

Form 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to Class A shares (“Class A shares”) of Biosenta Inc. (“Biosenta”).

Biosenta’s head office address is located at:

18 Wynford Drive, Suite 704
Toronto, ON M3C 3S2

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

The acquisition of Class A shares that triggered the requirement to file this report took place pursuant to a private placement by Biosenta of newly-issued Class A shares.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Bill Connor
75 Tudhope Street,
Parry Sound, ON P2A 0C6

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

Pursuant to an agreement (the “**Agreement**”) dated June 23, 2023 between Biosenta, 19443391 Ontario Inc. (“**194**”) and Bill Connor and Paul Kalata, 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 of 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 any 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 of such 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. Connor and Kalata hold, in the aggregate, beneficially and of record, not less than 25% of the outstanding Class A shares, 194 shall be entitled to nominate up to two individuals 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. Connor and Kalata 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 serve on 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.

2.3 State the names of any joint actors.

As the indirect controlling shareholder of 1698791 Ontario Limited (“**169**”), Mr. Connor beneficially owns and exercises control or direction over the Class A shares and warrants to acquire Class A shares held by 169.

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.

Pursuant to that same informal understanding, Mr. Connor exercised control or direction over 376,603 of the Class A shares and 188,302 of the warrants to acquire Class A shares held by 194 immediately following the Transaction.

Messrs. Connor and Kalata do not act jointly or in concert with one and other with respect to the securities of Biosenta beneficially owned by them or over which they exercise control or direction.

Item 3 – Interest in Securities of the Reporting Issuer**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.**

On July 17, 2023, 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 1,500,000 Class A shares over which Mr. Connor 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 169 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 immediately prior to the Transaction of the warrants to acquire 188,302 Class A shares held by 194, which Mr. Connor exercised control or direction over, and the warrants to acquire 310,871 Class A shares held by 169, which Mr. Connor beneficially owned and exercised control or direction over, 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 immediately following the Transaction of the warrants to acquire 188,302 Class A shares held by 194, which Mr. Connor exercised control or direction over, and warrants to acquire 310,871 Class A shares held by 169, which Mr. Connor beneficially owned and exercised control or direction over, Mr. Connor beneficially owned, or exercised control or direction over, 6,495,902 Class A shares which represented approximately 24.51% of the issued and outstanding Class A shares at that time.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

Mr. Connor acquired control or direction over 1,500,000 Class A shares that triggered the requirement to file a report in respect of the Transaction.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

See Item 3.1 above.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Immediately prior to the Transaction, Mr. Connor beneficially owned and exercised control or direction over, 4,120,126 Class A shares (held by 169, a corporation controlled by Mr. Connor) which represented approximately 17.91% of the issued and outstanding Class A shares at that time. Assuming the exercise immediately prior to the Transaction of warrants to acquire 310,871 Class A shares held by 169, which Mr. Connor beneficially owned and exercised control or direction over, Mr. Connor beneficially owned and exercised control or direction over 4,430,997 Class A shares, which represented approximately 19.00% of the issued and outstanding Class A shares at that time.

The number of Class A shares which Mr. Connor beneficially owned and exercised control or direction over did not change as a result of the Transaction. Immediately following the Transaction, Mr. Connor beneficially owned and exercised control or direction over, 4,120,126 Class A shares (held by 169, a corporation controlled by Mr. Connor) which represented approximately 15.84% of the issued and outstanding Class A shares at that time. Assuming the exercise immediately following to the Transaction of warrants to acquire 310,871 Class A shares held by 169, which Mr. Connor beneficially owned and exercised control or direction over, Mr. Connor beneficially owned and exercised control or direction over 4,430,997 Class A shares, which represented approximately 16.84% of the issued and outstanding Class A shares at that time.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Immediately prior to the Transaction, Mr. Connor exercised control or direction over 376,603 Class A shares (held by 194) which he did not

beneficially own, which represented approximately 1.64% of the issued and outstanding Class A shares at that time. Assuming the exercise immediately prior to the Transaction of warrants to acquire 188,302 Class A shares (held by 194), which Mr. Connor exercised control or direction over, but did not beneficially own, Mr. Connor exercised control or direction over 564,905 Class A shares which he did not beneficially own, which represented approximately 2.44% of the issued and outstanding Class A shares at that time.

Immediately following the Transaction, Mr. Connor exercised control or direction over 1,876,603 Class A shares (held by 194) which he did not beneficially own, which represented approximately 7.22% of the issued and outstanding Class A shares at that time. Assuming the exercise immediately following the Transaction of warrants to acquire 188,302 Class A shares (held by 194) which Mr. Connor exercised control or direction over, but did not beneficially own, Mr. Connor exercised control or direction over 2,064,905 Class A shares (held by 194) which he did not beneficially own, which represented approximately 7.88% of the issued and outstanding Class A shares at that time.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

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

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

The purchase price in the Transaction was paid by 194 by the satisfaction of \$1,200,000.00 of debt owing to 194 by Biosenta.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

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. On July 18, 2023, Mr. Connor caused 194 to exercise the 188,302 warrants to acquire Class A shares at a price of \$0.56 per Class A share held by 194 and which he exercised control or direction over. Mr. Connor exercises control or direction over the 188,302 Class A shares acquired by 194 on such exercise pursuant to the informal understanding described in Item 2.3. Mr. Connor may 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.

Mr. Connor has no current intention to cause 194 to exercise its right under the Agreement to nominate up to two individuals to serve on the board of directors of Biosenta, or to make any other changes in the board of directors or management of Biosenta. Mr. Connor may reassess this decision in the future based on circumstances at that time.

Mr. Connor has no current intention to effect any of the other transactions listed in clauses (b), (c) or (e) through (k) above.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder’s fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Pursuant to an informal understanding between Mr. Connor, who owns 50% of the issued shares of 194, and Mr. Kalata, the individual who beneficially owns and

exercises control or direction over the other 50% of the issued shares of 194, Mr. Connor exercises control or direction over 1,500,000 of the Class A shares acquired by 194 pursuant to the Transaction as well as 564,905 Class A shares held by 194 (following the exercise by 194 of warrants referred to in Item 5). Pursuant to the same informal understanding, Mr. Kalata exercises control or direction over 1,500,000 of the Class A shares acquired by 194 pursuant to the Transaction as well as 376,604 Class A shares and warrants to acquire 188,302 Class A shares held by 194. Mr. Connor and Mr. Kalata do not act jointly or in concert with one and other with respect to the securities of Biosenta beneficially owned by them or over which they exercise control or direction.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer’s securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

Certificate

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

July 19, 2023
Date

(signed) “Bill Connor”
Signature

Bill Connor
Name/Title