

ACQUISITIONS BY PAUL KALATA AND BILL CONNOR OF CLASS A SHARES OF BIOSENTA INC.

For Immediate Release

July 17, 2023 (Toronto, Ontario). This news release is being made by Paul Kalata and Bill Connor to report the acquisitions by them of control or direction over Class A shares (“**Class A shares**”) of Biosenta Inc. (“**Biosenta**”), the head office address of which is located at 18 Wynford Drive, Suite 704, Toronto, ON M3C 3S2.

Pursuant to an agreement (the “**Agreement**”) dated June 23, 2023 between Biosenta, 19443391 Ontario Inc. (“**194**”) and Paul Kalata and Bill Connor, the shareholders of 194, on July 17, 2023, the joint venture agreement (the “**JV Agreement**”) between Biosenta and 194 providing for a joint venture between the parties for the purposes promoting, advertising, marketing and selling Biosenta’s Tri-Filler product was terminated and, in connection therewith, Biosenta issued 3,000,000 Class A shares to 194 in repayment of liabilities owing to 194 by Biosenta totalling \$1,200,000.00 (the “**Transaction**”).

In addition, pursuant to the Transaction, on July 17, 2023 Biosenta issued a non-transferrable promissory note in the principal amount of \$6,500,000 (the “**Note**”) to 194 in full repayment of all indebtedness owing by Biosenta to 194 pursuant to the JV Agreement or otherwise (other than the \$1,200,000.00 referred to above satisfied by the issuance by Biosenta of 3,000,000 Class A shares to 194). Interest on the Note will accrue at the prime lending rate of the Canadian Imperial Bank of Commerce plus 3% per annum and will be payable quarterly, subject to a 120-day interest holiday commencing on July 17, 2023. 194 may elect that any interest payment be satisfied in Class A shares issued at their then-current market price, however, no more than 500,000 Class A shares in the aggregate shall be issued to satisfy any interest. Unless otherwise agreed to by Biosenta and 194, the amounts owing under the Note will be payable within 30 days of any public issuance by Biosenta of Class A shares for cash proceeds as follows: (a) until Biosenta has raised aggregate net proceeds of \$5,000,000 from one or more of such Class A share issuances, 60% of the net proceeds of such issuance will be used to repay the Note; and (b) at and after Biosenta has raised aggregate net proceeds of \$5,000,000 from one or more Class A share issuances, 50% of the net proceeds of any such issuance will be used to repay the Note. The Note will mature on December 31, 2025. The Note is secured by a general security agreement made by Biosenta in favour of 194.

Pursuant to the Agreement, so long as 194 and Messrs. Kalata and Connor hold, in the aggregate, beneficially and of record, not less than 25% of the outstanding Class A shares, 194 shall be entitled to nominate two nominees to serve on the board of directors of Biosenta (the “**Board**”), subject to requirements of applicable law and the Canadian Securities Exchange. Further, so long as 194 and Messrs. Kalata and Connor hold, in the aggregate, beneficially and of record, less than 25% but not less than 15% of the outstanding Class A shares, 194 shall be entitled to nominate one individual to the Board, subject to requirements of applicable law and the Canadian Securities Exchange. In connection with these nomination rights, 194 and Messrs. Connor and Kalata have agreed to customary standstill and confidentiality provisions.

The consideration paid by 194 for the Class A shares issued to it in the Transaction was \$1,200,000.00 in the aggregate or \$0.40 per Class A share.

Pursuant to an informal understanding between Mr. Connor, who beneficially owns and exercises control or direction over 50% of the issued shares of 194, and Mr. Kalata, who beneficially owns and exercises control or direction over the other 50% of the issued shares of 194, each of Messrs. Connor and Kalata acquired control or direction over 1,500,000 of the 3,000,000 Class A shares acquired by 194 pursuant to the Transaction.

