

JOINT VENTURE AGREEMENT

THIS AGREEMENT made the 22 day of December 2017,

BETWEEN:

BIOSENTA INC., a corporation
incorporated under the laws of the Province of Ontario,

(hereinafter referred to as "**Biosenta**")

- and -

1943391 ONTARIO LTD., a corporation
incorporated under the laws of the Province of Ontario,

(hereinafter referred to as "**194**")

WHEREAS:

- A. All the Parties listed have agreed to form and constitute a joint venture (hereinafter referred to as the "**Joint Venture**"), for the purpose hereinafter described and on and subject to the terms hereinafter set forth, of which Biosenta and 194 (hereinafter individually referred to as a "**Member**" and collectively as the "**Members**") are to be the Members and the only Members;
- B. Biosenta has developed a process, and has obtained United States 9,493,658 entitled Method and Apparatus for the Preparation of Calcium Carbonate Coated Calcium Hydroxide Particles ("the Patent"). The product resulting from working the Patent is known as and shall be referred to herein as "Tri-Filler";
- C. 194 has the financial and managerial expertise to commercially exploit the Patent;
- D. Biosenta wishes to provide the Joint Venture with the exclusive right to exploit the Patent and Tri-Filler for the purposes described herein, for the benefit of both Members;

- E. The Members acknowledge there being an existing agreement between Biosenta and New South Biolabs Ltd. (“NSB”), dated March, 2013, (the “NSB Agreement”). 194 shall arrange for the NSB Agreement to be terminated forthwith upon the execution of this Agreement.
- F. Both parties have the right and authority to enter into this Agreement on the terms and conditions set out in it. Both parties have duly passed all corporate resolutions necessary to authorize the transactions contemplated by this Agreement. This Agreement is a legal, valid and binding obligation of both parties, enforceable against each of them in accordance with its terms.

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT, in consideration of the sum of ten dollars (\$10.00) now paid by each of the Members hereto to each of the other Members hereto, and of other good and valuable consideration (the receipt and sufficiency whereof by each of the Members hereto is hereby acknowledged), and in consideration of the premises and of the covenants and agreements contained herein, the Members hereto, for themselves, their heirs, executors, administrators, successors and assigns, covenant and agree to with each other that the recitals above are true and correct and are incorporated into this Agreement as covenants and obligations of the parties hereto and further agree as follows:

ARTICLE 1.00 - JOINT VENTURE

1.1 Formation

Biosenta and 194 do hereby form and constitute themselves Members of the Joint Venture for the purpose hereinafter set forth. The affairs of the Joint Venture shall be conducted in accordance with the provisions of this Agreement. Nothing herein contained shall be deemed or construed so as to make any of the Members hereto partners with one another. The Joint Venture shall conduct business under the name: *Tri-Filler Joint Venture*

1.2 Business of the Joint Venture

The Joint Venture shall carry on the business of promoting, advertising, marketing and selling the Tri-Filler product which is the subject of the Patent and may manufacture the Tri-Filler product. The Joint Venture shall be limited strictly to the purpose herein set out, including the sub-licensing of the exclusive license..

1.3 Apportionment of Profit

Profit, for purposes of this Agreement, shall be deemed to be such pre-tax profit earned by the Joint Venture which can be apportioned between the Members after the reasonable expenses of the joint venture are paid. Such Profit as each Member receives from time to time, from the joint venture, shall be referred to as the Member’s “Share of Profit”. Until such time as 194 receives the sum of Four Million Nine Hundred and Sixty Thousand (\$4,960,000.00) Canadian Dollars as

its Share of Profit, 194 shall receive Sixty (60%) percent of the Profit and Biosenta shall receive Forty (40%) percent of the Profit. After such time, all Profit shall be divided as follows:

- (a) 194 to receive 51%; and
- (b) Biosenta to receive 49%.

1.4 Funding of the Joint Venture and Biosenta

194 shall, at its sole cost and expense, provide such funding to the Joint Venture as may reasonably be required to carry on the Business of the Joint Venture. Such funding shall be deemed to be a reasonable expense of the Joint Venture, which is to be repaid to 194, from time to time, in addition to the Apportionment of Profit. Specifically, as part of that funding, 194 shall approach the Business Development Bank of Canada to obtain sufficient loans to fund the capital expenditures of the Joint Venture, on such terms and conditions as are acceptable to 194 in its sole absolute discretion. All losses and expenses which may be incurred by the Joint Venture shall be borne or paid by 194.

