
AMENDED AND RESTATED TERM LOAN AGREEMENT

dated as of

July 5, 2013

between

Bioniche Life Sciences Inc.

as Borrower

The SUBSIDIARY GUARANTORS Party Hereto

and

Paladin Labs Inc.

as Lender

U.S.\$30,000,000

TABLE OF CONTENTS

	Page
SECTION 1. DEFINITIONS	1
1.01 Certain Defined Terms.....	1
1.02 IFRS.....	16
1.03 Interpretation.....	16
1.04 Changes to IFRS.....	16
1.05 Amendment and Restatement.....	17
SECTION 2. THE COMMITMENT	17
2.01 Loan.....	17
2.02 Borrowing.....	18
2.03 Fees.....	18
2.04 Notes.....	18
2.05 Use of Proceeds.....	18
2.06 Warrants.....	19
SECTION 3. PAYMENTS OF PRINCIPAL AND INTEREST	19
3.01 Repayment.....	19
3.02 Interest.....	19
3.03 Prepayments.....	20
SECTION 4. PAYMENTS, ETC.....	21
4.01 Payments.....	21
4.02 Computations.....	21
4.03 Notices.....	21
4.04 Set-Off.....	22
SECTION 5. YIELD PROTECTION, ETC.....	22
5.01 Additional Costs.....	22
5.02 Reserved.....	23
5.03 Illegality.....	23
5.04 Reserved.....	23
5.05 Taxes.....	23
SECTION 6. CONDITIONS PRECEDENT	25
6.01 Conditions to the Loan.....	25
6.02 Conditions to the Conditional Term Loan Amount.....	27
6.03 Additional Conditions to Borrowing.....	28
SECTION 7. REPRESENTATIONS AND WARRANTIES.....	28
7.01 Power and Authority.....	28
7.02 Authorization; Enforceability.....	28
7.03 Governmental and Other Approvals; No Conflicts.....	29
7.04 Financial Statements; Material Adverse Change.....	29
7.05 Properties.....	29

TABLE OF CONTENTS

(continued)

	Page
7.06 No Actions or Proceedings	33
7.07 Compliance with Laws and Agreements.	33
7.08 Taxes.....	34
7.09 Full Disclosure.....	34
7.10 Regulation.....	34
7.11 Solvency.....	34
7.12 Subsidiaries.....	34
7.13 Liens.....	34
7.14 Material Agreements.....	34
7.15 Restrictive Agreements.....	35
7.16 Real Property.	35
7.17 Pension Matters.....	35
7.18 Collateral; Security Interest.	36
7.19 Regulatory Approvals.....	36
7.20 Inactive Subsidiaries.....	36
7.21 Bioniche Urology IP Inc.	36
SECTION 8. AFFIRMATIVE COVENANTS.....	36
8.01 Financial Statements and Other Information.....	36
8.02 Notices of Material Events.....	38
8.03 Existence; Conduct of Business.....	39
8.04 Payment of Obligations.....	39
8.05 Maintenance of Properties; Insurance.....	40
8.06 Books and Records; Inspection Rights.	40
8.07 Compliance with Laws and Other Obligations.....	40
8.08 Maintenance of Properties, Etc.....	40
8.09 Licenses.....	40
8.10 Action under Environmental Laws.	41
8.11 Use of Proceeds.....	41
8.12 Certain Obligations Respecting Subsidiaries; Further Assurances.....	41
8.13 Termination of Non-Permitted Liens.....	42
8.14 Canadian Benefit Plans and Canadian Pension Plans.....	42
8.15 Financial Covenants.....	42
8.16 Technology and Intellectual Property.....	42
8.17 Pledge Over Shares in Bioniche Urology IP Inc.	43
8.18 Bioniche Urology IP Inc.	43
8.19 Restrictions on Deposit Accounts and Securities Accounts.	43
8.20 Security – Further Assurances.	44
8.21 Warrants.....	44
SECTION 9. NEGATIVE COVENANTS.....	44
9.01 Indebtedness.....	44
9.02 Liens.....	45

TABLE OF CONTENTS

(continued)

	Page
9.03 Fundamental Changes and Acquisitions.....	46
9.04 Lines of Business.....	46
9.05 Investments.....	46
9.06 Restricted Payments.....	47
9.07 Change in Fiscal Year.....	48
9.08 Sales of Assets, Etc.....	48
9.09 Transactions with Affiliates.....	48
9.10 Restrictive Agreements.....	48
9.11 Amendments to Material Agreements.....	49
9.12 Capital Expenditures.....	49
9.13 Operating Leases.....	49
9.14 Sales and Leasebacks.....	49
9.15 Hazardous Material.....	50
9.16 Accounting Changes.....	50
9.17 Inactive Subsidiaries.....	50
SECTION 10. EVENTS OF DEFAULT.....	50
SECTION 11. MISCELLANEOUS.....	54
11.01 No Waiver.....	54
11.02 Notices.....	54
11.03 Expenses, Indemnification, Etc.....	55
11.04 Amendments, Etc.....	55
11.05 Successors and Assigns.....	56
11.06 Survival.....	58
11.07 Captions.....	58
11.08 Counterparts.....	58
11.09 Governing Law.....	58
11.10 Jurisdiction, Service of Process and Venue.....	58
11.11 Waiver of Jury Trial.....	59
11.12 Waiver of Immunity.....	59
11.13 Judgment Currency.....	59
11.14 Entire Agreement.....	59
11.15 Severability.....	60
11.16 No Fiduciary Relationship.....	60
11.17 Confidentiality.....	60
11.18 USA PATRIOT Act.....	60
11.19 Maximum Rate of Interest.....	60
11.20 <i>Interest Act</i> (Canada).....	60
SECTION 12. GUARANTEE.....	61
12.01 The Guarantee.....	61
12.02 Obligations Unconditional.....	61

TABLE OF CONTENTS

(continued)

	Page
12.03 Reinstatement.....	62
12.04 Subrogation.....	62
12.05 Remedies.....	62
12.06 Instrument for the Payment of Money.....	62
12.07 Continuing Guarantee.....	62
12.08 Rights of Contribution.....	63
12.09 General Limitation on Guarantee Obligations.....	63
EXHIBIT A FORM OF PROMISSORY NOTE	1
EXHIBIT B [INTENTIONALLY DELETED]	1
EXHIBIT C FORM OF GUARANTEE ASSUMPTION AGREEMENT	1
EXHIBIT D FORM OF COMPLIANCE CERTIFICATE	1

AMENDED AND RESTATED TERM LOAN AGREEMENT dated as of July 5, 2013, among Bioniche Life Sciences Inc. (the “Borrower”), the SUBSIDIARY GUARANTORS from time to time party hereto and Paladin Labs Inc., as Lender (the “Agreement”).

The Borrower and the Subsidiary Guarantors entered into that certain Term Credit Agreement dated as of March 16, 2012 (as amended, supplemented or otherwise modified from time to time prior to the date hereof, including by way of the post-closing matters and amending agreement dated April 5, 2012, the Consent, Waiver and Global Amendment dated as of December 21, 2012, the Global Amendment dated March 6, 2013 and the Consent, Amendment and Waiver dated March 6, 2013, the “Existing Loan Agreement”) with Capital Royalty Partners II L.P., Capital Royalty Partners II (Cayman) L.P. and Capital Royalty Partners II – Parallel Fund “A” L.P. Capital Royalty Partners II - Parallel Fund "B" (Cayman) L.P. (the “Initial Original Lenders”), as lenders, pursuant to which the Initial Original Lenders extended credit to the Borrower in the form of a loan in the aggregate principal amount of \$20,000,000 (the “Original Term Loan”).

Capital Royalty Partners II - Parallel Fund "B" (Cayman) L.P. (the “Additional Original Lender” and, together with the Initial Original Lenders, the “Original Lenders”) acquired a portion of the Original Term Loan made pursuant to the Existing Loan Agreement.

On June 5, 2013 (the “Assignment Date”), the Original Lenders transferred and assigned their interest in (i) the Existing Loan Agreement and all documents and agreements relating thereto, and (ii) the outstanding principal balance of the Original Term Loan as of the Assignment Date, being US\$20,713,265.70 (which principal balance included accrued interest to the extent already capitalized in the form of PIK Notes), and the benefit of all accrued and unpaid interest thereon as of the Assignment Date, being \$466,855.18, the whole pursuant to a loan purchase and sale agreement between the Original Lenders and the Lender.

The Borrower has requested that the Lender make additional credit available to the Borrower, and the Lender has agreed to do so on the terms and conditions set forth herein.

The Borrower and the Lender have agreed to amend and restate the Existing Loan Agreement in the manner hereinafter set forth.

In further consideration for the Loan and the Lender agreeing to enter into this Agreement, the Borrower has agreed to issue Warrants to the Lender and the Borrowers and certain other Obligors have agreed to enter into the License Agreement with the Lender.

When executed and delivered by the Parties hereto, this Amended and Restated Term Loan Agreement shall supersede and replace the Existing Loan Agreement, without novation.

Accordingly, the parties agree as follows:

SECTION 1. DEFINITIONS

1.01 Certain Defined Terms. As used herein, the following terms have the following respective meanings:

“Acquisition” means any transaction, or any series of related transactions, by which any Person directly or indirectly, by means of a take-over bid, tender offer, amalgamation,

merger, purchase of assets, or similar transaction having the same effect as any of the foregoing, (a) acquires any business or all or substantially all of the assets of any Person engaged in any business, (b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing body if the business affairs of such Person are managed by a board of directors or other governing body, or (c) acquires control of more than 50% of the ownership interest in any Person engaged in any business that is not managed by a board of directors or other governing body.

“Additional Term Loan Amount” has the meaning set forth in Section 2.01.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreement” means this Amended and Restated Loan Agreement, as amended, restated, modified or supplemented from time to time in accordance with the terms hereof.

“Amendment Fee Loan” has the meaning set forth in Section 2.03.

“Amendment Fee Note” has the meaning set forth in Section 2.03.

“Amendment Fees” has the meaning set forth in Section 2.03.

“Asset Sale” is defined in Section 9.08.

“Asset Sale Proceeds” means the aggregate amount of the cash proceeds received from any Asset Sale plus, with respect to any non-cash proceeds of an Asset Sale, the fair market value of such non cash proceeds as determined by the Lender, acting reasonably.

“Assignment and Acceptance” means an assignment and acceptance entered into by the Lender and an assignee of the Lender.

“Assignment Date” has the meaning set forth in the preamble hereto.

“Australian Security Documents” means one or more general security deeds and real property mortgages and other security documents required to perfect Liens in favour of the Lender in Australia, including (without limitation):

- (i) the real property mortgage granted by Bioniche Animal Health (A/Asia) Pty Ltd in favour of the Lender dated 5 April 2012 over Torrens Title Auto-Consol 5841-59; and
- (ii) the real property mortgage granted by Bioniche Animal Health (A/Asia) Pty Ltd in favour of the Lender dated 5 April 2012 over Torrens Title Auto-Consol 15290-74; and
- (iii) the Security Deed granted by Bioniche Animal Health (A/Asia) Pty Ltd in favour of the Lender dated 5 April 2012.

“Bioniche Europe” means Bioniche Animal Health Europe Limited, a company incorporated in Ireland with limited liability under company number 251032.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” has the meaning set forth in the introduction hereto.

“Borrower Contracts” means the Contracts entered into by any of the Obligors whereby the Obligors derive income in respect of the Business.

“Borrower Technology” means Technology owned by or licensed to any of the Obligors and their Affiliates.

“Borrowing” means the borrowing by the Borrower of the Additional Term Loan Amount or the Conditional Term Loan Amount, as the case may be.

“Borrowing Date” means the date of the applicable Borrowing.

“Business” means the research, production, manufacturing and marketing (i) of health products for animals, (ii) of health products for human beings and (iii) of animal vaccinations, in each case, as described in the Borrower’s 2012 publicly filed annual report.

“Business Day” means a day (other than a Saturday or Sunday) on which commercial banks are not authorized or required to close in Montreal, Quebec or Toronto, Ontario.

“Called Principal” has the meaning set forth in Section 3.03(a).

“Canadian Benefit Plans” means all plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, registered or unregistered to which any Obligor and any Subsidiary or Affiliate thereof resident in Canada is a party or bound or in which their employees participate or under which any such Obligor, Subsidiary or Affiliate has, or will have, any liability or contingent liability, or pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to any of their employees or former employees of any such Obligor, Subsidiary or Affiliate, directors or officers, individuals working on contract with any such Obligor, Subsidiary or Affiliate or other individuals providing services to any such Obligor, Subsidiary or Affiliate of a kind normally provided by employees (or any spouses, dependants, survivors or beneficiaries of any such persons), excluding statutory plans.

“Canadian Dollars” and “CDN.\$” means the lawful currency of Canada.

“Canadian Pension Plans” means all Canadian Benefit Plans which are required to be registered under Canadian provincial or federal pension benefits standards legislation.

“Capital Lease Obligations” means, as to any Person, the obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) real and/or personal Property which obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under IFRS and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with IFRS.

“Casualty Event” means, with respect to any Property of any Person, any loss of or damage to, or any condemnation or other taking of, such Property for which such Person or

any of its Subsidiaries receives insurance proceeds, or proceeds of a condemnation award or other compensation.

“Change of Control” means (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group of Persons acting jointly or otherwise in concert of capital stock representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower, (b) during any period of twelve (12) consecutive calendar months, the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower, nor (ii) appointed by directors so nominated, or (c) the acquisition of direct or indirect Control of the Borrower by any Person or group of Persons acting jointly or otherwise in concert; in each case whether as a result of a tender or exchange offer, open market purchases, privately negotiated purchases or otherwise.

“Claims” includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

“Closing Date” means the date as of which the Lender notifies the Borrower that the conditions precedent set forth in Section 6.01 have been satisfied or waived.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

“Collateral” means the collateral or property otherwise securing the obligations of the Obligors as provided for in the Security Documents.

“Commitment” means the obligation of the Lender to make the Loan to the Borrower pursuant to Section 2.01 in an aggregate principal amount not to exceed US\$30,000,000, on and subject to the terms and conditions hereof.

“Compliance Certificate” has the meaning given to such term in Section 8.01(d).

“Conditional Term Loan Amount” has the meaning set forth in Section 2.01

“Confirmations of Security” means the confirmation of security agreements from the Obligors in favour of the Lender pursuant to which, among other things, the Obligors confirmed in favour of the Lender that security constituted under the Security Documents continues to secure their obligations as provided therein.

“Contracts” means contracts, licenses, leases, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements or engagements under which a Person has, or will have, any liability or contingent liability (in each case, whether written or oral, express or implied).

“Control” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Copyright” means copyrights, copyright registrations and applications for copyright registration.

“Covered Taxes” means all present and future taxes, duties, levies, imposts, deductions, charges or withholdings whatsoever with respect to any amount paid, credited, payable or arising on or in respect of this Agreement, the Loan or the Notes, and all interest, penalties and other amounts with respect thereto, now or thereafter exigible, imposed, assessed, levied or collected by Canada or any other jurisdiction from which any amount payable hereunder is paid, or any political subdivision or taxing authority thereof or therein, or any organization or federation of which any of the foregoing may be a member or associated, excluding, however, income, real property, capital, branch profits, franchise or similar taxes imposed on the Lender by a jurisdiction as a result of the Lender being engaged in a trade or business in, or organized under the laws of, such jurisdiction, or by virtue of its having a permanent establishment in such jurisdiction to which income under this Agreement is attributable, or its lending office being located in such jurisdiction (but not excluding any such taxes arising merely by the execution of this Agreement, the holding or disposition of the Loan or Notes or the performance of the Lender’s obligations or enforcement of the Lender’s rights under this Agreement).