The 1,500,000 Class A shares over which Messrs. Connor and Kalata each acquired control or direction pursuant to the Transaction represented approximately 5.77% of the issued and outstanding Class A shares immediately following the Transaction.

Immediately prior to the Transaction, Mr. Connor beneficially owned, or exercised control or direction over, 4,496,729 Class A shares (4,120,126 held by 1698791 Ontario Limited (“169”), a corporation controlled by Mr. Connor, and 376,603 held by 194) which represented approximately 19.55% of the issued and outstanding Class A shares at that time. Assuming the exercise of the warrants to acquire 188,302 Class A shares held by 194, which Mr. Connor exercises control or direction over, and the warrants to acquire 310,871 Class A shares held by 169, which Mr. Connor beneficially owns, immediately prior to the Transaction Mr. Connor beneficially owned, or exercised control or direction over, 4,995,902 Class A shares which represented approximately 21.25% of the issued and outstanding Class A shares at that time.

Immediately following the Transaction, Mr. Connor beneficially owned, or exercised control or direction over, 5,996,729 Class A shares, which represented approximately 23.06% of the issued and outstanding Class A shares at that time. Assuming the exercise of the warrants to acquire 188,302 Class A shares held by 194, which Mr. Connor exercises control or direction over, and the warrants to acquire 310,871 Class A shares held by 169, which Mr. Connor beneficially owns, Mr. Connor beneficially owned, or exercised control or direction over, 6,495,902 Class A shares immediately following the Transaction which represented approximately 24.51% of the issued and outstanding Class A shares at that time.

Immediately prior to the Transaction, Mr. Kalata beneficially owned, or exercised control or direction over, 2,605,095 Class A shares (2,187,425 held by DK Financial Canada Inc. (“DK”), a corporation controlled by Mr. Kalata, 376,604 held by 194 and 41,066 held by Mr. Kalata directly) which represented approximately 11.32% of the issued and outstanding Class A shares at that time. Assuming the exercise of the warrants to acquire 188,302 Class A shares held by 194, which Mr. Kalata exercises control or direction over, immediately prior to the Transaction Mr. Kalata beneficially owned, or exercised control or direction over, 2,793,397 Class A shares which represented approximately 12.04% of the issued and outstanding Class A shares at that time.

Immediately following the Transaction, Mr. Kalata beneficially owned, or exercised control or direction over, 4,105,095 Class A shares, which represented approximately 15.78% of the issued and outstanding Class A shares at that time. Assuming the exercise of the warrants to acquire 188,302 Class A shares held by 194, which Mr. Kalata exercises control or direction over, Mr. Kalata beneficially owned, or exercised control or direction over, 4,293,397 Class A shares immediately following the Transaction which represented approximately 16.39% of the issued and outstanding Class A shares at that time.

The Class A shares acquired by 194 pursuant to the Transaction were acquired by 194 for investment purposes as part of efforts to support the liquidity of Biosenta by allowing

it to satisfy debt through the issuance of equity and by allowing it to pursue the commercialization of its Tri-Filler product outside of the constraints of the joint venture established under the JV Agreement. Each of Messrs. Kalata and Connor may individually determine to purchase additional Class A shares in the open market or otherwise, or sell all or some of the Class A shares beneficially owned by him, or over which he exercises control and direction, depending upon price, market conditions, availability of funds, evaluation of alternative investments and other factors.

The acquisition of Class A shares by 194 pursuant to the Transaction took place pursuant to private placements by Biosenta of newly-issued Class A shares.

Mr. Kalata's address is 18 Wynford Drive, Suite 704, Toronto, ON M3C 3S2 and Mr. Connor's address is 75 Tudhope Street, Parry Sound, ON P2A 0C6.

For more information, or for a copy of the reports filed under applicable securities laws by Mr. Kalata and/or Mr. Connor in connection with the Transaction (also available on Biosenta's SEDAR profile at www.sedar.com), please contact Paul Kalata at (416) 488-3080 or Bill Connor at (705) 746-5875.