In addition to the above, 194 shall make monthly advances of Biosenta's share of profits from the Joint Venture, in the amount of \$20,000.00 per month, until such time as the Joint Venture is able to make distributions of profits to the Members. Thereafter, 194 shall make monthly advances of Biosenta's monthly share of profits, to top-up any distribution of profits paid to Biosenta from the Joint Venture, so that Biosenta shall continue to receive the amount of \$20,000.00 per month. Such advances shall be repaid to 194 from Biosenta's share of profits, once Biosenta's share of profits exceed \$20,000.00 per month.

1.5 Term

The Term of the Joint Venture shall be a period of time determined as follows:

- (a) First, such period of time as is required for 194 to receive the initial sum of Four Million Nine Hundred Sixty Thousand (\$4,960,000.00) Canadian Dollars as provided for in paragraph 1.3 above; and
- (b) Second, and in addition to subsection 1.5(a) above, a period of five (5) years from the date 194 receives its final payment towards its initial Four Million Nine Hundred and Sixty (\$4,960,000.00) Canadian Dollars return on investment.

It is acknowledged and agreed by the members that the obligations of 194 to fund the Joint Venture entitle 194 to a reasonable profit which is anticipated to be obtained during the Term and pursuant to the terms of this Agreement.

1.6 Management of the Joint Venture

The Joint Venture and all matters relating thereto, shall, subject to the provisions contained herein, be managed by a Management Committee as described below in Article 4.1, and all decisions made by the Management Committee in the course of the Joint Venture shall bind the Joint Venture and be final and binding on the Members.

1.7 Location of Operations

The central location of operations for the Joint Venture shall be Parry Sound, Ontario, Canada.

1.8 Product

Biosenta represents that, in addition to the Patent, Biosenta owns, exclusively, all intellectual property associated with the Patent, including but not limited to all Tri-Filler-related know-how, data and technical information, all trademarks, trade names, licenses and information contained therein, CAS number, and that it is entitled to the benefits of all documents prepared and issued by Health Canada and the U.S. EPA and other governmental agencies in relation to the safety standards of the Tri-Filler, all of which is herein referred to as the "Product". Where necessary, Biosenta shall grant exclusive use to the Joint Venture of all current and future Tri-filler, intellectual property and information in respect of the Product on a global basis.

1.9 License

A.

"Licensed Patents" means the Patent, and all other present or future patents and patent applications (if any), in which Biosenta has rights, that cover any activity comprehended by the business of the Joint Venture;

"Licensed Know-How" means all present and future Tri-Filler-related know-how, data, techniques, methods inventions and technical information possessed by Biosenta;

"Licensed Trademarks" means all Tri-Filler-related trademarks and trade names owned by Biosenta as of the effective date of this Agreement;

"Licensed Instruments" means all other intellectual property associated with Tri-Filler and the Patent, and includes related licences and information contained therein, CAS number, and all documents prepared and issued by Health Canada and the U.S. EPA and other governmental agencies in relation to the safety standards of the Tri-Filler;

"Licensed IP" means the Licensed Patents, the Licensed Know-How, the Licensed Trademarks and the Licensed Instruments.

B.

Biosenta grants to the Joint Venture a worldwide, fully paid-up, exclusive license under the Licensed Patents, Licensed Know-How, Licensed Trademarks and Licensed

Instruments to (1) make, use, sell and carry out any apparatus, composition, method or process comprehended by the business of the Joint Venture; (2) to use and benefit from the Licensed Trademarks, Licensed Know-How and Licensed Instruments in conducting the business of the Joint Venture.

- C. The license shall remain in force for the duration of the Agreement, and shall extend to 194 in its capacity as a member of the Joint Venture. In the event that a purchase by 194, as referred to in sub-article 3.2(b) or 6.3 occurs, the aforementioned grants shall continue to extend to 194 until the purchase and transfer of possession and rights is complete, including, without limitation, until the transfer of the Patent is registered and recognized by the United States Patent and Trademark Office.
- D. The Joint Venture and 194 shall use the Licensed Trademarks only in association with Tri-Filler and goods and services relating to the business of the Joint Venture. Biosenta, through its appointed members of the Management Committee, may from time to time inspect the quality of the goods and services in association with which the Licensed Trademarks are used. In the event that Biosenta, acting reasonably and in good faith, finds that such goods and services are of deficient quality, it may notify the Management Committee, which shall take reasonable steps to remedy the deficiency.
- E. The Joint Venture, acting through the Management Committee, may grant sublicenses under the aforementioned exclusive license.

1.10 Obligations of the Parties Immediately Upon the Execution of this Agreement

The principals of 194, one of whom is a principal of NSB and Biosenta, shall take steps to terminate the agreement between Biosenta and NSB.

Biosenta shall immediately take steps to terminate the Sales and Marketing Agreement entered into by and between itself and 2025829 Alberta Ltd., dated April 21, 2017, in accordance with the terms contained within the aforementioned agreement.

