success, the Company is confident that, if the restructuring proposal is successfully completed, it will be in a much better position to achieve success with its disinfectant products. In particular, the Company intends to launch its disinfectant in the U.S. in early 2016 and seek approvals of its Tri-Filler™ industrial product, which has been tested with potential customers, as soon as possible. With new funding and an improved balance sheet, the Company is aiming to be cash flow positive in 2016.

## **Forward looking information**

There can be no assurances that the Proposal will be successfully completed, or even if it is successfully completed, that the Company will achieve success, or that the proposed additional funding described above will be provided.



### **About Biosenta Inc.**

Biosenta Inc. develops and manufactures a range of chemical compounds for household and industrial applications using advanced nanotechnology. The household disinfectants and cleaners possess similar levels of efficacy as traditional disinfectants with significantly lower concentrations of active ingredients resulting in lower toxicity. These disinfectants and cleaners will kill 100% of potentially deadly mold, fungi, bacteria and viruses on contact and prevent re-growth. These disinfectants are very safe due to the very low toxicity. The industrial compounds are embedded to protect various materials, including drywall, plastics and resins, from microbe formation. These compounds remain active for decades and protect the drywall of buildings, objects such as resin furniture, and carpet which contain plastic or resin, as well as textiles and paper from mold, fungi, bacteria and viruses. Both the household and industrial products are environmentally safe and biodegradable.

### **Disclaimer**

The CSE has in no way passed upon the contents of this press release and further, has neither approved nor disapproved of the contents of this press release. Neither the CSE nor its Regulation Services Provider (as such term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

### **For further information contact:**

Dene Rogers, President and CEO

Biosenta Inc.

3080 Yonge St., Suite 6020 Toronto, Ontario M4N 3N1

Ph: 416-410-2019

**Email: [dene@biosenta.com](mailto:dene@biosenta.com)**