

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **BIOSENTA INC.** (the "Issuer").

Trading Symbol: **ZRO**

Number of Outstanding Listed Securities: **17,375,149**

Date: **April 06, 2020**

*This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.*

*This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.*

#### **General Instructions**

- (a) *Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.*
- (b) *The term "Issuer" includes the Issuer and any of its subsidiaries.*
- (c) *Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.*

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact

*As disclosed in a news release dated February 28, 2020, the Company announced that it has entered into an agreement (the "Agreement") to settle \$327,907.59 of debt through the issuance of 3,279,075 common shares of the Company at a deemed price of \$0.10 per share and 1,604,538 warrants each exercisable for one common share of the Company with an exercise price of \$0.20 per share (the "Transaction"). Pursuant to this agreement, the Company issued 1,099,875 shares and 549,938 warrants to DK Financial Canada Inc. to settle \$109,987.50 of debt, 1,109,000 shares and 554,500 warrants to 1698791 Ontario Ltd. to settle \$110,900.00 of debt, 770,200 shares and 385,100 warrants to Amarvir Singh Gill to settle \$77,020.09 of debt and 300,000 shares and 150,000 warrants to various additional creditors, including one employee of the company, to settle \$30,000.00 of debt. The shares and warrants issued to DK Financial*

Canada Inc., 1698791 Ontario Ltd. and certain other creditors are subject to a four month hold period under applicable securities legislation and the shares and warrants issued to Amarvir Singh Gill and certain other creditors are subject to a four month hold period unless approval is obtained from the Canadian Stock Exchange. The Transaction is considered a related party transaction subject to Multilateral Instrument 61-101 ("MI 61-101") as 1698791 Ontario Ltd. and Amarvir Singh Gill are considered related parties. The Company is exempt from the formal valuation requirement as per section 5.5(b) of MI 61-101 as the Company is listed only on the CSE, and no exchanges specified in MI 61-101. The Company is exempt from the need to obtain minority shareholder approval as per section 5.7(b) of MI 61-10 as, in addition to being listed only on the CSE, neither the fair market value of the shares and warrants, nor the fair market value of the consideration received therefor exceeds \$2,500,000, each of the independent directors of the Company approved the Transaction, and no party to the Transaction nor the Company had, to the knowledge of the Company after reasonable inquiry, knowledge of material information regarding the Company that had not been previously disclosed. 1698791 Ontario Ltd. is a related party pursuant to the fact that prior to the Transaction, it beneficially controlled over 10% of the Company's voting securities. Amarvir Singh Gill is a director of Biosenta, as well as President and Chief Executive Officer. After the Transaction, 1698791 Ontario Ltd., the Company's largest shareholder will own and control 3,498,385 shares representing 19.51% of the issued and outstanding common shares of the Company (on a partially diluted basis). Amarvir Singh Gill will own and control 1,740,766 shares representing 9.80% of the issued and outstanding common shares of the Company (on a partially diluted basis). DK Financial Canada Inc., will own and control, together with its related parties and associated entities, 2,074,092 shares representing 11.57% of the issued and outstanding common shares of the Company (on a partially diluted basis).

As disclosed in a news release dated February 28, 2018, the Company announced that it has signed a five year Joint Venture (JV) agreement with investors to develop, market, and potentially grow the sales of its patented dry product, Tri-Filler. The JV is based in Parry Sound, Ontario and is owned 51% by the investors and 49% by Biosenta. The investors will contribute funds to operate the JV and at this time contribution will be determined after a formal business plan has been completed. Also the investors will continue funding on-going Biosenta's operating costs, provide expertise to launch Tri-Filler, and in return Biosenta will license global rights to the intellectual property that pertains to Tri-Filler with no additional funding required by Biosenta. The investors will receive 60% of operating profits until the amounts invested by the investors in the JV have been repaid. After the amounts already invested by the investors have been repaid, the operating profits will be split 51% to the investors and 49% to Biosenta. In addition the agreement with New South Biolabs will subsequently be terminated as Biosenta will issue 1,666,666 shares at \$0.57 per share in the company which is about 11.9% of total outstanding shares. Outstanding debt of \$565,682 already incurred (year-end secured loan) by the investors will then be eliminated.

As disclosed in a press release dated August 27, 2018, the Company announced, in conjunction with Microbial Research Products, the Joint Venture (JV) Agreement announced on February 28, 2018, it has signed its first Royalty Agreement for its Tri-Filler patented technology with Polski Bazalt / STM Technology (STM). This five year exclusive arrangement will give STM worldwide rights for its basalt composite products. STM is forecasting to start using the product towards end of the year. All other terms and conditions are confidential.