“Debt Incurrence” means the incurrence by the Borrower or any of its Subsidiaries after the Closing Date of any Financial Indebtedness, other than Indebtedness hereunder.

“Default” means an Event of Default specified in Section 10 or an event that with notice or lapse of time or both would become an Event of Default.

“Dollars” and “\$” means lawful money of the United States of America.

“Environmental Law” means any federal, state, provincial or local governmental law, rule, regulation, order, writ, judgment, injunction or decree relating to pollution or protection of the environment or the treatment, storage, disposal, release, threatened release or handling of hazardous materials, and all local laws and regulations related to environmental matters and any specific agreements entered into with any competent authorities which include commitments related to environmental matters.

“Equivalent Amount” means, with respect to an amount denominated in one currency, the amount in another currency that could be purchased by the amount in the first currency determined by reference to the Exchange Rate at the time of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that is treated as a single employer together with the Borrower under section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for

which the 30 day notice period is waived); (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Event of Default" has the meaning set forth in Section 10.

"Exchange Rate" means the rate at which any currency (the "Pre-Exchange Currency") may be exchanged into another currency (the "Post-Exchange Currency"), as set forth on such date on the relevant Reuters screen at or about 10:00 a.m. (New York, New York, United States time), or as soon as practicable thereafter, on such date. In the event that such rate does not appear on the Reuters screen, the "Exchange Rate" with respect to exchanging such Pre-Exchange Currency into such Post-Exchange Currency shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Borrower and the Lender or, in the absence of such agreement, such Exchange Rate shall instead be determined by the Lender by any reasonable method as it deems applicable to determine such rate, and such determination shall be conclusive absent manifest error.

"Existing Secured Lenders" means the lenders in respect of the existing Indebtedness listed in item 2 on Schedule 7.13.

"Financial Indebtedness" of a Person means Indebtedness for or in respect of borrowed money or evidenced by bonds, debentures, notes or other similar instruments or consisting of Capital Lease Obligations (including any of the foregoing Guaranteed by such Person).

"Governmental Authority" means any nation, government, branch of power (whether executive, legislative or judicial), state, province or municipality or other political subdivision thereof and any entity exercising executive, legislative, judicial, monetary, regulatory or administrative functions of or pertaining to government, including without limitation regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals and dispute settlement panels, and other law-, rule- or regulation-making organizations or entities of any State, province, territory, county, city or other political subdivision of the United States or Canada.

"Guarantee" of or by any Person (the "guarantor") means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment

of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Guarantee Assumption Agreement” means a Guarantee Assumption Agreement substantially in the form of Exhibit C by an entity that, pursuant to Section 8.12(a), is required to become a “Subsidiary Guarantor” hereunder in favour of the Lender.

“Hazardous Material” means any substance, element, chemical, compound, product, solid, gas, liquid, waste, by-product, pollutant, contaminant or material which is hazardous or toxic, and includes, without limitation, (a) asbestos, polychlorinated biphenyls and petroleum (including crude oil or any fraction thereof) and (b) any material classified or regulated as “hazardous” or “toxic” or words of like import pursuant to an Environmental Law.

“Hedging Agreement” means any interest rate exchange agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“IFRS” means International Financial Reporting Standards as in effect in Canada from time to time; provided, however, that if there occurs after the date hereof any change in IFRS that affects in any respect the calculation of any covenant contained in Section 8.15, then Section 1.04 shall apply.

“Inactive Subsidiaries” means each of Bioniche Therapeutics Corp. and Bioniche Therapeutics (A/Asia) Pty. Ltd. together with their respective successors.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding current accounts payable incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty (j) obligations under any Hedging Agreement currency swaps, forwards, futures or derivatives transactions, and (k) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefore.

“Initial Commitment Period” means the period from the date hereof until July 10, 2013.

“Intellectual Property” means all Patents, Trademarks, Copyright, rights in any mask works and integrated circuit topographies and other intellectual property, whether registered or not, domestic and foreign. Intellectual Property shall include all:

- (a) applications or registrations relating to such Intellectual Property;
- (b) rights and privileges arising under applicable Laws with respect to such Intellectual Property;
- (c) rights to sue for past, present or future infringements of such Intellectual Property;
- (d) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements or other misappropriations or violations of such Intellectual Property; and
- (e) rights of the same or similar effect or nature in any jurisdiction corresponding to such Intellectual Property throughout the world.

“Interest Period” means the period commencing on the Assignment Date and ending on the Closing Date, and thereafter the periods ending on September 30, 2013, December 31, 2013 and June 30, 2014, provided that (i) any Interest Period that would otherwise end on a day that is not a Business Day shall end on the next succeeding Business Day unless such succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) the term “Interest Period” shall include any period selected by the Lender from time to time in accordance with the definition of “Post-Default Rate”.

“Invention” means any novel, inventive and useful art, method, process, machine (including article or device), manufacture or composition of matter, or any novel, inventive and useful improvement in any art, method, process, machine (including article or device), manufacture or composition of matter. Invention may include a novel, inventive and useful process, apparatus or method.

“Investment” means, for any Person: (a) the acquisition (whether for cash, property, services, securities or otherwise) of capital stock, bonds, notes, debentures, partnership or other ownership interests or other securities of any other Person or any agreement to make any such acquisition (including any “short sale” or any sale of any securities at a time when such securities are not owned by the Person entering into such sale); (b) the making of any deposit with, or any advance, loan or other extension of credit to, any other Person (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such property to such Person), but excluding any such advance, loan or extension of credit having a term not exceeding 90 days arising in connection with the sale of inventory or supplies by such Person in the ordinary course of business; (c) the entering into of any Guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person; or (d) the entering into of any Hedging Agreement.

“Irish Security Documents” means one or more general security deeds and real property mortgages and other security documents required to perfect Liens in favour of the Lender in Ireland.

“Knowledge” means the actual knowledge of any employee, officer or director of any Person, performing or having responsibility for administration or performance, on the Person’s behalf, of any aspect of this Agreement. With respect to the Obligors, Knowledge also means the actual knowledge of any employee, officer or director of any Person, performing or having responsibility for administration or performance, on the Person’s behalf, of the Borrower Contracts and/or the monitoring, prosecution or enforcement of any of the Borrower Technology.

“Laws” means, collectively, all international, foreign, federal, state, provincial, territorial, municipal and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lender” means Paladin Labs Inc. and its successors and assigns.

“License Agreement” means the License, Development and Supply Agreement between the Lender, the Borrower and certain of its subsidiaries dated as of the Closing Date.

“Lien” means any mortgage, lien, pledge, charge, encumbrance or other security interest, any security interest under the PPSA, leases, title retention agreements, restrictions, easements, rights-of-way, options or adverse claims or encumbrances of any kind or character whatsoever or any preferential arrangement that has the practical effect of creating a security interest.

“Liquidity” means unencumbered cash and short term United States of America or Government of Canada government treasuries (which for greater certainty shall not include any undrawn credit lines), in each case, to the extent held in an account over which the Lender has a first priority perfected security interest.

“Loan” has the meaning set forth in Section 2.01.

“Loan Documents” means, collectively, this Agreement, the Notes, the Security Documents, the Warrants and the License Agreement.

“Margin Stock” means “margin stock” within the meaning of Regulations U and X of the Board.

“Material Adverse Change” and “Material Adverse Effect” mean a material adverse change in or effect on (i) the business, condition (financial or otherwise), operations, performance, Property or prospects of the Borrower or any of its Subsidiaries or of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of any Obligor to perform its obligations under the Loan Documents or (iii) the legality, validity, binding effect or enforceability of the Loan Documents or the rights and remedies of the Lender under any of the Loan Documents. For greater certainty, a Material Adverse Change and Material Adverse Effect shall include the withdrawal or suspension of the sale or manufacturing of any

of the Obligors' products, at any time in any year during the term of this Agreement, from any jurisdictions where the revenue generated by such products in such jurisdictions exceeds 10% of the Revenue of the Business in the immediately preceding year.

“Material Agreements” means the agreements which are listed in Schedule 1 and all other agreements held by the Obligors from time to time, the absence or termination of any of which could reasonably be expected to result in a Material Adverse Effect and “Material Agreement” means any one such agreement.

“Material Indebtedness” means, at any time, Indebtedness of the Borrower or any of its Subsidiaries the outstanding principal amount of which, individually or in the aggregate, exceeds \$100,000 (or the Equivalent Amount in other currencies).

“Material Intellectual Property” means, the Intellectual Property of the Obligors described in Schedule 9.02 and any other Intellectual Property after the date hereof that becomes, or is reasonably expected to become, material to the Business.

“Maturity Date” means July 1, 2014.

“MCC” means Mycobacterial Cell Wall-DNA Complex.

“Note” means any one of: (i) a promissory note executed and delivered by the Borrower to the Lender in accordance with Section 2.04, (ii) any PIK Note and (iii) the Amendment Fee Note, and “Notes” means any two or more of the foregoing.

“Obligors” means, collectively, the Borrower, the Subsidiary Guarantors and their respective successors and permitted assigns.

“Other Applicable Taxes” has the meaning set forth in Section 5.05(f).

“Patents” means any and all:

- (iv) patents, pending patent applications and issued patents therefore and equivalent rights (including originals, divisionals, provisionals, reissues, renewals, re-examinations, continuations, continuations-in-part and extensions and applications for the foregoing) applied for or registered in all countries of the world;
- (v) Inventions, including Inventions described in any of such patents, pending patent applications and issued patents including those that are included in any claim, capable of being reduced to a claim and/or could have been included as a claim in any such patents, utility models, pending patent applications and issued patents; and
- (vi) rights to apply in any or all countries of the world for such patents, pending patent applications and issued patents.

“Pension Plan Termination Event” means an event which would entitle a Person (without the consent of any Obligor or any Subsidiary or Affiliate thereof) to wind-up or terminate a Canadian Pension Plan in full or in part, or the institution of any steps by any Obligor or any Subsidiary or Affiliate thereof to withdraw from, terminate participation in,

wind-up or order the termination or wind-up of, in full or in part, any Canadian Pension Plan, or the receipt by any Obligor or any Subsidiary or Affiliate thereof of material correspondence from a Governmental Authority relating to a potential or actual, partial or full, termination or wind-up of any Canadian Pension Plan, or an event respecting any Canadian Pension Plan which would result in the revocation of the registration of such Canadian Pension Plan or which could otherwise reasonably be expected to adversely affect the tax status of any such Canadian Pension Plan.

“Pension Plan Unfunded Liability” means an unfunded liability in respect of any Canadian Pension Plan, including a going concern unfunded liability, a solvency deficiency or wind-up deficiency.

“Permitted Acquisition” means any Acquisition permitted under Section 9.03.

“Permitted Cash Equivalent Investments” means (i) readily marketable direct obligations of the Government of, or unconditionally guaranteed by, the United States of America or Canada or any agency or instrumentality thereof and (ii) commercial paper maturing not more than twelve months from the date of acquisition thereof and rated A-1 or better by Standard & Poor’s Ratings Services, Inc., or P-1 or better by Moody’s Investors Service, Inc.

“Permitted Indebtedness” means any Indebtedness permitted under Section 9.01.

“Permitted Liens” means, with respect to any Person:

- (i) Liens imposed by law which were incurred in the ordinary course of business, including (but not limited to) carriers’, warehousemen’s and mechanics’ liens and other similar liens arising in the ordinary course of business and which (x) do not in the aggregate materially detract from the value of the Property subject thereto or materially impair the use thereof in the operations of the business of such Person or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing the forfeiture or sale of the Property subject to such liens and for which adequate reserves have been made if required in accordance with IFRS;
- (ii) pledges or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance or other similar social security legislation;
- (iii) Liens securing taxes, assessments and other governmental charges, the payment of which is not yet due or is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted and for which such reserve or other appropriate provisions, if any, as shall be required by IFRS shall have been made;
- (iv) Liens provided to Existing Secured Lenders to the extent that they exist as of the date hereof and are disclosed at item 2 on Schedule 7.13, but only in respect of assets in existence on the date hereof or after-acquired property to the extent that the security documents in existence on the date hereof creating such Liens are broad enough to include such after-acquired property;

- (v) Liens securing Indebtedness permitted under Section 9.01(i);
- (vi) Liens securing Indebtedness permitted under Section 9.01(c) through (e) and Section 9.01 (g) and (h) provided, however, that notwithstanding the provisions of Section 9.01 (c) through (e) and Section 9.01 (g) and (h), the aggregate principal amount of Indebtedness outstanding under such clauses subject to such Liens shall not exceed \$2,000,000 (or the Equivalent Amount in other currencies) at any time outstanding;
- (vii) servitudes, easements, rights of way, restrictions and other similar encumbrances on real Property imposed by applicable Laws and encumbrances consisting of zoning or building restrictions, easements, licenses, restrictions on the use of property or minor imperfections in title thereto which, in the aggregate, are not material, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of any of the Obligors; and
- (viii) further, with respect to any real Property, means (A) such defects or encroachments as might be revealed by an up-to-date survey of such real Property; (B) the reservations, limitations, provisos and conditions expressed in the original grant, deed or patent of such property by the Crown or other similar original owner of such real Property pursuant to applicable Laws; and (C) rights of expropriation, access or user or any similar right conferred or reserved by or in applicable Laws, which, individually or in the aggregate for any of (A), (B) and (C), are not material, and which do not in any case materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of any of the Obligors.

“Permitted Refinancing” means, with respect to any Indebtedness, any extensions, renewals and replacements of such Indebtedness; provided that such extension, renewal or replacement (i) shall not increase the outstanding principal amount of such Indebtedness from that in effect on the date of this Agreement, (ii) contains terms relating to outstanding principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole no less favourable in any material respect to the Borrower and its Subsidiaries or the Lender than the terms of any agreement or instrument governing such existing Indebtedness, (iii) shall have an applicable interest rate which does not exceed the rate of interest of the Indebtedness being replaced, (iv) shall not contain any new requirement to grant any lien or security or to give any guarantee that was not an existing requirement of such Indebtedness, and (v) is entered into with the same lender who is party to such Indebtedness on the date of this Agreement.

“Permitted Restrictive Agreements” has the meaning set forth in Section 7.15.

“Permitted Sales and Leasebacks” has the meaning set forth in Section 9.14.

“Person” means any individual, corporation, company, voluntary association, partnership, limited liability company, joint venture, trust, unincorporated organization, Governmental Authority or other entity of whatever nature.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“PIK Loans” means the aggregate of all indebtedness evidenced by PIK Notes.

“PIK Note” means any Paid In Kind Interest Notes issued by the Borrower pursuant to the Existing Loan Agreement.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

“Post-Closing Matters and Amending Agreement” means the Post-Closing Matters and Amending Agreement between the Borrower, the Subsidiary Guarantors, Bioniche Urology IP Inc. and the Lender (as successor to the Initial Original Lenders) dated on or about April 5, 2012.

“Post Default Rate” means a rate per annum which is equal to the sum of 13.25% per annum plus, to the extent permitted by applicable law, 2.25% per annum.