Biosenta shall undertake all actions required to obtain possession of its property and inventory located at 1 Industrial Blvd, Parry Sound, P2A 2W8, which is currently in possession of the landlord of the property.

1.11 Tax Credit Assignment

If, during the course of the Joint Venture, Biosenta becomes eligible to receive tax credits which it is unable to use, and it is determined that these tax credits are able to be assigned to the Joint Venture, then Biosenta shall take such steps as are necessary to assign said tax credits to the Joint Venture. In exchange for the assignment of any tax credits, Biosenta shall receive compensation in an amount to be determined by both parties in writing, from time to time.

ARTICLE 2.00 – MEMBER’S CONTRIBUTION

2.1 Initial Contribution

Prior to the execution of this Agreement, Biosenta has received from 194, William Connor, and related companies the following loans:

- (a) From Deacon Kalata Peckover, the sum of \$60,000.00;
- (b) From Deacon Kalata Consulting, the sum of \$166,000.00;
- (c) From Deacon Kalata Risk & Insurance, the sum of \$718,703.00;
- (d) From 799200 Ontario Inc., the sum of \$500,000.00;
- (e) From 1698791 Ontario Limited, the sum of \$130,000.00;
- (f) From 799200 Ontario Inc., legal fees from May, 2012 relating to various licensing agreements totaling \$78,750.00;

For a total of \$1,653.453.00.

In addition to the above sums of money received, it is acknowledged agreed by Biosenta that NSB has incurred expenses in the amount of \$950,000.00, associated with the development of facilities and related expenses, which were incurred for the purpose of meeting the obligations of NSB under the NSB Agreement. Further, William Connor has loaned Biosenta the sum of \$100,000.00, which together with accrued interest results in Biosenta owing William Connor the sum of \$120,000.00 at this time. Biosenta shall issue NSB, or a related company as determined by NSB, one million six hundred and sixty-six thousand, six hundred and sixty-six common shares in the capital of Biosenta (determined at a cost of \$.57 per share) to compensate NSB for its expenses. Biosenta shall issue William Connor two hundred and ten thousand, five hundred and twenty-six common shares in the capital of Biosenta (determined at a cost of \$.57 per share) to repay this loan. Upon the execution of this Agreement and the issuance of the shares to NSB and William Connor, 194 shall cause NSB to immediately terminate the NSB Agreement.

The basis for the Apportionment of Profit, set out in Article 1.3, is in part in recognition of the expenses incurred by both parties and to allow 194 to receive a return on their investment prior to Biosenta receiving an increased share of profit from the Joint Venture. The parties acknowledge and agree that the issuance by Biosenta of shares in the capital of Biosenta to NSB, or a related corporation as determined by William Connor, is intended to compensate NSB for what is now agreed to be NSB’s contribution to the development of Biosenta’s Product.

2.2 Ongoing Contribution

Biosenta Contribution:

Biosenta shall, promptly and on a continuing basis, provide such know-how, data, techniques, methods, technical information and technical support to the Joint Venture as it can and as is appropriate to advance the business of the Joint Venture. Biosenta shall maintain the Licensed Patents in good standing. If further patents, government agency approvals, test results, know-how, techniques, methods, technical information and other data and / or information which

assists or facilitates the Joint Venture to exploit the Patent and Tri-Filler and carry out the business of the Joint Venture are obtained by Biosenta, they shall automatically be included in the license grant of sub-article 1.9. If Biosenta becomes aware of any infringement by a third party of the Patent or other intellectual property licensed to 194 or the Joint Venture, Biosenta shall promptly inform 194 and the Joint Venture of all of the particulars of the infringement that Biosenta is aware of.

Biosenta shall contribute such equipment as it currently owns, and which it may acquire in the future, to advance the business of the Joint Venture. In the event Biosenta sells any of the equipment it currently owns, Biosenta shall pay one-half of the net sale proceeds to 194 as a partial repayment of the advances made by 194 to the Joint Venture. If Biosenta sells any of the equipment it currently owns, and at such time 194 is making monthly advances to Biosenta pursuant to Article 1.4 herein, the obligation of 194 to make such advances to Biosenta shall be suspended for a number of months to be determined by dividing the amount of net sale proceeds to be retained by Biosenta by \$20,000.00.

Further, Biosenta and its management and Board of Directors shall cooperate with 194 as appropriate and required by 194 to manage the Joint Venture and to exploit the Patent.

194 Contribution:

Following the execution of this Agreement, 194 shall contribute to the Joint Venture such amounts as may be required to properly exploit the Patent and create sales of Tri-Filler. These amounts shall not include such fees or costs payable by Biosenta associated with the maintenance of the Patent and Product. 194 shall provide such management and other expertise as may be appropriate to oversee the business of the Joint Venture.

