

Biosenta Announces Debt Settlement

Toronto, Ontario--(Newsfile Corp. - January 31, 2024) - Biosenta Inc. (CSE: ZRO) ("**Biosenta**" or the "**Company**"), announces that it intends to enter into debt settlement agreements (the "**Agreements**") with certain creditors (together, the "**Creditors**"), pursuant to which the Company will agree to settle an aggregate amount of \$784,919 in outstanding debt (the "**Debt Settlement**") in exchange for the issuance of 1,962,297 units at a price of \$0.40 per unit (each, a "**Unit**"), in accordance with the policies of the Canadian Securities Exchange.

Each Unit will consist of one common share of the Company (each a, "**Common Share**") and one half of one common share purchase warrants (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain events, one Common Share at an exercise price of \$0.80 for a period of 18 months from the Debt Settlement closing date.

The Debt Settlement will allow the Company to settle certain outstanding debts; however the Debt Settlement will not otherwise effect Biosenta's day-to-day business and affairs.

MI 61-101

The Creditors include certain related parties of the Company, being: Amarvir Singh Gill, the President, Chief Executive Officer and a director of the Company, 1698791 Ontario Ltd., a 10% securityholder, and DK Financial Canada Inc., an entity controlled by a 10% securityholder (collectively, the "**Related Parties**"). The remaining Creditors consist of a Company employee and an arm's length party.

The Debt Settlement is considered a "related party transaction," subject to Multilateral Instrument 61-101 ("**MI 61-101**"). The Company is exempt from the formal valuation requirement per section 5.5(b) of MI 61-101, as the Company is listed only on the CSE, and no exchanges specified in 5.5(b) of MI 61-101. The Company is exempt from the need to obtain minority shareholder approval per section 5.7(1)(a) of MI 61-101, as at the time the Debt Settlement was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Debt Settlement, insofar as it involves the related parties, exceeds 25% of the Company's market capitalization.

Pursuant to the Agreements, the Company intends to issue 1,250,000 Units (consisting of 1,250,000 Common Shares and 625,000 Warrants) to Amarvir Singh Gill to settle \$500,000 of indebtedness; 267,955 Units (consisting of 267,955 Common Shares and 133,977 Warrants) to 1698791 Ontario Ltd. to settle \$107,182 of indebtedness; 181,265 Units (consisting of 181,265 Common Shares and 90,632 Warrants) to DK Financial Canada Inc. to settle \$72,506 of indebtedness; 200,577 Units (consisting of 200,577 Common Shares and 100,288 Warrants) to a certain Company employee to settle \$80,231 of indebtedness, and 62,500 Units (consisting of 62,500 Common Shares and 31,250 Warrants) to a certain arm's length creditor to settle \$25,000 of indebtedness.

Following completion of the Debt Settlement:

- Amarvir Singh Gill will own and control 5,908,880 Common Shares (including Common Shares issuable upon exercise of Warrants and stock options) representing 19.36% of the issued and outstanding Common Shares of the Company on a partially diluted basis.
- 1698791 Ontario Ltd. will own and control 4,522,058 Common Shares (including Common Shares issuable upon exercise of Warrants) representing 15.20% of the issued and outstanding Common Shares of the Company on a partially diluted basis. 1698791 Ontario Ltd. is 100% owned by William Connor.
- DK Financial Canada Inc. will own and control 2,459,322 Common Shares (including Common Shares issuable upon exercise of Warrants) representing 8.28% of the issued and outstanding Common Shares of the Company on a partially diluted basis. DK Financial Canada Inc. is 100%

owned by Paul Kalata.

Other than the Agreements to be entered into with Amarvir Singh Gill, 1698791 Ontario Ltd. and DK Financial Canada Inc., respectively, Biosenta has not entered into any agreement with an "interested party" (as such term is defined in MI 61-101) or joint actor with an interested party in connection with the Debt Settlement and Biosenta has no knowledge of an agreement between such parties and a related party.

The securities issued to Amarvir Singh Gill, 1698791 Ontario Ltd., DK Financial Canada Inc. and a certain creditor are subject to a four month hold period under applicable securities legislation and the securities issued to the Company employee are subject to a four month hold period unless written approval is obtained from the Canadian Securities Exchange.

A material change report will be filed as soon as reasonably practicable after this announcement of the Debt Settlement.

The Debt Settlement with each Related Party was unanimously approved by the Company's independent directors.

Additional Disclosure Required by 61-101

Pursuant to section 5.2(1)(d) of MI 61-101, the table below sets out a description of (i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties, and (ii) the anticipated effect of the transaction on the percentage of securities of the issuer beneficially owned or controlled by each person referred to in (i):

Registered Shareholder	Owned/ Controlled/ Directed By (if applicable)	Securities prior to completion of the Debt Settlement	Percentage of Securities prior to completion of the Debt Settlement ⁽¹⁾	Percentage of Securities following completion of the Debt Settlement ⁽¹⁾
Amarvir Singh Gill	N/A	3,763,880 Common Shares 270,000 Options	14.44%	19.36%
1943391 Ontario Ltd.	52.39% owned by William Connor 47.61% owned by Paul Kalata	3,941,509 Common Shares 188,302 Warrants	14.83%	13.86%
Paul Kalata	N/A	41,006 CommonShares	0.15%	0.14%
1698791 Ontario Ltd.	William Connor	4,120,126 Common Shares	14.90%	15.20%
DK Financial Canada Inc.	Paul Kalata	2,187,425 Common Shares	7.91%	8.28%

Note:

(1) Partially diluted basis.

To the knowledge of the Company and its directors and senior officers, after reasonable inquiry, there is no prior valuation as to the subject matter of, or is otherwise relevant to, the Debt Settlement that has been made in the 24 months prior to the date hereof.

About Biosenta Inc.

Biosenta is a Canadian-based company that develops and manufactures a range of safe and environmentally sound chemical compounds for household and industrial applications.

For further details on the Company please see the Company's publicly available documents filed on the System for Electronic Document Analysis and Retrieval+ (SEDAR+).

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of applicable Canadian securities legislation including statements regarding completion of the Debt Settlement which is based upon Biosenta's current internal expectations, estimates, projections, assumptions and beliefs, and views of future events. Forward-looking information can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "would" or "will" happen, or by discussions of strategy. Forward-looking information includes estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. The forward-looking statements are expectations only and are subject to known and unknown risks, uncertainties and other important factors that could cause actual results of the Company or industry results to differ materially from future results, performance or achievements. Any forward-looking information speaks only as of the date on which it is made, and, except as required by law, Biosenta does not undertake any obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise. New factors emerge from time to time, and it is not possible for Biosenta to predict all such factors.

When considering these forward-looking statements, readers should keep in mind the risk factors and other cautionary statements as set out in the materials we file with applicable Canadian securities regulatory authorities on SEDAR+ at www.sedarplus.ca including our Management's Discussion and Analysis for the interim period ended June 30, 2023. These risk factors and other factors could cause actual events or results to differ materially from those described in any forward-looking information.

The CSE does not accept responsibility for the adequacy or accuracy of this release.

SOURCE Biosenta Inc.

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