“PPSA” means the *Personal Property Security Act*, R.S.O. 1990, c.P.10 provided, however, if the validity, attachment, perfection (or opposability), effect of perfection or of non-perfection or priority of the Lender’s security interest in any property of the Obligor are governed by the personal property security laws or laws relating to movable property of any jurisdiction in Canada other than the Province of Ontario, PPSA shall include those personal property security laws or laws relating to movable property in such other jurisdiction for the purpose of the provisions hereof relating to such validity, attachment, perfection (or opposability), effect of perfection or of non-perfection or priority and for the definitions related to such provision and provided further that the PPSA shall include the Personal Property Securities Act 2009 (*Cth*) for the purposes of any property of an Obligor if the validity, attachment, perfection (or opposability), effect of perfection or of non-perfection or priority of the Lender’s security interest in such property are governed by the laws of Australia.

“Property” of any Person means any property or assets, or interest therein, of such Person.

“Quebec Security Documents” means one or more Deeds of Hypothec and other security documents required to perfect Liens in favour of the Lender in the Province of Quebec.

“Real Property Security Documents” means a debenture and other security documents necessary to create the security interests required by this Agreement in real Property owned by any Obligor and located in Canada, Ireland, Australia or the United States, as applicable.

“Redemption Date” has the meaning set forth in Section 3.03(a).

“Redemption Price” has the meaning set forth in Section 3.03(a).

“Register” has the meaning set forth in Section 11.05(d).

“Regulations U and X” means Regulation U and Regulation X of the Board of Governors of the Federal Reserve System, as amended.

“Regulatory Approvals” means any registrations, licenses, authorizations, permits or approvals issued by any Governmental Authority and applications or submissions related to any of the foregoing.

“Requirement of Law” means, as to any Person, any statute, law, treaty, rule or regulation or determination, order, injunction or judgment of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Properties or revenues.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of any class of capital stock of the Borrower or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of capital stock of the Borrower or any of its Subsidiaries or any option, warrant or other right to acquire any such shares of capital stock of the Borrower or any of its Subsidiaries.

“Revenue Interest Agreement” means the Amended and Restated Revenue Interest Agreement dated June 5, 2013, among the Initial Original Lenders and the Borrower.

“Revenue of the Business” has the meaning given to such term in the Revenue Interest Agreement.

“Security Agreement” means a pledge and security agreement among the Obligors and the Lender required to perfect Liens in favour of the Lender in the Province of Ontario.

“Security Documents” means, collectively, the Confirmations of Security, the Security Agreement, each Short-Form IP Security Agreement, each Australian Security Document, each Irish Security Document, each Quebec Security Document, each Real Property Security Document, each U.S. Security Document and all other control agreements and Uniform Commercial Code or Personal Property Security Act financing statements required by the Security Agreement filed or to be filed with respect to the security interests created pursuant to the Security Agreement, each as may have been and as may be further amended, restated, modified or supplemented from time to time.

“SEDAR” means System for Electronic Deposit and Retrieval of the Canadian Securities Administrators.

“Settlement Date” means, with respect to the Called Principal, the date on which such Called Principal is to be prepaid or has become or is declared to be immediately due and payable, as the context requires.

“Short-Form IP Security Agreements” means short-form copyright, patent or trademark (as the case may be) security agreements entered into by one or more Obligors in favour of the Lender (for those already filed, as successor in interest to the Original Lenders), each in form and substance satisfactory to the Lender (and as amended, modified or replaced from time to time). The Short-Form IP Security Agreements are to be filed in the Canadian Intellectual Property Office, the United States Patent and Trademark Office or the United States Copyright office, as the case may be.

“Solvent” means, with respect to any Person at any time, that (a) the fair value of the Property of such Person is greater than the total amount of liabilities (including contingent liabilities) of such Person, (b) the present fair saleable value of the Property of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature and (d) such Person is not in a position where it would be unable to obtain a letter from its auditors that did not contain a going concern qualification.

“Subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with IFRS as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary Guarantors” means each of the Subsidiaries of the Borrower identified under the caption “SUBSIDIARY GUARANTORS” on the signature pages hereto and each Subsidiary of the Borrower that becomes a “Subsidiary Guarantor” after the date hereof pursuant to Section 8.12(a).

“Technical Information” means all trade secrets and other proprietary or confidential information, public information, non-proprietary know-how, any information of a scientific, technical, or business nature in any form or medium, standards and specifications, conceptions, ideas, innovations, discoveries, Invention disclosures, all documented research, developmental, demonstration or engineering work and all other information, data, plans, specifications, reports, summaries, experimental data, manuals, models, samples, know-how, technical information, systems, methodologies, computer programs, information technology and any other information;

“Technology” means Technical Information and Intellectual Property.

“Trademarks” means trademarks, tradenames, brands, trade dress, business names, uniform resource locators, domain names, and other commercial symbols and *indicia* of origin, and any goodwill associated therewith. Trademarks shall include all rights in internet web sites and internet domain names.

“Transactions” means the execution, delivery and performance by each Obligor of this Agreement and the other Loan Documents to which such Obligor is intended to be a party and the borrowing of the Loan (and the use of the proceeds thereof).

“Transfer” means any event pursuant to which the rights or obligations of the affected Party under this Agreement are or are attempted to be sold, disposed of, assigned, pledged, hypothecated, charged, mortgaged, encumbered, sublicensed or transferred and includes any transfer by operation of Law.

“U.S. Security Documents” means one or more U.S. Pledge and Security Agreements, Account Control Agreements and other security documents required to perfect Liens in favour of the Lender in the United States.

“Waiver Milestone” means delivery by the Borrower of evidence satisfactory to the Lender that it has unconditionally received at least US\$5,000,000 by way of a public offering or other equity investment or US\$3,000,000 by way of licensing up-front cash revenue relating to Urocidin (which for greater certainty, shall not include licensing revenue in respect of which the Borrower has entered into an agreement on or before December 21, 2012).

“Warrant Processing Fee” has the meaning set forth in Section 2.03.

“Warrants” means warrants to purchase common shares of the Borrower, each such Warrant being exercisable for 1 common share of the Borrower.

1.02 IFRS. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS, as in effect from time to time.

1.03 Interpretation. For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, (a) the terms defined in this Agreement include the plural as well as the singular and vice versa; (b) words importing gender include all genders; (c) any reference to a Section, Annex, Schedule or Exhibit refers to a Section of, or Annex, Schedule or Exhibit to, this Agreement; (d) any reference to “this Agreement” refers to this Agreement, including all Annexes, Schedules and Exhibits hereto, and the words herein, hereof, hereto and hereunder and words of similar import refer to this Agreement and its Annexes, Schedules and Exhibits as a whole and not to any particular Section, Annex, Schedule, Exhibit or any other subdivision; (e) references to days, months and years refer to calendar days, months and years, respectively; (f) all references herein to “include” or “including” shall be deemed to be followed by the words “without limitation”; and (g) the word “from” when used in connection with a period of time means “from and including” and the word “until” means “to but not including”.

1.04 Changes to IFRS. If any change occurs to IFRS and such change would cause any amount required to be determined for the purposes of the covenants to be maintained or calculated pursuant to Section 9.12 hereof to be materially different than the amount that would be determined prior to such change, then:

- (a) the Borrower will provide a detailed notice of such change (an “Accounting Change Notice”) to the Lender within 30 days of such change;
- (b) either the Borrower or the Lender may indicate within 90 days following the date of the Accounting Change Notice that they wish to revise the method of calculating such financial covenants or amend any such amount, in which case the parties will in good faith attempt to agree upon a revised method for calculating the financial covenants;
- (c) until the Borrower and the Lender have reached agreement on such revisions, such financial covenants or amounts will be determined without giving effect to such change;

- (d) if no party elects to revise the method of calculating the financial covenants or amounts, then the financial covenants or amounts will not be revised and will be determined in accordance with IFRS without giving effect to such change; and
- (e) any Event of Default arising as a result of such change which is cured by operation of this Section 1.04 shall be deemed to be of no effect ab initio.

1.05 Amendment and Restatement. This Agreement amends and restates in full and supercedes the Existing Loan Agreement, with effect as of the date hereof, however without prejudice to all prior actions taken pursuant to the terms of the Existing Loan Agreement. This Agreement does not evidence, nor shall it be construed as evidencing, a release, discharge or novation with respect to the previously existing obligations under the Original Loan Agreement, and other than the new indebtedness to be funded hereunder, the obligations hereunder (as described in Section 2.01(a)) are the same obligations for borrowed money as existed under the Original Loan Agreement. Further, the Lender and each of the Obligors agree and acknowledge that this Agreement, as amended, consolidated, supplemented, or replaced from time to time, is the “Facility Agreement” for the purposes of the Australian Security Documents, and for the avoidance of doubt, a “Loan Document” for the purposes of the Australian Security Documents. Accordingly, the Lender and Bioniche Animal Health (A/Asia) Pty Ltd agree and acknowledge that the definition of “Secured Money” in each Australian Security Document includes (without limitation) all money, obligations, and liabilities of any kind that are or may in the future become due, owing or payable, whether actually, contingently or prospectively by Bioniche Animal Health (A/Asia) Pty Ltd to or for the account of the Lender.

SECTION 2. THE COMMITMENT

2.01 Loan. The parties acknowledge and agree that this Agreement governs and shall evidence a non-revolving term loan in Dollars in a principal amount up to the amount of the Commitment (the “Loan”). On and subject to the terms and conditions of this Agreement (including Section 2.02 below), the Loan consists of the following:

- (a) a portion of \$21,180,120.88 which represents the sum of (A) the outstanding principal balance of Original Term Loan as of the Assignment Date (including, for greater certainty, the initial advance under the Existing Loan Agreement and the principal amount of any outstanding PIK Loans as of such date) and (B) all accrued and unpaid interest thereon as of the Assignment Date, which amount of interest the parties hereby acknowledge was capitalized and incorporated into the outstanding principal amount of the Loan effective as of the Assignment Date;
- (b) a portion of \$819,879.12 which represents the principal balance of the Amendment Fee Loan as of the Assignment Date;
- (c) a portion of \$5,000,000 which the Lender agrees to make available during the Initial Commitment Period upon the satisfaction of the conditions precedent in Section 6.01 and Section 6.03 (the “Additional Term Loan Amount”); and
- (d) a remaining portion of \$3,000,000 which the Lender agrees to make available until the earlier of (i) one month prior to the Maturity Date and (ii) the

termination of the Commitment hereunder, upon the satisfaction of the conditions precedent in Section 6.02 (the “Conditional Term Loan Amount”).

2.02 Borrowing. The Additional Term Loan Amount will be available in one single drawdown upon the satisfaction of the conditions precedent in Sections 6.01 and 6.03, and the Conditional Term Loan Amount will be available in one single drawdown upon the satisfaction of the conditions precedent in Section 6.02.

2.03 Fees. The parties agree to the following:

- (a) Amendment Fees. In consideration for the Lender agreeing to provide the Borrower with access to additional Borrowings in accordance with the terms and conditions of this Agreement, the Borrower has agreed to the payment to the Lender of an origination fee in Dollars of \$500,000 (the “Origination Fee”). In consideration for the Lender’s consent to the amendments set forth in this Agreement, the Borrower has agreed to the payment to the Lender of an amendment fee in Dollars of \$319,879.12 (the “Loan Amendment Fee” and, together with the Origination Fee, the “Amendment Fees”). The parties acknowledge and agree that (i) the Amendment Fees became fully-earned and payable and non-refundable on the Assignment Date and that (ii) effective as of the Assignment Date, the amount of the Amendment Fees was capitalized and thereafter deemed to be a Loan under this Agreement on which interest accrues and is payable in accordance with Section 3.02 (the “Amendment Fee Loan”). The Amendment Fee Loan shall be evidenced by a promissory note issued by the Borrower to the Lender on the date hereof (the “Amendment Fee Note”). For the avoidance of doubt, the aggregate principal amount of the Amendment Fee Loan, together with accrued and then unpaid interest thereon, shall be repaid in full at the Maturity Date.
- (b) Warrant Processing Fee. In further consideration for the Lender agreeing to enter into this Agreement and in connection with the issuance of the Warrants, the Borrower hereby agrees to pay the Lender on the date hereof a warrant processing fee in Dollars of \$30,000 (the “Warrant Processing Fee”). The Warrant Processing Fee shall be conclusively deemed to be fully earned and payable and non-refundable upon the execution and delivery of this Agreement.

2.04 Notes. The Loan shall be evidenced by one or more Notes. The Borrower shall prepare, execute and deliver to the Lender such promissory note(s) payable to the Lender (or, if requested by the Lender, to the Lender and its registered assigns) and in the form attached hereto as Exhibit A. Thereafter, the Loan and interest thereon shall at all times (including after assignment pursuant to Section 11.05) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

2.05 Use of Proceeds. The Borrower shall use the proceeds for:

- (i) early release and commercialization of Urocidin in Canada;
- (ii) refurbishment of MCC plant in Montreal;
- (iii) growth of animal health business;

- (iv) overhead and working capital;
- (v) Permitted Cash Equivalent Investments; and
- (vi) no less than \$3,000,000 to be spent on development activities in diligent pursuit of Canadian regulatory approval for Urocidin;

provided that the Lender shall have no responsibility as to the use of any of such proceeds.

2.06 Warrants. For greater certainty, the failure of the Lender to advance the Conditional Term Loan shall not affect the number of shares of the Borrower available under any Warrants.

SECTION 3. PAYMENTS OF PRINCIPAL AND INTEREST

3.01 Repayment

To the extent not previously paid, the Loan together with any accrued and unpaid interest shall be due and payable in full on the Maturity Date.

3.02 Interest

- (a) Interest Generally. The Borrower agrees to pay to the Lender interest on the outstanding principal amount of the Loan for the period from the Assignment Date until the date the Loan shall be paid in full at a rate per annum equal to 13.25%.
- (b) Default Interest. Notwithstanding the foregoing, upon the occurrence and during the continuance of any Event of Default, the Borrower agrees to pay to the Lender interest at the Post Default Rate on the outstanding principal amount of the Loan and on any interest, fee or any other amount that is owing hereunder. Notwithstanding any other provision herein (including Section 3.02(d)), if interest is required to be paid at the Post-Default Rate it shall be paid entirely in cash.
- (c) Interest Payment Dates. Accrued interest on the Loan shall be payable in arrears on the last day of each Interest Period in cash (other than accrued interest on the Loan payable for the period ending on the Closing Date, which shall be deducted from the proceeds of the Additional Term Loan Amount advanced on the Closing Date in accordance with Section 6.01(e)(iii)) and upon the payment or prepayment thereof (on the principal amount so paid or prepaid), provided that interest payable at the Post Default Rate shall be payable from time to time on demand.