In addition to the above contribution, 194 shall also provide expertise to manage the Joint Venture, a location of operations, preparation and maintenance of all office, accounting and bookkeeping records, and such management expertise as provided by the Board of Directors of 194, as well as such further duties and obligations as outlined in Article 4.

ARTICLE 3.00 - DEFAULT

3.1 Act of Default

Any Member of the Joint Venture shall be deemed to have committed an act of default, in the event that such Member:

- (a) Is in default under any other provision or provisions of this Agreement, and such default continues for a period of fifty (50) clear days after written notice thereof by any of the other Members of the Joint Venture;
- (b) Makes any assignment for the benefit of creditors or is adjudged bankrupt or insolvent by any court of competent jurisdiction under any legislation then in force,

or takes the benefit of any act that may be in force for bankrupt or insolvent debtors, or shall go into liquidation, either voluntary or under an order of a court of competent jurisdiction, or otherwise acknowledges its insolvency; or

(c) is the subject of any order made for the winding up of the Member.

The Member committing such act of default shall be referred to herein as the "**Defaulting Member**," and the other or others of them shall be referred to herein as the "**Non-defaulting Member**."

3.2 Remedies

In the event of default as aforesaid, the Non-defaulting Member shall have the following rights, in addition to any other right contained herein:

- (a) At the sole option of the Non-defaulting Member, it may terminate the Joint Venture on sixty (60) clear days written notice;
- (b) In the event that Biosenta is the Defaulting Member in accordance with Articles 3.1(b) or (c), 194 shall have, at its sole option, the further remedy of purchasing all right, title and interest in the Patent, Tri-Filler, Product, all intellectual property in respect of same, and all Licensed IP, for the price of \$50,000.00. Such Price shall be non-negotiable. The transfer of all right title and interest shall take place in accordance with Article 6.3; or
- (c) If 194 is the Defaulting Member, Biosenta shall have the right to terminate the patent licensing agreement(s), provided that 194 shall be entitled to continue the business of the Joint Venture until it has recovered the monies owing to it pursuant to Article 1.5 (a).

3.3 No Waiver

No failure by the Joint Venture or the Non-defaulting Member to insist upon strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of partial payment during the continuance of any such breach, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement, but each and every covenant agreement, term and condition of this Agreement shall continue in force and effect with respect to any other existing or subsequent breach thereof.

ARTICLE 4.00 - MANAGEMENT AND SUPERVISION

4.1 Management Committee

The Members hereby agree that upon the execution of this Agreement, they will appoint a Management Committee, whose responsibility it shall be to oversee the day to day management of the Joint Venture and all decisions to be made in connection with the Joint Venture. The Management Committee shall be comprised of three (3) individuals appointed by 194, in its sole and absolute discretion and two (2) individuals appointed by Biosenta, in its sole and absolute discretion. The composition of the Management Committee may change from time to time upon the agreement of the Members. In any event, the Joint Venture shall always consist of a majority of resident Canadians, as that term is defined by Canadian investment legislation

The Management Committee shall be obligated to perform the following duties and obligations:

- (a) The day to day managerial and supervisory services relating to the Joint Venture, including without limitation, negotiations with all governmental authorities as required, manufacturing, sales, marketing, production, shipping and packaging of the Tri-Filler;
- (b) Arranging for the maintenance of a separate set of financial books and records and all the bookkeeping services relating thereto by third Members at the Joint Venture's cost, in respect of the Joint Venture, and the maintenance of technical records relating to the Joint Venture;
- (c) Maintaining an administrative office for the Joint Venture Project, including all of the necessary clerical staff, telephones, office equipment and office supplies;

4.2 General Provisions re: Management of Joint Venture

All contracts in respect of the Joint Venture, relating to the retention of services of persons, firms or corporations to act as trades or suppliers and without limitation, all contracts of every nature and kind relating to the Joint Venture, shall be made by 194, in conjunction with the Management Committee, acting on behalf of the Joint Venture. It is further agreed that all payments of every nature and kind whatsoever required to be made under any contract relating to the Joint Venture shall be the sole responsibility of the Joint Venture.

4.3 Infringement of Patent and Other Intellectual Property Rights

The Joint Venture may take legal action for infringement of the Patent or any other of the intellectual property referred to in sub-article 1.8, but shall not be required to do so. Biosenta agrees to be named as a party to such legal action, but any costs to Biosenta of being so named shall be considered a cost of the Joint Venture and dealt with in accordance with the terms of this Agreement.