As disclosed in a news release dated October 11, 2018, the Company announced that it has signed an agreement with F&M Merchant Group LLC (F&M) to launch its disinfectant, named "True", in the U.S. market.

2. Provide a general overview and discussion of the activities of management.

### **Core Business Strategy**

*The Company is developing two business units within the anti-microbial industry. Products within these business units are targeted to address the demand created by the mounting health and environmental concerns with mould. Mould can affect the immune system, nervous system, liver, kidneys, blood and cause brain damage.*

*Under the Company's Industrial Division, the Company plans to manufacture and distribute an anti-microbial filler called "Tri-filler". Calcium Carbonate is one of the most common fillers used industrially. It is susceptible like other fillers that hold moisture to attract mould. Annual global revenue in the calcium carbonate filler industry is likely to be more than 100 billion dollars. Biosenta will produce anti-microbial filler that performs 'filling' and 'bulking' functions like calcium carbonate. Biosenta's filler product will not attract moisture and consequently mould infestation. Biosenta's filler with its anti-microbial high pH core in individual particles will enhance commercial product life and eradicate a broad spectrum of known bacteria, fungi, algae and other micro-organisms by suppression of their reproduction. The Company has commissioned its production plant to produce the filler product located in Parry Sound, Ontario. It is currently producing test product for potential customers.*

*Under the Company's Consumer Division, the Company has developed a line of retail anti-microbial products that will effectively kill mould, bacteria and fungi on contact and prevent regrowth. The Company has obtained the necessary government approvals from Health Canada for selling its initial product line called Zeromold™ in Canada in September 2012. The first shipments of the product started in October 2012 on a limited basis within Canada. The Company has developed a second generation of this product generation currently called "True" and a third generation product line called "Purity".*

### **Industrial Division: Tri-Filler**

*The Company will manufacture and distribute proprietary anti-microbial filler, and/or sub-license the technology relating thereto. Calcium Carbonate is one of the most common fillers used industrially. It is susceptible like other fillers that hold moisture to attracting mould. The Company will produce anti-microbial filler that performs "filling" and "bulking" that will not attract moisture and consequently mould infestation. The Company's filler product with its anti-microbial high pH core in individual particles enhances commercial product life and eradicates a broad spectrum of known bacteria, fungi, algae and other micro-organisms by suppression of their reproduction.*

*The Company completed the final construction phase of its production plant facility located in Parry Sound, Ontario in the three month period ended December 31, 2014. The Tri-Filler product is manufactured using advanced nano-encapsulation technology in a reactor. The Tri-Filler compound and the manufacturing process have been patented by Biosenta. The plant has a capacity of 2 tonnes per hour.*

*In December 2014 and January 2015, Tri-Filler product was successfully manufactured at the Parry Sound plant, and samples from the plant were examined at an independent laboratory to confirm that the particles were being manufactured to specification and that complete nano-encapsulation had occurred during production.*

*In March 2015, Tri-Filler was used by a large plastics manufacturer in its production plant, and the product manufactured using Tri-Filler was manufactured without any*

*production issues. The next step is to test the product manufactured by the plant for anti-microbial, fire-retarding and strength properties at an independent laboratory. Biosenta expects these tests to be conducted within the next two months. Discussions with other potential customers to test Tri-Filler in industries, beyond plastics and resins, are also progressing and include the building, resin and plastics industries.*

*Tri-Filler has been successfully tested using ASTM G21 and G22 tests and is being evaluated by potential customers. Approvals from the U.S. EPA and Canadian PMRA have begun. In addition, discussions with the Canadian Standards Association will continue to define new product standards for Tri-Filler as it represents an innovative and unique product type.*

*As disclosed in a press release dated June 13, 2016, the Company announced that a CAS number has been assigned to Tri-Filler by the American Chemicals Association. The awarding of a CAS number for Tri-Filler supports the opinion of Biosenta that Tri-Filler is a unique chemical with properties that its constituents, pure calcium hydroxide and calcium carbonate do not possess unless combined using Biosenta's nano-technology.*

*As disclosed in a press release dated November 24, 2016, the Company announced that it has received from the United States Patent Office a patent recognizing the unique and proprietary technology employed to manufacture Tri-Filler powder.*

*As disclosed in a press release dated December 12, 2016, the Company announced that it has received its first purchase order for Tri-Filler for eight metric tonnes.*