3.03 Prepayments

- (a) Optional Prepayments. The Borrower shall have the right to optionally prepay the outstanding principal amount of the Loan in whole (but not in part) (the “Called Principal”) on any date (a “Redemption Date”) for an amount equal to 105% of the outstanding principal amount of the Loan (the “Redemption Price”) and provided that, on or before any such prepayment is made, the Lender has received payment of all interest accrued thereon through the date of payment of the Redemption Price.
- (b) Mandatory Prepayments.
- (i) Asset Sales. In the event of any contemplated Asset Sale not permitted under Section 9.08(a)–(c), the Borrower shall provide 30 days’ prior written notice of such Asset Sale to the Lender and if within such notice period the Lender advises the Borrower that a prepayment is required pursuant to this Section 3.03(b)(i), the Borrower shall: (x) where the assets sold represent substantially all of the assets or revenues of the Borrower, or represent any specific line of the Business which either on its own or together with other lines of Business sold over the term of this Agreement account for revenue generated by such lines of Business exceeding 10% of the Revenue of the Business in the immediately preceding year, prepay the Loan in an amount equal to the Redemption Price, and (y) for all other asset sales, prepay the Loan in an amount equal to the entire amount of the Asset Sale Proceeds of such Asset Sale in the following order:
- (1) first, in reduction of the Borrower’s obligation to pay any accrued and unpaid interest on the Loan and any fees which are due and owing;
 - (2) second, in reduction of the Borrower’s obligation to pay any claims or losses referred to in Section 11.03;
 - (3) third, in reduction of the Borrower’s obligation to pay any amounts due and owing on account of the unpaid principal amount of the Loan;
 - (4) fourth, in reduction of any other obligation of the Borrower under this Agreement and the other Loan Documents; and
 - (5) fifth, to the Borrower or such other Persons as may lawfully be entitled to or directed by the Borrower to receive the remainder.
- (ii) Change of Control. In the event of a Change of Control of the Borrower, the Borrower shall immediately provide notice of such Change of Control to the Lender and if within 10 days of such notice the Lender advises the Borrower that a prepayment is required pursuant to this Section 3.03(b)(ii), the Borrower shall prepay the Loan in an amount equal to the Redemption Price.

**SECTION 4.
PAYMENTS, ETC.**

4.01 Payments

- (a) Payments Generally. Each payment of principal, interest and other amounts to be made by the Obligors under this Agreement and the Notes shall be made in Dollars, in immediately available funds, without deduction, set off or counterclaim, to an account to be designated by the Lender by notice to the Borrower, not later than 11:00 a.m. New York time on the day when due (each such payment made after such time on such date to be deemed to have been made on the next succeeding Business Day) by deposit of such funds to such account as the Lender shall specify.
- (b) Application of Payments. Each Obligor shall, at the time of making each payment under this Agreement and the Notes, specify to the Lender the amounts payable by such Obligor hereunder to which such payment is to be applied (and in the event that Obligors fail to so specify, or if an Event of Default has occurred and is continuing, the Lender may apply such payment in the manner it determine to be appropriate).
- (c) Non-Business Days. If the due date of any payment under this Agreement (other than of principal of or interest on the Loan or the Notes) would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

4.02 Computations. Each determination by the Lender of an amount of interest or fees payable by the Borrower hereunder shall be conclusive and binding on the Borrower absent manifest error.

4.03 Notices. A notice of optional prepayment shall be effective only if received by the Lender not later than 11:00 a.m. New York time on the date one Business Day prior to the date of prepayment. Such notice of optional prepayment shall specify the amount to be prepaid and the date of prepayment.

4.04 Set-Off

- (a) Set-Off Generally. Upon the occurrence and during the continuance of any Event of Default, the Lender and each of its Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to the Lender, whether or not the Lender shall have made any demand and although such obligations may be unmatured. The Lender agrees promptly to notify the Borrower after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender and its Affiliates under this Section 4.04 are cumulative with, and in addition to, other rights and remedies (including other rights of set-off) that the Lender and its Affiliates may have.
- (b) Exercise of Rights Not Required. Nothing contained herein shall require the Lender to exercise any such right or shall affect the right of the Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

SECTION 5. YIELD PROTECTION, ETC.

5.01 Additional Costs

- (a) Change in Requirements of Law Generally. If, on or after the date hereof, the adoption of any Requirement of Law, or any change in any Requirement of Law, or any change in the interpretation or administration thereof by any court or other Governmental Authority charged with the interpretation or administration thereof, or compliance by the Lender (or its lending office) with any request or directive (whether or not having the force of law) of any such Governmental Authority, shall impose, modify or deem applicable any reserve (including any such requirement imposed by the Board), special deposit, contribution, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, a Lender (or its lending office) or shall impose on a Lender (or its lending office) any other condition affecting the Loan, the Notes or the Commitment, and the result of any of the foregoing is to increase the cost to such Lender of making or maintaining the Loan, or to reduce the amount of any sum received or receivable by such Lender under this Agreement or under the Notes, by an amount deemed by such Lender to be material (other than taxes, which shall be treated in accordance with Section 5.05 hereof), then the Borrower shall pay to such Lender on demand such additional amount or amounts as will compensate such Lender for such increased cost or reduction.
- (b) Change in Capital Requirements. If a Lender shall have determined that, on or after the date hereof, the adoption of any Requirement of Law regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority charged with the

interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, has or would have the effect of reducing the rate of return on capital of a Lender (or its parent) as a consequence of a Lender's obligations hereunder or the Loan to a level below that which a Lender (or its parent) could have achieved but for such adoption, change, request or directive by an amount reasonably deemed by it to be material, then the Borrower shall pay to such Lender on demand such additional amount or amounts as will compensate such Lender (or its parent) for such reduction.

- (c) Notification by Lender. The Lender will promptly notify the Borrower of any event of which it has knowledge, occurring after the date hereof, which will entitle a Lender to compensation pursuant to this Section 5.01. Before giving any such notice pursuant to this subsection (c) such Lender shall designate a different lending office if such designation (x) will, in the reasonable judgment of such Lender, avoid the need for, or reduce the amount of, such compensation and (y) will not, in the reasonable judgment of such Lender, be materially disadvantageous to such Lender. A certificate of the Lender claiming compensation under this Section 5.01, setting forth the additional amount or amounts to be paid to it hereunder, shall be conclusive and binding on the Borrower in the absence of manifest error.

5.02 Reserved.

5.03 Illegality. Notwithstanding any other provision of this Agreement, in the event that on or after the date hereof the adoption of or any change in any Requirement of Law or in the interpretation or application thereof by any competent Governmental Authority shall make it unlawful for a Lender or its lending office to make or maintain the Loan (and, in the opinion of such Lender, the designation of a different lending office would either not avoid such unlawfulness or would be disadvantageous to such Lender), then such Lender shall promptly notify the Borrower thereof following which (a) the Lender's Commitment shall be suspended until such time as such Lender may again make and maintain the Loan hereunder and (b) if such Requirement of Law shall so mandate, the Loan shall be prepaid by the Borrower on or before such date as shall be mandated by such Requirement of Law in an amount equal to the Redemption Price.

5.04 Reserved.

5.05 Taxes

- (a) Payments to be Made Free and Clear of Taxes. All amounts paid or credited on the Loan and the Notes or under the Loan Documents by the Obligors, or any Person making a payment hereunder on behalf of the Obligors, to or for the account of the Lender, including amounts paid, credited or payable under paragraph (b) of this Section 5.05, shall be made free and clear of and without deduction, withholding, reduction or liability for Covered Taxes unless required by applicable Laws.
- (b) Payment of Additional Amounts. In the event that any Obligor, or any Person making a payment hereunder on behalf of any Obligor, shall be required by applicable Laws to deduct or withhold Covered Taxes from any amounts paid, credited or payable on, under or in respect of this Agreement, the Loan, the

Notes or any other Loan Document, such Obligor shall promptly pay the Person entitled to such amount such additional amounts as may be required, after the deduction or withholding of Covered Taxes, so that such Person receives a net amount equal to the full amount such Person would have received if no such deduction or withholding had been made, and the Obligor or its agent shall make the required withholdings or deductions and remit such amounts to the relevant taxation authority within the time and in the manner required by applicable Laws.

- (c) Indemnification by Obligors. The relevant Obligor shall indemnify the Lender against, and reimburse the Lender upon demand for, any Covered Taxes or Other Applicable Taxes paid at any time by the Lender and any loss, liability, claim or expense, including interest, penalties and legal fees, that the Lender may incur at any time arising out of or in connection with any failure of an Obligor to make any payment of Covered Taxes or Other Applicable Taxes when due, whether or not such Covered Taxes or Other Applicable Taxes were correctly asserted. Such indemnification shall be made within 30 days of the date that the applicable Lender makes a written demand for such indemnification.
- (d) Refund of Covered Taxes. If, following the imposition of any Covered Tax on any payment by an Obligor, or a Person making a payment hereunder on behalf of an Obligor, in consequence of which such Obligor or such other Person pays an additional amount under this Section, a Lender receives or is granted a refund of any Covered Tax paid by it or remitted on its behalf which is attributable to such additional amount paid by such Obligor or such other Person, such Lender shall, to the extent that it can do so without prejudice to the retention of the relevant refund and subject to such Obligor's or such other Person's obligation to repay promptly the amount to such Lender if the relevant refund is subsequently disallowed or cancelled, reimburse such Obligor or such other Person, promptly after receipt of such refund by such Lender, such amount as such Lender shall in its sole opinion (acting in good faith) have concluded to be the amount of the relevant refund. Nothing in this Agreement shall interfere with the right of any Lender to arrange its tax and other affairs in the manner it thinks fit. No Lender shall be required to disclose to any Obligor any confidential information relating to the organization of its affairs.
- (e) Tax Receipts, Etc. The Borrower shall, as soon as practicable (and in any event no later than 45 days) after a payment of Covered Taxes has been made as required by this Section 5.05, (x) furnish to the Lender original or certified copies of official tax receipts issued by the relevant Governmental Authority in respect of each such payment of Covered Taxes or (y) if such receipts are not available from the relevant Governmental Authority, provide the Lender with other documentary evidence of the payment of such Covered Taxes, and the Borrower shall promptly furnish to the Lender at its request any other information, documents and receipts that the Lender may reasonably require to establish that full and timely payment has been made of all Covered Taxes required to be paid under this Section 5.05.

- (f) Other Applicable Taxes. The Borrower agrees to pay all present and future stamp, court or documentary taxes and any other excise, property, goods and services and sales taxes, charges or similar levies and any related interest or penalties incidental thereto imposed by Canada, or any jurisdiction from which any amount payable hereunder is made, or any municipality or other political subdivision or taxing authority thereof or therein which arises from any payment made by any Obligor or its agent under any Loan Document or from the execution, delivery, enforcement or registration of any Loan Document (hereinafter referred to as “Other Applicable Taxes”).

SECTION 6. CONDITIONS PRECEDENT

6.01 Conditions to the Loan

This Agreement and the obligations of the Lender to advance the Additional Term Loan Amount shall not become effective until the following conditions precedent shall have been satisfied or waived in writing by the Lender:

- (a) No Other Secured Debt. On the Closing Date, no Obligor shall have any secured Indebtedness outstanding or available to be drawn, other than under this Agreement and under any Permitted Indebtedness;
- (b) Terms of Material Agreements, Etc. The Lender shall be satisfied acting reasonably with the terms and conditions of all of the Obligors’ Material Agreements;
- (c) Closing Date. The Additional Term Loan Amount shall be advanced on or before the expiry of the Commitment Period;
- (d) No Law Restraining Transactions. No applicable law or regulation shall restrain, prevent or, in the reasonable judgment of the Lender, impose materially adverse conditions upon the Transactions;
- (e) Payment of Fees and Accrued Interest. The Lender shall be satisfied with the arrangements to deduct from the proceeds of the Additional Term Loan Amount advanced on the Closing Date:
- (i) the Warrant Processing Fee;
 - (ii) the fees and expenses contemplated by Section 11.03; and
 - (iii) accrued interest payable with respect to the Loan for the period from the Assignment Date through to the Closing Date;
- (f) Updated Lien Searches. The Lender shall be satisfied with updated Lien searches provided by the Borrower or its counsel to the Lender within two Business Days prior to Closing;
- (g) Documentary Deliveries. The Lender shall have received the following documents, each of which shall be in form and substance satisfactory to the Lender:

- (i) Agreement. This Agreement, the License Agreement and the Warrants, each duly executed and delivered by the Borrower and each of the other parties hereto.
- (ii) Security Documents. Each of the Security Documents, each duly executed and delivered by the applicable parties thereto, together in each case with evidence of the perfection and first priority of the Liens created by such Security Documents, subject only to Permitted Liens and evidence of registration of the Real Property Security Documents satisfactory to the Lender. Without limitation, all documents and instruments reasonably required to perfect the Lender's Lien on, and security interest in, the Collateral required to be delivered on or prior to the Closing Date (including delivery of any capital stock certificates and undated stock powers executed in blank) shall have been duly executed and delivered and be in proper form for filing, and shall create in favour of the Lender, a perfected Lien on, and security interest in, the Collateral, subject only to liens securing Permitted Indebtedness. The Obligors shall provide the Lender with acknowledgement letters reasonably requested by the Lender with respect to existing Liens.
- (iii) Approvals. Certified copies of all licenses, consents, authorizations and approvals of, and notices to and filings and registrations with, any Governmental Authority (including all foreign exchange approvals), and of all third-party consents and approvals, necessary in connection with the making and performance by the Obligors of the Loan Documents and the Transactions.
- (iv) Corporate Documents. Certified copies of the constitutive documents of each Obligor (if publicly available in such Obligor's jurisdiction of formation) and of resolutions of the Board of Directors (or shareholders, if applicable) of each Obligor authorizing the making and performance by it of the Loan Documents to which it is a party.
- (v) Incumbency Certificate. A certificate of each Obligor as to the authority, incumbency and specimen signatures of the persons who have executed the Loan Documents and any other documents in connection herewith on behalf of the Obligors.
- (vi) Officer's Certificate. A certificate, dated the Closing Date and signed by the President, a Vice President or a financial officer of the Borrower, confirming compliance with the conditions set forth in Section 6.03.
- (vii) Opinions of Counsel. A favourable opinion, dated the Closing Date, of counsel to each Obligor in form acceptable to the Lender and its counsel. Notwithstanding the foregoing, the opinions as to the enforceability of the Australian Security Documents will be delivered by King & Wood Mallesons, as Australian counsel to the Lender.
- (viii) Insurance. Certificates of insurance evidencing the existence of all insurance required to be maintained by the Borrower pursuant to

Section 8.05(b) and the designation of the Lender as the loss payees or additional named insured, as the case may be, thereunder.

- (ix) ANZ Facility. Consent from Australia and New Zealand Banking Group Limited with respect to the Liens in favour of the Lender.
- (x) Stamping and Registration Requirements. Satisfaction of all stamping and registration requirements with respect to Bioniche Animal Health (A/Asia) Pty Ltd.
- (xi) Warrants. The Warrants, duly executed and delivered by the Borrower, with evidence of the satisfaction of the conditions precedent set forth therein.
- (xii) License Agreement. The License Agreement, duly executed and delivered by the Borrower, with evidence of the satisfaction of the conditions precedent set forth therein.

6.02 Conditions to the Conditional Term Loan Amount

Notwithstanding anything else herein contained, the obligation of the Lender to advance the Conditional Term Loan Amount shall not become effective until the following additional conditions precedent shall have been satisfied or waived in writing by the Lender:

- (i) Advance of the Additional Term Loan Amount. The entire Additional Term Loan Amount shall have been advanced to the Borrower by the Lender during the Initial Commitment Period.
- (ii) Waiver Milestone. Borrower shall have achieved the Waiver Milestone.
- (iii) Representations and warranties. On the date that the Conditional Term Loan Amount is advanced by the Lender, all representations and warranties by any Obligor contained herein or in any other Loan Document shall be true and correct in all material respects as of the date that the relevant Loan is made, except to the extent that such representation or warranty expressly relates to an earlier date and except for changes therein expressly permitted or expressly contemplated by this Agreement.
- (iv) Material Adverse Change. On the date that the Conditional Term Loan Amount is advanced by the Lender, no material adverse change in the financial condition of the Borrower or any Obligor shall have occurred since the date hereof as determined by the Lender in good faith.
- (v) Absence of Defaults. On the date that the Conditional Term Loan Amount is advanced by the Lender, no Default or Event of Default shall have occurred and be continuing or would result after giving effect to the advance of the Conditional Term Loan Amount.