4.4 Confidential Information

“Confidential Information” means all information possessed by the Joint Venture, Biosenta or 194 regarding the business of the Joint Venture, including any and all information relating to the Product and the Licensed IP, and (i) that derives economic value, actual or potential, from not being generally known to, and is not readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and (ii) is the subject of efforts reasonable under the circumstances to maintain its secrecy. Each of Biosenta and 194 will treat Confidential Information as strictly confidential, and will not disclose or cause to be disclosed, the Confidential Information to any third party, unless compelled by due process of law.

The Joint Venture, acting through the Management Committee, is authorized to take steps to maintain the value and confidentiality of Confidential Information for the benefit of the Joint Venture, and may disclose or authorize disclosure of Confidential Information as it, in its sole discretion, considers appropriate for the conduct of the business of the Joint Venture.

If disclosure of the Confidential Information by 194 or Biosenta becomes imminent under due process of law, the relevant party will notify the Management Committee with sufficient lead time to permit the Management Committee object or take protective measures to maintain the confidentiality of the Confidential Information.

ARTICLE 5.00 – ADMINISTRATION

5.1 Banking

A separate bank account shall be opened and maintained for the Joint Venture Project with the Bank of Montreal, or at such bank or banks as the Members may from time to time agree upon. All moneys received from time to time on account of the business of the Joint Venture shall be paid immediately into such bank account for the time being in operation in the same drafts, cheques, bills or cash in which they are received, and all disbursements, on account of the Joint Venture shall be made by cheque from such bank.

5.2 Financial Obligations

The Members hereby covenant and agree that, as between and among themselves, each of them shall be responsible for such debts, obligations and liabilities only so far as to the extent of their Members' Proportionate Contribution.

Neither Member shall allow the Patent to become encumbered in any manner during the term of the Joint Venture, except as provided for herein.

Biosenta shall execute and deliver to 194 a General Security Agreement over the Patent, and Tri-Filler, in a form satisfactory to 194. Such security shall be released by 194 at the end of the Term of this Agreement.

5.3 Books of Account

Proper books of account shall be kept by the Joint Venture, and entries shall be made therein of all such matters, terms, transactions and things as are usually written and entered in books of account kept by others engaged in an enterprise of a similar nature, and each of the Members hereto shall have free access at all times to inspect, examine and copy them, and shall at all times furnish to the other, correct information, accounts and statements of and concerning all such transactions without concealment or suppression.

194 shall provide Biosenta with quarterly income statements, beginning June, 2017. Such reports shall, as appropriate, disclose the expenses of the Joint Venture, payments to 194 on account of such expenses and the amount, if any, for distribution to the Members.

5.4 Appointment of Accountants

The Members, acting jointly, may from time to time appoint the accountants of the Joint Venture. The accountants shall, at the end of each fiscal year of the Joint Venture, and at such other time as may reasonably be required by a Joint Venture Member, prepare financial statements of the books and accounts of the Joint Venture applying Canadian generally accepted accounting principles, consistently applied and in accordance with past practices, and for such purposes, the accountants shall have access to all books of account, records and all vouchers, cheques, papers and documents of or which may relate to the Joint Venture. The Joint Venture shall cause its accountants to furnish copies of all financial statements prepared for, on behalf of, or in connection with the Joint Venture to each of the Members, forthwith after their preparation, on a quarterly basis.

5.5 Distribution of Available Funds

Receipts and revenues of the Joint Venture from any source whatsoever, shall be applied and distributed in the following order of priority, no distribution being made in any category set forth below unless and until the preceding category has been satisfied in full, unless the Members otherwise agree in writing:

- (a) The payment of all debts, obligations, liabilities, costs and expenses in connection with or on account of the Joint Venture Project; and
- (b) The proportionate distribution of the moneys remaining, if any, to the Members of the Joint Venture in the proportions set out in Article 1.3 hereof, and as provided for herein. Such distributions shall be made during the month following receipt by the Joint Venture of monies available for distribution to the Members.

ARTICLE 6.00 - SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION

6.1 General Prohibition

Except with the prior written consent of all the Members of the Joint Venture, the respective undivided interest of any Member in the Joint Venture and in all the other property, assets and

rights of the Joint Venture and in all benefits derived or derivable therefrom and the interest of any Member in its contributions or loans to the Joint Venture shall not be transferred, assigned, sold, mortgaged, charged or in any other manner encumbered, disposed of or dealt with except as specifically provided for in or pursuant to any other provision of this Agreement.

Notwithstanding the above, 194 shall be entitled to sub-license third-party manufacturing facilities, as it deems appropriate, provided that such licenses shall be approved by the Management Committee. All income derived from such sub-license agreements shall be income of the Joint Venture and shall be included in the income statements of the Joint Venture as a separate entry for reporting purposes.