*As disclosed in a press release dated July 31, 2017, the Company announced it is in discussions with Polski Bazalt / STM Technology ("STM"), a company that produces basalt composite pallets, to implement a licensing agreement for Tri-Filler and to sell to STM a 1 tonne per hour plant to manufacture Tri-Filler. The agreement is expected to be finalized in the next few months. The Company will give a license to STM to manufacture and use Tri-Filler in its Poland-based operation that will supply pallets to the European Union. The founder and Chairman of STM, Stanley Rokicki, said that Tri-Filler will provide antimicrobial protection for the pallets and make them more suitable for applications related to food and medicine. Mr. Rokicki added that Tri-Filler also enhances the structural strength and fire retardant properties of the pallets as compared to fillers currently employed. The two companies have been collaborating for approximately two years while the testing and development of Tri-Filler has been finalized.*

### **Consumer Division - Anti-Microbial Retail Product Line**

*Biosenta's 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 regrowth. The disinfectants are very safe due to the very low toxicity. The Company has developed its first retail product line of anti-mould product called Zeromold™ and has made its first shipments in Canada starting in October 2012. The product rollout was limited for the fiscal years 2013 to 2015 due to limited cash flow and production control issues. As a result of the rollout of the product in Canada has been slow.*

The Company's rollout of the product started in the last quarter of fiscal 2014. To date, Biosenta estimates that approximately 900 stores have received the product. Biosenta has also listed ZeroMold in two other retailers in Canada in the February and March 2015 time frame. The rollout to the stores was again limited as a result of limited working capital to finance the rollout to the different retailers.

As disclosed in a press release dated June 22, 2015, the Company announced that its disinfectant, called "True" has been approved by the Environmental Protection Agency (EPA) in the U.S.A. Further, the EPA has allowed True to not carry a warning, caution or danger label because it is very safe for human use.

True is a new disinfectant and cleaner which effectively kills a multitude of potentially deadly microbes (bacteria, viruses and fungi/ mould) with a formulation that has been shown to be very safe for use. The innovation which gives True its unique properties is that it is both a very powerful disinfectant and it contains very low levels of active ingredients which make it much less toxic and more safe.

Laboratory testing of True on a broad range of potentially deadly microbes has been conducted by a world renowned institution. These standardised tests have shown True will kill 100% of the following microbes within a 10 minute contact time:

<u>Bacteria</u>	<u>Virus</u>	<u>Fungi</u>
Acinetobacter Baumannii	Adenovirus	Black mould
(ABC)	Chlamydia	Trichophyton
E. Coli	Ebola	mentagrophytes
Listeria	Enterovirus D68	
MRSA	H1N1	
Pseudomonas aeruginosa	Hepatitis	
Salmonella	Herpes	
Staphylococcus aureus	HIV	
	Influenza	
	Polio	
	Respiratory Syncytial Virus	
	Rotavirus	
	Swine Flu	
	Tuberculosis	
	Vaccina (pox virus)	

Note that the Ebola and Enterovirus D68 claims are based on scientific rationale as provided by the U.S. Center for Disease Control. Please refer to Biosenta.com for details of the laboratory testing.

Approval to market and sell True in Canada is underway. The approval process in Canada was commenced in December, 2014, but the Company has not reach acceptable levels of approval yet.

*In March 2015 the Company announced a third-generation disinfectant, to be called Purity, has been developed to possess faster anti-microbial action than True and with a low pH. Biosenta's product strategy is to provide products that are both safe and powerful, and Purity will fulfill this strategy and represent an innovative disinfectant relative to currently available disinfectants. Purity will be tested over the next two months at an independent laboratory to refine the formulation. The goal is to use Purity in hand sanitizer and wipes as well as a disinfectant.*

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

*See Section 1 above regarding the "True" production line and see Section 2 in the Consumer Division regarding the "Purity" production line.*

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*Zeromold*

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

*N/A*

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*N/A*

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

*N/A*

8. Describe the acquisition of new customers or loss of customers.

*N/A*

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

*N/A*

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

*N/A*

11. Report on any labour disputes and resolutions of those disputes if applicable.

*N/A*

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

14. *Already discussed in question 1.* Provide details of any securities issued and options or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds<sup>(1)</sup></b>
Common shares & Warrants	3,279,075 common shares and 1,604,538 warrants		Conversion of loan to equity

*Already discussed in question 1.*

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

N/A

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

N/A

## **Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

**Dated April 06, 2020**

**Am Gill**

Name of Director or Senior Officer

Signature: "Am Gill"

**CEO and President**

Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
<b>Biosenta Inc.</b>	<b>March 2020</b>	<b>2020/04/06</b>
Issuer Address		
<b>18 Wynford Drive, Suite 704</b>		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
<b>Toronto, Ontario M3C 3S2</b>		<b>(416) 410-2019</b>
Contact Name	Contact Position	Contact Telephone No.
<b>Am Gill</b>	<b>CEO&amp;President</b>	<b>(416) 410-2019</b>
Contact Email Address	Web Site Address	
<b>info@biosenta.com</b>	<b>www.biosenta.com</b>	