6.03 Additional Conditions to Borrowing. The obligation of the Lender to make the Loan is also subject to further conditions precedent that the Lender shall have received the Amendment Fee Note and any other Notes requested in accordance with Section 2.04 and that both immediately prior to the making of the Loan and after giving effect thereto and to the intended use thereof:

- (A) no Default shall have occurred and be continuing; and
- (B) the representations and warranties made by the Borrower in Section 7, (except for the representation in Section 7.04(b)) shall be true on and as of the Borrowing Date and immediately after giving effect to the application of the proceeds of the Borrowing with the same force and effect as if made on and as of such date.

The Borrowing shall constitute a certification by the Borrower to the effect that the conditions set forth in this Section 6.03 have been fulfilled as of the Borrowing Date.

SECTION 7. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender that:

7.01 Power and Authority. Each Borrower and its Subsidiaries (a) is a duly organized and validly existing under the laws of its jurisdiction of organization, (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals necessary to own its assets and carry on its business as now being or as proposed to be conducted except to the extent that failure to have the same could not reasonably be expected to have a Material Adverse Effect, (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could (either individually or in the aggregate) have a Material Adverse Effect, (d) has full power, authority and legal right to make and perform each of the Loan Documents to which it is a party and, in the case of the Borrower, to borrow the Loan hereunder, (e) is in material compliance with all applicable laws and regulations to which it is subject and all material agreements to which it is a party, and (f) has good title to all its assets, free and clear of any Liens or adverse claims except as expressly permitted by this Agreement.

7.02 Authorization; Enforceability. The Transactions are within each Obligor's corporate powers and have been duly authorized by all necessary corporate and, if required, by all necessary shareholder action. This Agreement has been duly executed and delivered by each Obligor and constitutes, and each of the other Loan Documents to which it is a party when executed and delivered by such Obligor will constitute (subject, in the case of Bioniche Animal Health (A/Asia) Pty Ltd., to any applicable stamping and registration requirements being satisfied), a legal, valid and binding obligation of such Obligor, enforceable against each Obligor in accordance with its terms, except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.03 Governmental and Other Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any third party, except for (i) such as have been obtained or made and are in full force and effect or will be obtained on or prior to the Borrowing Date and (ii) filings and recordings in respect of the Liens created pursuant to the Security Documents, (b) will not violate any applicable law or regulation or the charter, by laws or other organizational documents of the Borrower and its Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower and its Subsidiaries or assets, or give rise to a right thereunder to require any payment to be made by any such Person, and (d) except for the Liens created pursuant to the Security Documents, will not result in the creation or imposition of any Lien on any asset of the Borrower and its Subsidiaries.

7.04 Financial Statements; Material Adverse Change

- (a) Financial Statements. The Borrower has heretofore furnished to the Lender certain financial statements as provided for in Section 8.01. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its Subsidiaries as of such dates and for such periods in accordance with IFRS, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) of this paragraph. Neither the Borrower nor any of its Subsidiaries has any material contingent liabilities or unusual forward or long-term commitments not disclosed in the aforementioned financial statements.
- (b) No Material Adverse Change. Since December 31, 2011, there has been no Material Adverse Change.

7.05 Properties.

- (a) Property Generally. Each Obligor has good and marketable fee simple title to, or valid leasehold interests in, all its real and personal property material to its business, subject only to Liens permitted by Section 9.02 and except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.
- (b) Technology and Intellectual Property. The Obligors represent and warrant to the Lender as of the date hereof as follows, and the Obligors acknowledge that the Lender is relying on such representations and warranties in entering into this Agreement:
 - (i) Schedule 7.05(b) contains:
 - (A) a complete and accurate list of all material Borrower Contracts (except for commercially available off-the shelf software) granted by or to any Obligor;
 - (B) a complete and accurate list of all applied for or registered Patents, including the jurisdiction and patent number;
 - (C) a complete and accurate list of all applied for or registered Borrower Technology consisting of Trademarks, including the

jurisdiction, trademark application or registration number and the application or registration date;

- (D) a complete and accurate list of all applied for or registered Borrower Technology consisting of Copyright;
- (ii) The Obligors are the absolute registered beneficial owner of all right, title and interest in and to and have the right to use the Borrower Technology with no breaks in chain of title, with good and marketable title, free and clear of any Liens or Claims of any kind whatsoever other than Permitted Liens. Without limiting the foregoing, and except as set forth in Schedule 7.05(b):
- (A) other than with respect to the Borrower Contracts, the Obligors have not otherwise Transferred ownership of the Borrower Technology, in whole or in part, to any other Person;
 - (B) other than the Borrower Contracts, there are no judgments, covenants not to sue, permits, grants, licenses, Liens (other than Permitted Liens), Claims or other agreements or arrangements relating to the Borrower Technology, including any development, submission, services, research, license or support agreements, which bind, obligate or otherwise restrict the Obligors;
 - (C) the use of any of the Borrower Technology does not breach, violate, infringe or interfere with or constitutes a misappropriation of any rights, including any Technology of any other Person;
 - (D) there are no pending or, to the Knowledge of any of the Obligors, threatened Claims against the Obligors asserted by any other Person relating to the Borrower Technology, including any Claims of adverse ownership, invalidity, infringement, misappropriation, violation or other opposition to or conflict with such Technology. The Obligors have not received any information from, or Claim by, any Person that the Business, the use of the Borrower Technology, or the manufacture, use or sale of any product or the performance of any service infringes upon, violates or constitutes a misappropriation of, or may infringe upon, violate or constitute a misappropriation of, or otherwise interfere with any other Technology of any other Person;
 - (E) the Obligors have no Knowledge that the Borrower Technology is being infringed, violated, misappropriated or otherwise used by any other Person without the express authorization of the Obligors. Without limiting the foregoing, the Obligors have not put any other Person on notice of actual or potential infringement, violation or misappropriation of any of the Borrower Technology. The Obligors have not initiated any

Claim including any enforcement action with respect to any of the Borrower Technology;

- (F) all relevant current employees of the Borrower have executed written Contracts with the Borrower that irrevocably assign to the Borrower all of their rights to any Inventions, improvements, discoveries or information relating to the Business;
 - (G) the Borrower Technology is all the Technology necessary for the operation of the Business as it is currently conducted;
 - (H) the Obligors have taken all reasonable precautions to protect the secrecy, confidentiality and value of all Borrower Technology consisting of trade secrets and confidential information (including the enforcement by each Obligor of a policy requiring each employee or contractor to execute proprietary information and confidentiality agreements substantially in the applicable Obligor's standard form, and all current and former employees and contractors of such Obligor have executed such an agreement).
 - (I) the Obligors have delivered to the Lender accurate and complete copies, of all Borrower Contracts relating to the Borrower Technology, except for any license implied by the sale of a product and perpetual, paid-up licenses for commonly available software programs under which an Obligor is the licensee;
 - (J) subject to disclosure provided in item 6 of Schedule 7.05(b), there are no pending or, to the Knowledge of any of the Obligors, threatened Claims against the Obligors asserted by any other Person relating to the Borrower Contracts, including any Claims of breach or default under such Contracts. The Obligors have not received any information from, or Claim by, any Person that any of the Borrower Contracts are breached or are in default. There are no outstanding and, to the Obligors' Knowledge, no threatened disputes or disagreements with respect to any such Contract;
- (iii) With respect to Borrower Technology consisting of Patents, and without limiting the representations and warranties in Section 7.05(b)(ii):
- (A) each of the issued claims in such Patents are valid and enforceable;
 - (B) the inventors claimed in such Patents (other than Patents which the Obligors have licensed from other parties) have executed written Contracts with the Borrower that properly and irrevocably assign to the Borrower all of their rights to any of the Inventions claimed in such Patents;

- (C) all such Patents are in good standing and none of the Patents, or the Inventions claimed in them, have been dedicated to the public;
- (D) during the prosecution of such Patents, all material prior art to the Obligors Patent rights was adequately disclosed to or considered by the respective patent offices during prosecution of such Patents;
- (E) subsequent to the issuance of such Patents, neither the Borrower or any Subsidiary Guarantors or their predecessors in interest, have filed any disclaimer or made or permitted any other voluntary reduction in the scope of the Inventions claimed in such Patents;
- (F) no allowable or allowed subject matter of the such Patents is subject to any competing conception claims of allowable or allowed subject matter of any patent applications or patents of any third party and have not been the subject of any interference, re-examination or opposition proceedings, nor are the Obligors aware of any basis for any such interference, re-examination or opposition proceedings. No Patents have been or are currently involved in any re-examination, reissue, interference proceeding, or any similar proceeding, and no such proceedings are pending or threatened;
- (G) no such Patents have ever been found invalid, unpatentable or unenforceable for any reason in any administrative, arbitration, judicial or other proceeding, and, with the exception of publicly available documents in the applicable Patent Office recorded with respect to Patents, the Obligors do not know of and have not received any notice or information of any kind from any source suggesting that such Patents may be invalid, unpatentable, or unenforceable. If any of such Patents are terminally disclaimed to another patent or patent application, all patents and patent applications subject to such terminal disclaimer are included in this Transaction;
- (H) the Obligors have not received any information from, or written demand or claim by, any person that any such Patents are or may be invalid, or unenforceable, or are not owned by the Borrower or are not properly licensed to the Obligors or that are subject to a compulsory license. There has not been any Claim alleging the foregoing, including but not limited to a Claim for patent infringement, past, pending or threatened against the Obligors and the Obligors have no Knowledge of any basis for the same;
- (I) the Obligors have not received an opinion, whether preliminary in nature or qualified in any manner, which concludes that a challenge to the validity or enforceability of any of such Patents

may succeed or that the manufacture, use or sale of any product or service will not infringe such Patents;

- (J) to the extent “small entity” fees were paid for any such Patent, such reduced fees were then appropriate because the payer qualified to pay “small entity” fees at the time of such payment and specifically had not licensed rights in the any such Patent to an entity that was not a “small entity”;
 - (K) the Obligors have no Knowledge that they or any prior owner of the Borrower Technology or their respective agents or representatives have engaged in any conduct, or omitted to perform any necessary act, the result of which would invalidate or render unpatentable or unenforceable any such Patents; and
 - (L) all maintenance fees, annuities, and the like due or payable on the Patents have been timely paid. For the avoidance of doubt, such timely payment includes payment of any maintenance fees for which the fee is payable (e.g., the fee payment window opens) even if the surcharge date or final deadline for payment of such fee would be in the future;
- (iv) none of the foregoing representations and statements of fact contains any untrue statement of material fact or omits to state any material fact necessary to make any such statement or representation not misleading to a prospective Lender seeking full information as to the Borrower Technology and the Business.

7.06 No Actions or Proceedings

- (a) Litigation. There is no litigation, investigation or proceeding pending or, to the best of the Borrower’s Knowledge, threatened with respect to the Borrower and its Subsidiaries by or before any Governmental Authority or arbitrator (i) that either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, except as specified in Schedule 7.06 hereto or (ii) that involves this Agreement or the Transactions.
- (b) Environmental Matters. The operations and Property of the Borrower and its Subsidiaries comply with all applicable Environmental Laws, except to the extent the failure to so comply (either individually or in the aggregate) could not reasonably be expected to have a Material Adverse Effect.
- (c) Labour Matters. The Borrower has not engaged in unfair labour practices and there are no material labour actions or disputes involving the employees of the Borrower.

7.07 Compliance with Laws and Agreements. Each of the Obligors is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

7.08 Taxes. Each of the Obligors has timely filed or caused to be filed all tax returns and reports required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which such Obligor has set aside on its books adequate reserves with respect thereto in accordance with IFRS.

7.09 Full Disclosure. The Borrower has disclosed to the Lender all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. None of the reports, financial statements, certificates or other information furnished by or on behalf of the Obligors to the Lender in connection with the negotiation of this Agreement and the other Loan Documents or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

7.10 Regulation

- (a) Investment Company Act. Neither the Borrower nor any of its Subsidiaries is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940.
- (b) Margin Stock. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying Margin Stock, and no part of the proceeds of the Loan will be used to buy or carry any Margin Stock in violation of Regulation U or X of the Board.

7.11 Solvency. The Borrower is and, immediately after giving effect to the Borrowing and the use of proceeds thereof will be, Solvent.

7.12 Subsidiaries. Schedule 7.12 hereto is a complete and correct list of all Subsidiaries of the Borrower as of the date hereof, each such Subsidiary is duly organized and validly existing under the jurisdiction of its organization shown in said Schedule 7.12, and the percentage ownership by the Borrower of each such Subsidiary is as shown in said Schedule 7.12.

7.13 Liens. Schedule 7.13 hereto is a complete and correct list of all Indebtedness for borrowed money of the Borrower and its Subsidiaries and of all Liens securing such Indebtedness and other Permitted Indebtedness granted by the Borrower and other applicable Obligors with respect to its Property and outstanding as of the date hereof.

7.14 Material Agreements. Schedule 1 hereto is a complete and correct list of each material agreement of the Borrower and each of its Subsidiaries existing on the date hereof, including each agreement creating or evidencing any Indebtedness. Neither the Borrower nor any of its Subsidiaries is in material default under any such agreement. Except as otherwise disclosed in writing to the Lender, all material vendor purchase agreements and provider contracts of the Obligors are in full force in effect without material modification from the form in which the same were disclosed to the Lender.

7.15 Restrictive Agreements. None of the Subsidiaries of the Borrower or the Borrower is subject to any indenture, agreement, instrument or other arrangement of the type described in Section 9.10, except for any indenture, agreement, instrument or other arrangement described on Schedule 7.15 (a “Permitted Restrictive Agreement”).

7.16 Real Property. Neither the Borrower nor any of its Subsidiaries owns or leases (as tenant thereof) any real property, except as described on Schedule 7.16.

7.17 Pension Matters.

(a) Neither the Borrower nor any ERISA Affiliate maintains, contributes to or is obligated to maintain or contribute to, or has, at any time within the past six years, maintained, contributed to or been obligated to maintain or contribute to, any employee benefit plan which is subject to Title I or Title IV of ERISA or section 4975 of the Code. Neither the Borrower nor any ERISA Affiliate is, or has ever been at any time within the past six years, a “party in interest” (as defined in section 3(14) of ERISA) or a “disqualified person” (as defined in section 4975 of the Code) with respect to any such plan.

(b) (i) Schedule 7.17 sets forth a complete list of the Canadian Pension Plans and any other Canadian Benefit Plans, identifying any Canadian Benefit Plans that are supplemental pension plans or non-pension post-employment benefit plans.

(ii) The Canadian Benefit Plans are, and have been, established, registered, amended, funded, invested and administered in material compliance with the terms of such Canadian Benefit Plans (including the terms of any documents in respect of such Canadian Benefit Plans), all applicable Laws and any applicable collective agreements. There is no investigation by a Governmental Authority or claim (other than routine claims for payment of benefits) pending or, to the knowledge of any Obligor, threatened involving any Canadian Benefit Plan or their assets, and no facts exist which could reasonably be expected to give rise to any such investigation or claim (other than routine claims for payment of benefits) which if determined adversely could reasonably be expected to have a Material Adverse Effect.

(iii) All employer and employee payments, contributions and premiums required to be remitted, paid to or in respect of each Canadian Pension Plan have been paid or remitted in accordance with its terms and all applicable Laws.