6.2 Right of First Refusal

In the event that Biosenta receives a *bona fide* offer (the "**Offer**") from a third party to purchase all or part of Biosenta's interest in the Patent, Product, Tri-Filler or Joint Venture, Biosenta shall, within 15 days of receipt thereof by notice in writing, offer to sell such Patent or other property which is being solicited for sale, to 194 ("the Second Offer") on the same terms and conditions as are contained in the Offer save and except as to the timing of such sale. Such notice shall be accompanied by a true copy of the Offer and an affidavit of Biosenta attesting to the fact that there is no commission or other similar fee that may be or may become due and payable to any broker, agent or other intermediary by the purchase in connection with the sale of the Patent or other property.

The Second Offer shall not be revocable except with the consent of 194 and shall be open for acceptance by 194 for One Hundred and Eighty (180) clear days from the date upon which such notice was received or deemed to be received by 194. During the period in which the Second Offer is open for acceptance, Biosenta shall not otherwise deal with the Patent or other property, and the business of the Joint Venture shall continue in the normal course.

If the Second Offer is accepted by 194, then Biosenta shall sell the Patent or other property in accordance with the terms and conditions contained within the Second Offer. The closing of the transaction shall take place in accordance with Article 6.5.

If 194 does not accept the Second Offer in accordance with the terms herein, then Biosenta shall be entitled to sell the Patent, Product, Tri-Filler or Joint Venture interest, as the case may be, to the third party, in accordance with the terms of the Offer.

6.3 Right of 194 to Purchase Biosenta's Interest in the Patent

Beginning on the third anniversary following the execution of this Agreement, 194 shall have the right to purchase from Biosenta, upon sixty (60) clear days written notice, the Patent, Product, Licensed IP and all such equipment used by Biosenta for the manufacturing and production of the Patent and Tri-Filler, all of which shall be deemed to be Biosenta's interest in the Joint Venture, for an amount equal to twenty-five (25) times the preceding six (6) months net revenue

as generated from the Joint Venture or for sum of one hundred thousand dollars (\$100,000.00), whichever is the greater price.

6.4 Right of Biosenta to Purchase 194's Interest in the Joint Venture

Beginning on the third anniversary following the execution of this Agreement, Biosenta shall have the right to purchase from 194 its interest in the Joint Venture, provided that the terms and conditions of such purchase are mutually agreed upon by 194 and Biosenta.

6.5 Sale Provisions

Subject to any specific provisions to the contrary, any purchase and sale effected from Biosenta to either 194 or a third party in accordance with the provisions of Article 6.2, shall be subject to the following express provisions:

- (a) Biosenta shall deliver good and marketable title to its interest in the Patent, Product, Tri-Filler or interest in the Joint Venture; and
- (b) Any sale from Biosenta to a third party shall be conditional upon such third party expressly covenanting to 194 to assume all rights and responsibilities of Biosenta in the Joint Venture as a successor and assign of Biosenta to this Agreement.

ARTICLE 7.00 - NON-COMPETITION

7.1 Scope of Non-competition

Each Member agrees that during the term of the Joint Venture it or any its directors, officers, employees, agents or representatives, including without limitation, its solicitors, accountants, consultants and financial advisors shall not accept employment with or directly or indirectly organize or participate in the organization of any firm, partnership, corporation, joint venture, sole proprietorship or other business entity anywhere within the world in such firm, partnership, corporation, joint venture, sole proprietorship or entity is engaged in or to be engaged in any business, conduct or activity in competition with that of the Joint venture.

ARTICLE 8.00 – GENERAL

8.1 Dispute Resolution

Negotiation. Subject to the provisions of this Agreement, the Members will attempt to resolve any controversy relating to the Agreement by negotiation between representatives of the Members who have authority to settle the controversy. The disputing Member will give the other Member written notice of the dispute. Within five (5) business days of receiving such notice, the receiving Member will submit the other a written response.

The notice and response shall not exceed three (3) pages. The representatives shall meet at a mutually acceptable time and place within five (5) business days of the date of the responding Member's notice.

Mediation. If the matter has not been resolved within five (5) business days of the responding Member's notice, or if either Member will not meet, the dispute will be submitted to mediation as set out below. The mediator will have no power to bind the Members. The mediation will be confidential. The mediation process will be conducted as follows:

- (1) *Selection of Mediator.* The Members will have three (3) business days from the end of the time for negotiation to agree upon a mutually acceptable mediator (the "Mediator"). If no Mediator has been selected within that time, the Members agree jointly to request that their solicitors supply, within two (2) business days, a list of three (3) potential mediators. Within two (2) business days of receipt of the list, the Members will independently rank the proposed candidates, will simultaneously exchange rankings, and will agree to select as the Mediator the individual receiving the highest combined ranking who is available. If either Member does not rank and provide a copy of the ranking to the other Member, the Member who does rank will be able to select the Mediator from the list;
- (2) *Time and Place for Mediation.* In consultation with the Mediator, the Members will designate a mutually convenient time and place for the mediation (and unless circumstances require otherwise, the date should be no later than five (5) business days after the selection of the Mediator);
- (3) *Summary of Views.* Two (2) days prior to the mediation, each Member will deliver to the Mediator and to the other Member a written summary of its views of the dispute, such summary not to exceed three (3) pages;
- (4) *Fees of Mediator.* The fees of the Mediator will be shared equally by the Members; and
- (5) *Termination of Procedure.* The Members agree to participate in the mediation for at least four (4) hours (unless terminated earlier by the Mediator). After that time, either of the Members may leave the mediation at any time. If the mediation does not yield a settlement, the Members agree not to take any action (other than good faith attempts to negotiate a settlement to the dispute) prior to the conclusion of a five (5) day post-mediation period that commences on the day after the conclusion of the mediation process.

Arbitration. After the expiry of the five (5) day moratorium period referred to in the paragraph above, if either Member will not participate in the mediation, the dispute will

be finally settled by arbitration in accordance with the provisions of the *Arbitration Act*, R.S.O. 1990, c. A-24, as amended from time to time. The following rules will apply to the arbitration:

- (1) *Appointment of Arbitrator.* The arbitration tribunal will consist of one arbitrator (the “Arbitrator”). The Members will have five (5) business days from the end of the five (5) day post-mediation period to agree on the Arbitrator. If they cannot agree, either Member may request that their solicitors supply, within two (2) business days a list of five (5) qualified arbitrators. Within two (2) business days of the receipt of the list, the members will independently rank the proposed arbitrators, will simultaneously exchange rankings, and will agree to select as the Arbitrator the individual receiving the highest combined ranking who is available. If either Member does not rank and provide a copy of the ranking to the other Member, the Member who does rank will be able to select the Arbitrator;
- (2) *Rules of Arbitration.* The Members shall agree, in consultation with the Arbitrator, on the rules for the arbitration. Absent agreement to the contrary, the following rules, designed to save time and expense for the Members, will apply:
 - (a) Pleadings shall be exchanged within twenty (20) days of the selection of the Arbitrator, and shall be no more than five (5) pages in length;
 - (b) Each Member shall provide to the other access to any documents in their possession which may be relevant to the arbitration. Each Member shall also provide to the other two (2) days before the arbitration hearing, lists and copies of the documents that the Member intends to rely on at the arbitration, such list to be limited to fifteen in number;
 - (c) Each Member shall be entitled to oral discovery of the other Member if it deems it appropriate. Any questions refused shall be put to the Arbitrator for the Arbitrator’s determination as to whether the questions are appropriate and relevant. Oral discovery shall take place within thirty (30) days of the delivery of the conclusion of the exchange of pleadings;
 - (d) The arbitration shall take place within three (3) months of the selection of the Arbitrator;
 - (e) At the Arbitration hearing, opening argument will be limited to one half hour per Member;
 - (f) Each Member may produce up to two witnesses for direct examination. The total time permitted for direct examination (whether one or two

witnesses is produced) will be two hours. Total time for cross-examination will also be two hours for each Member;

- (g) All evidence is admissible and its weight will be determined by the Arbitrator;
 - (h) Each Member may introduce any of its 15 documents;
 - (i) Closing argument will be limited to (1) one hour for each Member; and
 - (j) The Arbitrator shall be instructed to produce a decision within seven (7) calendar days of the conclusion of the arbitration, and written reasons within one (1) month of the arbitration.
- (3) The arbitration will be conducted in English and will take place at a time, date and place as they may agree to, or failing agreement, in the City of Toronto;
 - (4) The arbitration awards will be given in writing and will be final, not subject to any appeal, and will deal with the question of costs of the arbitration. In the award of costs, the Arbitrator may consider each Member's efforts to make any settlement offer. If either Member refuses to participate in the negotiation or mediation, there will be a presumption that costs on a solicitor and client basis will be awarded against the Member refusing to participate, regardless of the outcome of the arbitration;
 - (5) Judgment upon the arbitration award may be entered into any court having jurisdiction, or application may be made to such court for judicial recognition of the award; and
 - (6) The Arbitrator will not award punitive or special damages.

Limited Procedure for Settling Disputes. The Members hereto mutually agree that the procedure specified in the Agreement are the only procedures available for the resolution of any controversies or disputes arising out of or relating to this Part, or the breach, termination or validity of it, or any other related agreement between the shareholders. If any Member attempts to have issues resolved in court that should properly be resolved pursuant to this Part, the Members agree that this Article can be used to stay any such proceedings. However, before or during the time that the Members follow these procedures, either one can go to the appropriate court to get an injunction if the Member reasonably believes that such a step is necessary to avoid irreparable damage or harm. Even if either Member takes such action, both Members will continue to participate in good faith in the procedures set out in this Part.