(iv) No Pension Plan Termination Event has occurred.

(v) There is no Pension Plan Unfunded Liability.

(vi) None of the Canadian Benefit Plans, other than the Canadian Pension Plans, provide benefits beyond retirement or other termination of service to employees or former employees of any Obligor or any Subsidiaries or Affiliates thereof or to the beneficiaries or dependants of such employees.

7.18 Collateral; Security Interest. Each Security Document, upon execution, will be effective to create in favour of the Lender a legal, valid and enforceable security interest in the Collateral subject thereto and each such security interest is perfected to the extent required by (and has the priority required by) the applicable Security Document. All security interests previously required to have been perfected have at all times been, and currently remain, perfected in favour of the Lender, with no change in priority from the date on which first created. All Guarantees previously granted or provided to the Lender (as successor to the Original Lenders) remain in full force and effect, enforceable against the applicable Obligor in accordance with the terms of such Guarantees.

7.19 Regulatory Approvals. The Borrower and its Subsidiaries hold, and will continue to hold, either directly or through licensees and agents, all Regulatory Approvals, licenses, permits and similar governmental authorizations of a Governmental Authority necessary or required for the Borrower and its Subsidiaries to conduct their operations and business in the manner currently conducted.

7.20 Inactive Subsidiaries. Each of the Inactive Subsidiaries is an inactive company, does not carry on any business activity and does not own any assets other than nominal assets which in the aggregate for all Inactive Subsidiaries does not at any time exceed \$100,000 (or the Equivalent Amount in other currencies).

7.21 Bioniche Urology IP Inc. Bioniche Urology IP Inc. is a single purpose entity whose sole assets are the MCC Intellectual Property assets.

SECTION 8. AFFIRMATIVE COVENANTS

Until the Commitment has expired or been terminated and the principal of and interest on the Loan and all fees payable hereunder shall have been paid in full, the Borrower covenants and agrees with the Lender that:

8.01 Financial Statements and Other Information. The Borrower will furnish to the Lender (to be satisfied by electronic filing on SEDAR where applicable):

- (a) as soon as available and in any event within 45 days after the end of the first three fiscal quarters of each fiscal year (or 90 days (in the case of the fourth fiscal quarter), the consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as of the end of such quarter, and the related consolidated and consolidating statements of income, shareholders' equity and cash flows of the Borrower and its Subsidiaries for such quarter and the portion of the fiscal year through the end of such quarter, prepared in accordance with IFRS consistently applied, all in reasonable detail and setting forth in comparative form the figures for the corresponding period in the preceding fiscal year, together with a certificate of a responsible officer of the Borrower stating that such financial statements fairly present the financial condition of the Borrower and its Subsidiaries as at such date and the results of operations of the Borrower and its Subsidiaries for the period ended on such date and have been prepared in accordance with IFRS consistently applied, subject to changes resulting from normal, year-end audit adjustments and except for the absence of notes;

- (b) as soon as available and in any event within 90 days after the end of each fiscal year, the consolidated and consolidating balance sheets of the Borrower and its Subsidiaries as of the end of such fiscal year, and the related consolidated and consolidating statements of income, shareholders' equity and cash flows of the Borrower and its Subsidiaries for such fiscal year, prepared in accordance with IFRS consistently applied, all in reasonable detail and setting forth in comparative form the figures for the previous fiscal year, accompanied by a report and opinion thereon of Ernst & Young LLP or another firm of independent certified public accountants of recognized national standing acceptable to the Lender, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any qualification or exception (except a "going concern" qualification or exception) as to the scope of such audit, and in the case of such consolidating financial statements, certified by a responsible officer of the Borrower;
- (c) together with the report of the Borrower's independent certified public accountants delivered pursuant to clause (b), a certificate of such independent public accountants in accordance with Section 5815 of the Canadian Institute of Chartered Accounts' Handbook;
- (d) together with the financial statements required pursuant to clauses (a), (b) and (c), a compliance certificate of a responsible officer as of the end of the applicable accounting period (which delivery may, unless the Agent or a Lender requests executed originals, be by electronic communication including fax or email and shall be deemed to be an original authentic counterpart thereof for all purposes) in the form of Exhibit D (a "Compliance Certificate") including details of any issues that are material that are raised by auditors;
- (e) promptly upon receipt thereof, copies of all letters of representation signed by an Obligor to its auditors and copies of all auditor reports delivered for each fiscal quarter;
- (f) within five Business Days following the end of each month, evidence satisfactory to the Lender that the Borrower has met its minimum Liquidity requirement set out in Section 8.15 (a) after deducting any Indebtedness permitted by Section 9.01(i);
- (g) as soon as available, a consolidated financial forecast for the Borrower and its Subsidiaries for the following five fiscal years, including forecasted consolidated balance sheets, consolidated statements of income, shareholders' equity and cash flows of the Borrower and its Subsidiaries;
- (h) promptly after the same are released, copies of all press releases;
- (i) promptly, and in any event within five Business Days after receipt thereof by an Obligor thereof, copies of each notice or other correspondence received from any Canadian securities regulator, the Toronto Stock Exchange, the Australian Stock Exchange or any other securities regulator or exchange to the authority of which the Borrower may become subject from time to time concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of such Obligor; and

- (j) the information regarding insurance maintained by the Borrower and its Subsidiaries as required under Section 8.05.

8.02 Notices of Material Events. The Borrower will furnish to the Lender prompt written notice of the following:

- (a) the occurrence of any Default;
- (b) notice of the occurrence of any event with respect to its property or assets resulting in a loss aggregating \$500,000 (or the Equivalent Amount in other currencies) or more;
- (c) (A) any proposed acquisition of stock, assets or property by any Obligor that could reasonably be expected to result in environmental liability under Environmental Laws, and (B)(1) any spillage, leakage, discharge, disposal, leaching, migration or release of any Hazardous Material required to be reported to any Governmental Authority under applicable Environmental Laws, and (2) all actions, suits, claims, notices of violation, hearings, investigations or proceedings pending, or to the best of the Borrower's knowledge, threatened against or affecting the Borrower and any of its Subsidiaries or with respect to the ownership, use, maintenance and operation of their respective businesses, operations or properties, relating to Environmental Laws or Hazardous Material;
- (d) the assertion of any environmental matter by any Person against, or with respect to the activities of, the Borrower or any of its Subsidiaries and any alleged violation of or non compliance with any Environmental Laws or any permits, licenses or authorizations, other than any environmental matter or alleged violation that, if adversely determined, would not (either individually or in the aggregate) have a Material Adverse Effect;
- (e) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect, including, in any event, any filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any of its Affiliates;
- (f) (i) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding \$100,000; (ii) the occurrence of any Pension Plan Termination Event; (iii) the failure to make a required contribution to or payment under any Canadian Pension Plan when due; (iv) the occurrence of any event which is reasonably likely to result in any Obligor incurring any liability, fine or penalty with respect to any Canadian Benefit Plan; (v) the existence of any report which discloses a Pension Plan Unfunded Liability, prior to the filing of such report with any Governmental Authority; and (vi) the establishment of any new Canadian Benefit Plans or any change to an existing Canadian Benefit Plan; it being understood in each case that the Borrower shall include in the notice to the Lender thereof copies of all documentation relating thereto;

- (g) (i) the termination of any Material Agreement; (ii) the receipt by the Borrower or any of its Subsidiaries of any material notice under any Material Agreement (including for greater certainty any notice or communication regarding the pledge of the shares of Bioniche Urology IP in favour of the Lender); (iii) the entering into of any new Material Agreement by an Obligor; or (iv) any material amendment to a Material Agreement;
- (h) the reports and notices as required by the Security Documents, and notice of the acquiring of, or the making of an application with the Canadian Intellectual Property Office, the U.S. Patent and Trademark Office or a similar Governmental Authority in another jurisdiction, for the registration or abandonment of any Material Intellectual Property;
- (i) within 30 days of the date thereof, or, if earlier, on the date of delivery of any financial statements pursuant to Section 8.01, notice of any material change in accounting policies or financial reporting practices by the Obligors;
- (j) promptly after the occurrence thereof, notice of any labour controversy resulting in or threatening to result in any strike, work stoppage, boycott, shutdown or other material labour disruption against or involving an Obligor;
- (k) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; or
- (l) such other information respecting the operations, properties, business or condition (financial or otherwise) of the Obligors (including with respect to the Collateral) as the Lender may from time to time reasonably request.

Each notice delivered under this Section shall be accompanied by a statement of a financial officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

8.03 Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business; provided that the foregoing shall not prohibit any merger, amalgamation, consolidation, liquidation or dissolution permitted under Section 9.03.

8.04 Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay and discharge its obligations, including (i) all taxes, fees, assessments and governmental charges or levies imposed upon it or upon its properties or assets prior to the date on which penalties attach thereto, and all lawful claims for labour, materials and supplies which, if unpaid, might become a Lien upon any properties or assets of the Borrower any Subsidiary, except to the extent such taxes, fees, assessments or governmental charges or levies, or such claims, are being contested in good faith by appropriate proceedings and are adequately reserved against in accordance with IFRS; (ii) all lawful claims which, if unpaid, would by law become a Lien upon its property not constituting a Permitted Lien; and (iii) all Indebtedness other than Permitted Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness.

8.05 Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear and damage from casualty or condemnation excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations. Upon the request of the Lender, the Borrower shall furnish the Lender from time to time with full information as to the insurance carried by it and, if so requested, copies of all such insurance policies. The Borrower shall also furnish to the Lender from time to time upon the request of the Lender a certificate of the Borrower's insurance broker or other insurance specialist stating that all premiums then due on the policies relating to insurance on the Collateral have been paid, that such policies are in full force and effect and that such insurance coverage and such policies comply with all the requirements of this subsection. The Borrower shall use its reasonable commercial efforts to ensure, or cause others to ensure, that all insurance policies required under this subsection shall provide that they shall not be terminated or cancelled nor shall any such policy be materially changed without at least 30 days' prior written notice to the Borrower and the Lender. Receipt of notice of termination or cancellation of any such insurance policies or reduction of coverages or amounts thereunder shall entitle the Lender to renew any such policies, cause the coverages and amounts thereof to be maintained at levels required pursuant to the first sentence of this Section 8.05 or otherwise to obtain similar insurance in place of such policies, in each case at the expense of the Borrower.

8.06 Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

8.07 Compliance with Laws and Other Obligations. The Borrower will, and will cause each of its Subsidiaries to, (i) comply in all material respects with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property (including Environmental Laws) and (ii) comply in all material respects with all terms of Indebtedness and all other material contractual obligations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

8.08 Maintenance of Properties, Etc. The Borrower shall, and shall cause each of its Subsidiaries to, maintain and preserve all of its properties necessary or useful in the proper conduct of its business in good working order and condition in accordance with the general practice of other Persons of similar character and size, ordinary wear and tear excepted.

8.09 Licenses. The Borrower shall, and shall cause each of its Subsidiaries to, obtain and maintain all licenses, authorizations, consents, filings, exemptions, registrations and other governmental approvals necessary in connection with the execution, delivery and performance of the Loan Documents, the consummation of the Transactions or the operation and conduct of its business and ownership of its properties, except where failure to do so could not reasonably be expected to have a Material Adverse Effect.

8.10 Action under Environmental Laws. The Borrower shall, and shall cause each of its Subsidiaries to, upon becoming aware of the presence of any Hazardous Material or the existence of any environmental liability under applicable Environmental Laws with respect to their respective businesses, operations or properties, take all actions, at their cost and expense, as shall be necessary or advisable to investigate and clean up the condition of their respective businesses, operations or properties, including all removal, containment and remedial actions, and restore their respective businesses, operations or properties to a condition in compliance with applicable Environmental Laws.

8.11 Use of Proceeds. The proceeds of the Loan will be used only as provided in Section 2.05. No part of the proceeds of the Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations U and X.

8.12 Certain Obligations Respecting Subsidiaries; Further Assurances

- (a) Subsidiary Guarantors. The Borrower will take such action, and will cause each of its Subsidiaries to take such action, from time to time as shall be necessary to ensure that all Subsidiaries of the Borrower (other than Inactive Subsidiaries and Bioniche Urology IP Inc.) are “Subsidiary Guarantors” hereunder. Without limiting the generality of the foregoing, in the event that the Borrower or any of its Subsidiaries shall form or acquire any new Subsidiary, the Borrower and its Subsidiaries will cause such new Subsidiary to:
- (i) become a “Subsidiary Guarantor” hereunder, and a “Grantor” under the Security Agreement, pursuant to a Guarantee Assumption Agreement;
 - (ii) cause such Subsidiary to take such action (including delivering such shares of stock together with undated transfer powers executed in blank and executing and delivering such PPSA and Uniform Commercial Code financing statements) as shall be necessary to create and perfect valid and enforceable first priority Liens on substantially all of the personal property of such new Subsidiary as collateral security for the obligations of such new Subsidiary hereunder;
 - (iii) cause the parent of such Subsidiary to execute and deliver a pledge agreement in favour of the Lender in respect of all outstanding issued shares of such Subsidiary; and
 - (iv) deliver such proof of corporate action, incumbency of officers, opinions of counsel and other documents as is consistent with those delivered by each Obligor pursuant to Section 6.01 on the Closing Date or as the Lender shall have requested.
- (b) Further Assurances. The Borrower will, and will cause each of its Subsidiaries to, take such action from time to time as shall reasonably be requested by the Lender to effectuate the purposes and objectives of this Agreement.

Without limiting the generality of the foregoing, the Borrower will, and will cause each other Obligor to, take such action from time to time (including filing appropriate PPSA and Uniform Commercial Code financing statements and executing and delivering such assignments, security agreements, control agreements and other instruments) as shall be reasonably requested by the Lender to create, maintain, with the priority required herein, in favour of the Lender, perfected security interests and Liens in substantially all of the personal property of such Obligor as collateral security for its obligations hereunder; provided that any such security interest or Lien shall be subject to the relevant requirements of the Security Documents.

8.13 Termination of Non-Permitted Liens. In the event the Borrower or any of its Subsidiaries shall become aware or be notified by the Lender of the existence of any outstanding Lien against any Property of the Borrower or any of its Subsidiaries, which Lien is not permitted under Section 9.02, the Borrower shall use its best efforts to promptly terminate or cause the termination of such Lien.

8.14 Canadian Benefit Plans and Canadian Pension Plans. The Borrower will, and will cause each of its Subsidiaries to, (a) with respect to each Canadian Benefit Plan, in a timely fashion perform in all respects all obligations (including funding, investment and administration obligations) required to be performed in connection with such Canadian Benefit Plan and (b) with respect to each Canadian Pension Plan, pay all contributions, premiums and payments when due in accordance with its terms and all Laws.

8.15 Financial Covenants. So long as the Commitments remain outstanding, the Borrower agrees:

- (a) that the Borrower and the other Obligors shall have, at all times, Liquidity of at least CDN.\$2,500,000 calculated at the end of each day after deducting any Indebtedness existing at such time pursuant to Section 9.01(i); and
- (b) that (i) its revenues, as reported in its consolidated financial statements, shall be in excess of CDN.\$25,000,000 for the fiscal year of 2012, and (ii) for the fiscal year of 2013, its net revenues as reported in its financial statements shall increase by an amount of at least CDN.\$3,000,000.

8.16 Technology and Intellectual Property.

- (a) Notwithstanding any provision in this Agreement or any other writing to the contrary, the Lender is not assuming any liability or obligation of the Borrowers, the Subsidiary Guarantors or their Affiliates of whatever nature, whether presently in existence or arising or asserted hereafter. All such liabilities and obligations shall be retained by and remain obligations and liabilities of the Obligors, the Subsidiary Guarantors and/or their Affiliates as the case may be. Without limiting the foregoing, the Lender is not assuming and shall not be responsible for any Liabilities of the Borrowers, the Subsidiary Guarantors or their Affiliates, whether present or future, absolute or contingent and whether or not relating to the Obligors, the Borrower Technology, and/or the Borrower Contracts, and the Borrower shall indemnify and save harmless the Lender from and against all such Liabilities and Liens. Without limiting the foregoing, this Agreement shall not constitute an agreement to assign any Contracts of or Borrower Technology to the Lender.

- (b) The Obligors covenant and agree that without the prior written consent of the Lender, which consent shall not be unreasonably withheld or delayed, the Obligors shall not Transfer or encumber any of their rights under the Borrower Contracts, the Borrower Technology or the Revenue of the Business except as permitted under this Agreement.
- (c) In the event that the Obligors acquire Borrower Technology during the term of this Agreement, then the provisions of this Agreement shall automatically apply thereto and any such Borrower Technology shall automatically constitute part of the Collateral, without further action by any party.

8.17 Pledge Over Shares in Bioniche Urology IP Inc. The Borrower shall use its best efforts to promptly obtain consent from Her Majesty the Queen in Right of Canada, as represented by the Minister of Industry, for the existing pledge of the shares of Bioniche Urology IP Inc. in favour of the Lender, in form and substance satisfactory to the Lender.

8.18 Bioniche Urology IP Inc. Bioniche Urology IP Inc. shall continue to be a single purpose entity whose sole assets are the MCC Intellectual Property assets. Bioniche Urology IP Inc. and the Borrower shall also comply with all of the representations, warranties, obligations and covenants contained in the articles of incorporation or by-laws of Bioniche Urology IP Inc. (collectively, the “Bioniche Urology Constitutional Documents”). Furthermore, Bioniche Urology IP Inc. shall comply, and Borrower shall cause Bioniche Urology IP Inc. to comply, with all of the representations, warranties and covenants of Bioniche Urology IP Inc. contained in the Post-Closing Matters and Amendment Agreement. Notwithstanding the foregoing, Bioniche Urology IP Inc. shall not be deemed to be a Subsidiary Guarantor under this Agreement until such time as it enters into a Joinder Agreement whereby it specifically agrees to become a Subsidiary Guarantor hereunder (to the extent that it is not restricted from doing so).

8.19 Restrictions on Deposit Accounts and Securities Accounts. For so long as the Loan is outstanding:

- (a) the proceeds of the Loan shall, to the extent that they are held in an account, at all times be held in a Canadian Deposit Account (as such term is defined in the Post-Closing Matters and Amendment Agreement) and shall not be held in any other account until such time as the Lender has received either a Securities Account Control Agreement, a Deposit Account Control Agreement or a Notice and Acknowledgement (as applicable and in each case as such term is defined in the Post-Closing Matters and Amendment Agreement) in respect of such other account;
- (b) the outstanding balance in all of the Securities Accounts (as such term is defined in the Post-Closing Matters and Amending Agreement) shall not exceed US\$50,000 in the aggregate, until such time as the Securities Account Control Agreements (as such term is defined in the Post-Closing Matters and Amendment Agreement) in form satisfactory to the Lender have been executed and delivered to the Lender; and
- (c) the outstanding balance in all of the US Deposit Accounts (as such term is defined in the Post-Closing Matters and Amending Agreement) shall not exceed US\$250,000 in the aggregate until such time as the Deposit Account Control Agreements in respect of the US Deposit Accounts (in each case as

such term is defined in the Post-Closing Matters and Amendment Agreement) in form satisfactory to the Lender have been executed and delivered to the Lender.

8.20 Security – Further Assurances. The Borrower and the Subsidiary Guarantors shall do all such things and provide all such reasonable assurances as may be required to better grant, transfer, assign, charge, set over, assure, confirm or perfect the security interests created under any Loan Document and the priority accorded to such security interests, including: (i) any agreement, filing, deliverable or other action required by the Lender in respect of receivables from outside of Canada, the United States of America, Australia or Ireland owing to the Borrower or a Subsidiary Guarantor and (ii) any agreement, filing, deliverable or other action required by the Lender in respect of any after-acquired Intellectual Property of the Borrower or a Subsidiary Guarantor.

8.21 Warrants. Concurrently with the execution of this Agreement, the Borrower shall issue the following Warrants to the Lender, which Warrants shall expire on the earlier of two (2) years from complete repayment of the Loan in accordance with this Agreement and May 31, 2019:

- (a) 750,000 Warrants with an exercise price at the 5-day volume weighted average share price (on the Toronto Stock Exchange) on the date hereof;
- (b) 500,000 Warrants with an exercise price at \$0.50 per Warrant;
- (c) 250,000 Warrants with an exercise price at \$0.70 per Warrant;
- (d) 250,000 Warrants with an exercise price at \$0.85 per Warrant;
- (e) 250,000 Warrants with an exercise price at \$1.00 per Warrant;
- (f) 500,000 Warrants, exercisable at an exercise price equal to the 5-day volume weighted average share price calculated as at December 31, 2013 but such Warrants shall only be exercisable in the event that the Loan has not been repaid by the Borrower prior to January 1, 2014; and
- (g) 500,000 Warrants, exercisable at an exercise price equal to the 5-day weighted average share price calculated as at March 31, 2014, but such Warrants only being exercisable in the event that Loan has not been repaid by the Borrower prior to April 1, 2014.

SECTION 9. NEGATIVE COVENANTS

Until the Commitment has expired or been terminated and the principal of and interest on the Loan and all fees payable hereunder have been paid in full, the Borrower covenants and agrees with the Lender that:

9.01 Indebtedness. The Borrower will not, nor will it permit any of its Subsidiaries to, create, incur, assume or permit to exist any Indebtedness, whether directly or indirectly, except:

- (a) Indebtedness created hereunder;

- (b) Indebtedness existing on the date hereof and set forth in Schedule 7.13, and limited to the amounts outstanding on the date hereof, as set forth in Schedule 7.13;
- (c) accounts payable to trade creditors for goods and services and current operating liabilities (not the result of the borrowing of money) incurred in the ordinary course of the Borrower's or such Subsidiary's business in accordance with customary terms and paid within the specified time, unless contested in good faith by appropriate proceedings and reserved for in accordance with IFRS;
- (d) Indebtedness consisting of guarantees resulting from endorsement of negotiable instruments for collection by the Borrower or any Subsidiary Guarantor in the ordinary course of business;
- (e) Indebtedness provided as part of any Canadian government assistance program now existing, currently available for draw or in connection with the acquisition of a new asset;
- (f) Indebtedness of the Borrower to any Subsidiary Guarantor and of any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor;
- (g) Guarantees by the Borrower of Indebtedness of any Subsidiary Guarantor and by any Subsidiary Guarantor of Indebtedness of the Borrower or any other Subsidiary Guarantor;
- (h) normal course of business equipment financing where recourse is limited to the assets being financed and is otherwise on an unsecured basis;
- (i) Indebtedness in an aggregate principal amount of up to \$2,000,000 (or the Equivalent Amount in other currencies), provided that such Indebtedness is secured solely by the accounts receivable of the Borrower or its Subsidiaries and provided further that any such Indebtedness shall be deducted when calculating the Liquidity required to comply with Section 8.15(a);
- (j) any Permitted Refinancings; and
- (k) Indebtedness approved in advance in writing by the Lender,

provided, however, that notwithstanding the provisions of clauses (c) through (e) and clauses (g) and (h), the aggregate principal amount of Indebtedness outstanding under such clauses shall not exceed \$2,000,000 (or the Equivalent Amount in other currencies) at any time outstanding.

9.02 Liens. The Borrower will not, nor will it permit any of its Subsidiaries to:

- (a) create, incur, assume or permit to exist any Lien on any property or asset now owned by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:
 - (i) Liens created pursuant to the Security Documents;
 - (ii) Permitted Liens; and

- (iii) any Lien on any property or asset of the Borrower or any of its Subsidiaries existing on the date hereof and set forth in Schedule 7.13; provided that (i) no such Lien shall extend to any other property or asset of the Borrower or any of its Subsidiaries and (ii) any such Lien shall secure only those obligations which it secures on the date hereof and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and
- (b) create, incur, assume or permit to exist any Lien on any property or asset hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except Liens created pursuant to the Security Documents and Liens which are included in part (vi) of the definition of Permitted Liens.

For certainty, there shall be no duplication between (a) and (b) above of the basket provided under part (vi) of the definition of Permitted Liens. That basket is an aggregate one for both present and after acquired property.

- (c) create, incur, assume or permit to exist any Lien on any Material Intellectual Property or any Lien on the shares or capital stock of Bioniche Urology IP Inc. except to the extent that Liens made in favor of the Lender pursuant to the Security Documents.

9.03 Fundamental Changes and Acquisitions. The Borrower will not, nor will it permit any of its Subsidiaries to, enter into any transaction of merger, amalgamation or consolidation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution) without the prior written consent of the Lender. The Borrower will not, nor will it permit any of its Subsidiaries to, make any Acquisition or otherwise acquire any business or property from, or capital stock of, or be a party to any acquisition of, any Person except for purchases of inventory and other property to be sold or used in the ordinary course of business and Investments permitted under Section 9.05.

Notwithstanding the foregoing provisions of this Section 9.03:

- (a) any Subsidiary Guarantor may be merged, amalgamated or consolidated with or into the Borrower or any other Subsidiary Guarantor;
- (b) any Subsidiary Guarantor may sell, lease, transfer or otherwise dispose of any or all of its property (upon voluntary liquidation or otherwise) to the Borrower or another Subsidiary Guarantor; and
- (c) the capital stock of any Subsidiary Guarantor may be sold, transferred or otherwise disposed of to the Borrower or another Subsidiary Guarantor.

9.04 Lines of Business. The Borrower will not, nor will it permit any of its Subsidiaries to, engage to any material extent in any business other than the Business and the other ancillary businesses that it is engaged in as of the date of this Agreement.

9.05 Investments. The Borrower will not, nor will it permit any of its Subsidiaries to, make, directly or indirectly, or permit to remain outstanding any Investments except:

- (a) Investments outstanding on the date hereof and identified in Schedule 9.05;

- (b) operating deposit accounts with banks;
- (c) extensions of credit in the nature of accounts receivable or notes receivable arising from the sales of goods or services in the ordinary course of business;
- (d) Permitted Cash Equivalent Investments;
- (e) Investments by the Borrower and the Subsidiary Guarantors in the Borrower and its wholly-owned Subsidiary Guarantors; and for greater certainty, the Borrower shall not be permitted to have any direct or indirect Subsidiaries that are not wholly-owned Subsidiaries;
- (f) Hedging Agreements entered into in the ordinary course of the Borrower's financial planning solely to hedge currency risks (and not for speculative purposes) and in an aggregate notional amount for all such Hedging Agreements not in excess of \$100,000 (or the Equivalent Amount in other currencies);
- (g) Investments consisting of security deposits with utilities and other like Persons made in the ordinary course of business;
- (h) employee loans and guarantees in accordance with the Borrower's usual and customary practices with respect thereto (if permitted by applicable law) which in the aggregate shall not exceed \$500,000 (or the Equivalent Amount in other currencies) over the term of this Agreement; and
- (i) Investments received in connection with any insolvency proceedings in respect of any customers, suppliers or clients and in settlement of delinquent obligations of, and other disputes with, customers, suppliers or clients

9.06 Restricted Payments. The Borrower will not, nor will it permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except that:

- (a) the Borrower may declare and pay dividends with respect to its capital stock payable solely in additional shares of its common stock;
- (b) the Borrower may purchase, redeem, retire, or otherwise acquire shares of its capital stock or other equity interests with the proceeds received from a substantially concurrent issue of new shares of its capital stock or other equity interests; and
- (c) so long as the Borrower is public company, the Borrower may make Restricted Payments pursuant to and in accordance with: (i) stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries, or (ii) share purchases from departing employees not exceeding \$100,000 (or the Equivalent Amount in other currencies) in the aggregate over the term of this Agreement, provided that such Restricted Payments in the case of both (i) and (ii) are only made in the ordinary course and consistent with past practice.

Nothing herein shall be deemed to prohibit the payment of dividends by any Subsidiary Guarantor to the Borrower or to any other Subsidiary Guarantor.

The Borrower shall not permit any Subsidiary of the Borrower to grant or otherwise agree to or suffer to exist any consensual restrictions on the ability of such Subsidiary to pay dividends and make other distributions to the Borrower, or to pay any Indebtedness owed to the Borrower or transfer properties and assets to the Borrower.

9.07 Change in Fiscal Year. The Borrower will not, and will not permit any of its Subsidiaries to, change the last day of its fiscal year from that in effect on the date hereof.

9.08 Sales of Assets, Etc. Except as provided for in Section 3.03(b)(i), the Borrower will not, and will not permit any of its Subsidiaries to, sell, lease, license, transfer or otherwise dispose of any of its Property (including accounts receivable and capital stock of Subsidiaries) to any Person in one transaction or series of transactions (any thereof, an “Asset Sale”), except for (a) sales of inventory in the ordinary course of its business on ordinary business terms, (b) development and other collaborative arrangements where such arrangements provide for the licenses of Patents, Trademarks, Copyrights and other Intellectual Property rights in the ordinary course of business and consistent with general market practices where such license requires periodic payments based on per unit sales of a product over a period of time and provided that such licenses must be a true license as opposed to licenses that are sales transactions in substance, (c) transfers of Property by any Subsidiary Guarantor to the Borrower or any other Subsidiary Guarantor or (d) obsolete or worn out property, tools or equipment no longer used or useful in the Business.

9.09 Transactions with Affiliates. The Borrower will not, nor will it permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions between Obligors and (b) any Restricted Payment permitted by Section 9.06.

9.10 Restrictive Agreements. Except for Permitted Restrictive Agreements, the Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that:

- (i) the foregoing shall not apply to (x) restrictions and conditions imposed by law or by this Agreement and (y) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder; and
- (ii) clause (a) of the foregoing shall not apply to (x) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (y)

customary provisions in leases and other contracts restricting the assignment thereof.

9.11 Amendments to Material Agreements. The Borrower will not, nor will it permit any of its Subsidiaries to, enter into any amendment to or modification of or terminate any Material Agreement, without in each case the prior written consent of the Lender (which consent shall not be unreasonably withheld).

9.12 Capital Expenditures. The Borrower shall not, and shall not permit any of its Subsidiaries to, make or become legally obligated to make any expenditure in respect of the purchase or other acquisition of any fixed or capital asset (including Capital Lease Obligations, but excluding any expenditures in respect of any normal replacements and maintenance which are properly charged to current operations), except for: capital expenditures in the ordinary course of business and in accordance with Section 2.05 not exceeding \$4,000,000 (or the Equivalent Amount in other currencies), on a consolidated basis, in any fiscal year. The parties acknowledge that the Borrower may wish to embark on other special capital projects which are not permitted hereunder and therefore would require the Lender's prior written consent. The Lender reserves the right to grant or withhold such consent in its sole discretion based upon its assessment of the impact on the Borrower of the underlying project or acquisition of equipment, and any other factors that the Lender, in its sole discretion, may deem relevant. Notwithstanding the foregoing, this Section 9.08 shall not prohibit the Borrower from making any capital expenditure where such expenditure is funded entirely through proceeds of an equity issuance, or a series of equity issuances, or through the proceeds of cash available to the Borrower that is not otherwise required to repay or prepay the Obligations owing to the Lender under this Agreement provided that such consent is conditional upon the following: (a) any asset so funded pursuant to this proviso must be subject to a first priority perfected lien in favour of the Lender and have no other Liens associated with it; (b) the Obligors must comply with all of the other representations, warranties and covenants contained herein and in the other Loan Documents including, without limitation, in Section 9.05; and (c) the proceeds of any such equity issuances may not be used to pay down any other Indebtedness.