8.2 Notices

Any notice, statement, document or other communication required or permitted to be given to any Member or Members pursuant to any of the provisions of this Agreement shall be sufficiently given if such notice, statement, document or other communication is in writing and is delivered or sent by electronic facsimile transmission to such Member or Members or sent by prepaid registered mail addressed to such Member or Members, as follows:

(a) to 194: c/o Connor Industries,
75 Tudhope Street,
Parry Sound, Ontario P2A 0C6
fax: 705-746-5876

(b) to Biosenta: 18 Wynford Drive M3C 3S2
Toronto, Ontario
fax: 416-362-8885

or to such other address for such Member or Members as any of them may from time to time notify the other Members in the manner hereinbefore in this Article 8.2 provided, and any such notice, statement, document or other communication shall be deemed to have been received by any such Member when delivered or sent by electronic facsimile transmission to it or him, or, if mailed as aforesaid, on the third business day following the day on which it was so mailed.

8.3 No Other Charges

Except as otherwise expressly provided herein, none of the Members hereto shall, directly or indirectly, make any charge to the Joint Venture, for any services performed by such Member for or on behalf of the Joint Venture. The Joint Venture shall be entitled to all incentive payments, advertising contributions, rebates, or all similar payments which may be made by any Member in connection with the Joint Venture.

8.4 Time of the Essence

Time shall be of the essence of this Agreement and of every part hereof.

8.5 Construction

The division of this Agreement into Articles and Sections, the insertion of headings, and the provision of any table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless the context requires otherwise, words importing the singular include the plural and *vice versa* and words importing gender include all genders. The plural of any term defined herein in the singular shall have the corresponding meaning and *vice versa*.

8.6 No Partnership Created

Nothing herein contained, or otherwise arising herefrom, shall constitute the Members hereto as partners with one another, nor shall anything herein constitute, or be deemed to constitute any of the Members hereto as agent for one another except as expressly provided herein. Each of the Members hereto shall punctually pay and discharge its present and future separate expenses, debts and liabilities, and shall at all times keep indemnified the other and the Joint Venture against such debts and liabilities

8.7 Nature of Agreement

This Agreement and all of the terms, covenants, conditions and other provisions of or contained herein and all of the obligations under or pursuant to this Agreement shall be binding on and shall enure to the benefit of the Members hereto and their respective heirs, executors, administrators, successors and permitted assigns, and shall be binding on any trustee or receiver in bankruptcy of any Member or its or their respective heirs, executors, administrators, successors and permitted assigns and on any trustee or any appointee of any court or other tribunal and on any person, including a corporation, who shall receive the property of any Member, or his or its respective heirs, executors, administrators, successors or permitted assigns upon any liquidation of such Member (or its respective successors and assigns) or any disposition by any of the Members or their respective heirs, executors, administrators, successors and assigns, and upon any official, person or corporation upon whom or which shall devolve by operation of law or otherwise, any interest in or claim to the property of or interest in of any Member hereto or his or its respective heirs, executors, administrators, successors and assigns.

The captions in this Agreement form no part of this Agreement and shall be deemed to have been inserted for convenience of reference only.

This Agreement shall be read and construed as the number and gender of the Member or Members referred to in each case require and as may otherwise be required by the context.

8.8 Meetings of Members

The Members agree to meet quarterly, or at such other interval to be agreed upon, to discuss and assess the strategic planning of the Joint Venture. The Meeting shall take place as is designated by the Members.

Notice of the meeting shall be given by either Member to the other and shall be served upon the other Member at least fourteen (14) clear days prior to the date of the proposed meeting.

8.9 Termination

Both Members hereby acknowledge and covenant that the Joint Venture shall be terminated at the end of the Term provided for herein, provided that the Members may extend the Term if mutually agreed.

8.10 Governing Law

This agreement shall be governed by the laws of the province of Ontario.

8.11 Successors and Assigns

This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the corporate Members hereto have hereunto affixed their respective corporate seals under the hands of their duly authorized Officers in that behalf, and the other Members hereto have hereunto set their hands and seals, as of the day, month and year first above written.

Biosenta Inc.

Per:

I have authority to bind the Corporation

1943391 Ontario Ltd.

Per:

I have authority to bind the Corporation

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Biosenta Inc.



Per: Dane Rogers 2-10-18
I have authority to bind the Corporation

1943391 Ontario Ltd.



Per: Bill Connor 2/13/2018
I have authority to bind the Corporation