9.13 Operating Leases. The Borrower shall not, and shall not permit any of its Subsidiaries to, make any expenditures in respect of operating leases, except for:

- (a) operating leases between the Borrower and any of its wholly owned Subsidiaries or between any of its wholly owned Subsidiaries; and
- (b) operating leases which would not cause the Borrower and its Subsidiaries, on a consolidated basis, to make payments exceeding \$500,000 (or the Equivalent Amount in other currencies) in any fiscal year.

9.14 Sales and Leasebacks. Except as disclosed on Schedule 9.14 ("Permitted Sales and Leasebacks"), the Borrower shall not, and shall not permit any of its Subsidiaries to, become liable, directly or indirectly, with respect to any lease, whether an operating lease or a Capital Lease Obligation, of any property (whether real, personal or mixed), whether now owned or hereafter acquired, (i) which the Borrower or such Subsidiary has sold or transferred or is to sell or transfer to any other Person and (ii) which the Borrower or such Subsidiary intends to use for substantially the same purposes as property which has been or is to be sold or transferred.

9.15 Hazardous Material. The Borrower shall not, and shall not permit any of its Subsidiaries to, use, generate, manufacture, install, treat, release, store or dispose of any Hazardous Material, except in compliance with all applicable Environmental Laws.

9.16 Accounting Changes. The Borrower shall not, and shall not suffer or permit any of its Subsidiaries to, make any significant change in accounting treatment or reporting practices, except as required or permitted by IFRS, or change its fiscal year or that of any of its consolidated Subsidiaries, except to change the fiscal year of a Subsidiary acquired in connection with a permitted acquisition to conform its fiscal year to the Borrower's.

9.17 Inactive Subsidiaries. The Borrower shall not, and shall not permit any other Obligor, to cause the Inactive Subsidiaries to become active, carry on any business activity or own any assets other than nominal assets which in the aggregate for all Inactive Subsidiaries shall not at any time exceed \$100,000 (or the Equivalent Amount in other currencies).

SECTION 10. EVENTS OF DEFAULT

If any of the following events (each an "Event of Default") shall occur:

- (a) the Borrower shall fail to pay any principal of the Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;
- (b) the Borrower shall fail to pay any interest on the Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of two Business Days;
- (c) any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, shall: (i) prove to have been incorrect when made or deemed made to the extent that such representation or warranty contains any materiality or Material Adverse Effect qualifier; or (ii) prove to have been incorrect in any material respect when made or deemed made to the extent that such representation or warranty does not otherwise contain any materiality or Material Adverse Effect qualifier;
- (d) the Borrower or any other Obligor shall fail to observe or perform any covenant, condition or agreement contained in Section 8.02, 8.03 (with respect to the Borrower's existence), 8.11, 8.12, 8.15 or 8.17 or in Section 9 or any Obligor shall default in the performance of any of its obligations contained in Section 3.2 of the Security Agreement or in similar provisions in the other Security Documents;
- (e) any Obligor shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause

- (a), (b) or (d) of this Section) or any other Loan Document and such failure shall continue unremedied for a period of 20 or more days after notice thereof from the Lender to the Borrower;
- (f) the termination of the License Agreement other than with the consent of the Lender, which may be withheld in the Lender's sole discretion, or the failure by any Obligor to observe or perform any covenant, condition or agreement contained in the License Agreement (subject to any applicable cure periods therein);
 - (g) the Borrower or any of its Subsidiaries shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable after giving effect to any applicable grace or cure period as originally provided by the terms of such Indebtedness (without giving effect to any waiver or extension thereof);
 - (h) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of such Material Indebtedness or any trustee or agent on its or their behalf to cause such Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (h) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Material Indebtedness;
 - (i) the Borrower or any Subsidiary:
 - (i) becomes insolvent, or generally does not or becomes unable to pay its debts or meet its liabilities as the same become due, or admits in writing its inability to pay its debts generally, or declares any general moratorium on its indebtedness, or proposes a compromise or arrangement or deed of company arrangement between it and any class of its creditors;
 - (ii) commits an act of bankruptcy or makes an assignment of its property for the general benefit of its creditors or makes a proposal (or files a notice of its intention to do so);
 - (iii) institutes any proceeding seeking to adjudicate it an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief, under any federal, provincial or foreign Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* and any applicable corporations legislation) or at common law or in equity, or files an answer admitting

the material allegations of a petition filed against it in any such proceeding;

- (iv) applies for the appointment of, or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator, voluntary administrator, receiver and manager or other similar official for it or any substantial part of its property; or
 - (v) takes any action, corporate or otherwise, to approve, effect, acquiesce or consent to or authorize any of the actions described in this Section 10(i) or in Section 10(j), or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defense thereof;
- (j) any petition is filed, application made or other proceeding instituted against or in respect of the Borrower or any Subsidiary:
- (i) seeking to adjudicate it an insolvent;
 - (ii) seeking a receiving order against it;
 - (iii) seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), deed of company arrangement or composition of it or its debts or any other relief under any federal, provincial or foreign law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)* and any applicable corporations legislation in any other jurisdiction) or at common law or in equity; or
 - (iv) seeking the entry of an order for relief or the appointment of, or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator, voluntary administrator, receiver and manager or other similar official for it or any substantial part of its property;

and such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of thirty (30) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against the Borrower or such Subsidiary thereunder in the interim, such grace period will cease to apply, and provided further that if the Borrower or such Subsidiary files an answer admitting the material allegations of a petition filed against it in any such proceeding, such grace period will cease to apply;

- (k) any other event occurs which, under the laws of any applicable jurisdiction, has an effect equivalent to any of the events referred to in either of Sections 10(i) or 10(j);

- (l) one or more judgments for the payment of money in an aggregate amount in excess of \$500,000 (or the Equivalent Amount in other currencies) shall be rendered against the Borrower or any of its Subsidiaries or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any of its Subsidiaries to enforce any such judgment;
- (m) (i) an ERISA Event shall have occurred that, in the opinion of the Lender, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding (A) \$50,000 in any year or (B) \$100,000 for all periods; or (ii) with respect to any Obligor, (w) a contribution or premium required to be paid to or in respect of any Canadian Benefit Plan of such Obligor or an Affiliate or Subsidiary thereof is not paid in a timely fashion in accordance with the terms thereof and all applicable law, or taxes, penalties or fees are owing or exigible under such Canadian Benefit Plan beyond the date permitted for payment of same that in either case would (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect, (x) a proceeding, action, suit or claim (other than routine claims for benefits) is commenced or instituted involving any Canadian Benefit Plan of such Obligor or an Affiliate or Subsidiary thereof or its assets that, taking into account the nature of the proceeding, action, suit or claim, the likelihood of success thereof (as determined by legal counsel to the Lender), and the impact that would result from a determination contrary to the interests of the affected Obligor, would reasonably be expected to have a Material Adverse Effect, (y) the occurrence of a Pension Plan Termination Event that (individually or in the aggregate) would reasonably be expected to have a Material Adverse Effect, or which would reasonably be expected to materially adversely affect the tax status thereof or (z) the occurrence of an improper withdrawal or transfer of assets from any Canadian Benefit Plan of such Obligor or a Subsidiary or Affiliate thereof that would (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect;
- (n) a reasonable basis shall exist for the assertion against the Borrower or any of its Subsidiaries, or any predecessor in interest of the Borrower or any of its Subsidiaries, of (or there shall have been asserted against the Borrower or any of its Subsidiaries) any claims or liabilities, whether accrued, absolute or contingent, based on or arising from the generation, storage, transport, handling or disposal of Hazardous Material by the Borrower or any of its Subsidiaries or predecessors that, in the judgment of the Lender, are reasonably likely to be determined adversely to the Borrower or any of its Subsidiaries, and the amount thereof (either individually or in the aggregate) is reasonably likely to have a Material Adverse Effect (insofar as such amount is payable by the Borrower or any of its Subsidiaries but after deducting any portion thereof that is reasonably expected to be paid by other creditworthy Persons jointly and severally liable therefor);
- (o) a Change in Control shall occur;
- (p) a Material Adverse Change shall occur;

- (q) the Liens created by the Security Documents shall at any time not constitute a valid and perfected (to the extent perfection by filing, registration, recordation or possession is required herein or therein) Lien on the collateral intended to be covered thereby in favour of the Lender, free and clear of all other Liens (other than Liens permitted under Section 9.02), or, except for expiration in accordance with its terms, any of the Security Documents or the Guarantee in Section 12 shall for whatever reason be terminated or cease to be in full force and effect, or the enforceability thereof shall be contested by any Obligor; or
- (r) the Borrower and the Subsidiary Guarantors shall have failed to complete the Waiver Milestone by September 30, 2013 or, if so completed, shall have failed to provide the Lender with satisfactory evidence that US\$2,500,000 of the proceeds of the relevant equity investment or licensing proceeds will be expended in furtherance of diligent development and other activities in support of Canadian regulatory approval for Urocidin,

then, and in every such event (other than an event with respect to any Obligor described in clause (i), (j) or (k) of this Section), and at any time thereafter during the continuance of such event, the Lender may, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitment, and thereupon the Commitment shall terminate immediately, and (ii) declare the Loan then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loan so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder, including any obligations upon a prepayment of the Loan, mandatory or otherwise, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Obligor; and in case of any event with respect to any Obligor described in clause (i), (j) or (k) of this Section, the Commitment shall automatically terminate and the principal of the Loan then outstanding, together with accrued interest thereon and all fees and other obligations of the Obligors accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by each Obligor.

SECTION 11. MISCELLANEOUS

11.01 No Waiver. No failure on the part of the Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any Loan Document preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

11.02 Notices. All notices, requests, instructions, directions and other communications provided for herein (including any modifications of, or waivers, requests or consents under, this Agreement) shall be given or made in writing (including by telecopy) delivered, if to the Borrower, another Obligor or the Lender, to its address specified on the signature pages hereto or its Guarantee Assumption Agreement, as the case may be, or at such other address as shall be designated by such party in a notice to the other parties. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given upon receipt of a legible copy thereof, in each case given or addressed

as aforesaid. All such communications provided for herein by telecopy shall be confirmed in writing promptly after the delivery of such communication (it being understood that non-receipt of written confirmation of such communication shall not invalidate such communication).

11.03 Expenses, Indemnification, Etc.

- (a) Expenses. The Borrower agrees to pay or reimburse (i) the Lender for all of its reasonable out of pocket costs and expenses (including the reasonable fees and expenses of Davies Ward Phillips & Vineberg LLP, special counsel to the Lender, and any sales, goods and services or other similar taxes applicable thereto, and printing, reproduction, document delivery, communication and travel costs) in connection with (x) the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents and the making of the Loan and (y) the negotiation or preparation of any modification, supplement or waiver of any of the terms of this Agreement or any of the other Loan Documents (whether or not consummated) and (ii) the Lender for all of its out of pocket costs and expenses (including the fees and expenses of legal counsel) in connection with any enforcement or collection proceedings resulting from the occurrence of an Event of Default.
- (b) Indemnification. The Borrower hereby indemnifies the Lender, its Affiliates, and its directors, officers, employees, attorneys, agents, advisors and controlling parties (each, an “Indemnified Party”) from and against, and agrees to hold them harmless against, any and all claims, damages, losses, liabilities, obligations, penalties, actions, judgments, suits, costs and expenses of any kind (including reasonable fees and disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement or any of the other Loan Documents or the transactions contemplated hereby or thereby or any use made or proposed to be made with the proceeds of the Loan, whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its shareholders or creditors, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto, and whether or not any of the conditions precedent set forth in Section 6 are satisfied or the other transactions contemplated by this Agreement are consummated, except to the extent such claim, damage, loss, liability, obligation, penalty, action, judgment, suit, cost or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party’s gross negligence or willful misconduct. No Obligor shall assert any claim against any Indemnified Party, on any theory of liability, for consequential, indirect, special or punitive damages arising out of or otherwise relating to this Agreement or any of the other Loan Documents or any of the transactions contemplated hereby or thereby or the actual or proposed use of the proceeds of the Loan.

11.04 Amendments, Etc. Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be amended, modified or supplemented only by an instrument in writing signed by the Borrower and the Lender. For the avoidance of doubt, no

signature of a Subsidiary Guarantor is required in connection therewith, and any such amendment, modification or supplement shall be binding upon each Subsidiary Guarantor and Bioniche Urology IP Inc. as though they had been a party thereto.

11.05 Successors and Assigns.

- (a) General. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. The Lender may assign or otherwise transfer any of its rights or obligations hereunder to an assignee in accordance with the provisions of paragraph (b) of this Section 11.05, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section 11.05 or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (f) of this Section 11.05. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section 11.05 and, to the extent expressly contemplated hereby, the Indemnified Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.
- (b) Assignments by Lender. The Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Commitment and the Loan at the time owing to it); provided, however, that no such Assignment shall be made to the Borrower, an Affiliate of the Borrower, or any employees or directors of the Borrower. Subject to the recording thereof by the Lender pursuant to paragraph (c) of this Section 11.05, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of the Lender under this Agreement, and correspondingly the Lender shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of a Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 5 and Section 11.03. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section 11.05.
- (c) Amendments to Loan Documents. The Lender and the Obligors agree to enter into such amendments to the Loan Documents, and such additional Security Documents and other instruments and agreements, in each case in form and substance reasonably acceptable to the Lender and the Obligors, as shall reasonably be necessary to implement and give effect to any assignment made under this Section 11.05. Any consent, approval, (including without limitation any approval of or authorization for any amendment to any of the Loan Documents), instruction or other expression of the Lender under any of the

Loan Documents may be obtained by an instrument in writing signed by the Lender:

- (d) Register. The Lender, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a register for the recordation of the name and address of any assignee of the Lender and the Commitment and outstanding principal amount of the Loan owing thereto (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Borrower may treat each Person whose name is recorded in the Register pursuant to the terms hereof as the "Lender" hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, at any reasonable time and from time to time upon reasonable prior notice.
- (e) Participations. The Lender may at any time, without the consent of, or notice to, the Borrower, sell participations to any Person (other than a natural person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of the Lender's rights and/or obligations under this Agreement (including all or a portion of the Commitment and/or the Loan owing to it); provided that (i) the Lender's obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower shall continue to deal solely and directly with the Lender in connection therewith.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that would (i) increase or extend the term of such Lender's Commitment, (ii) extend the date fixed for the payment of principal or interest on the Loan or any portion of any fee hereunder payable to the Participant, (iii) reduce the amount of any such payment of principal, or (iv) reduce the rate at which interest is payable thereon to a level below the rate at which the Participant is entitled to receive such interest. Subject to paragraph (e) of this Section 11.05, the Borrower agrees that each Participant shall be entitled to the benefits of Section 5 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.05(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 4.04(a) as though it were the Lender.

- (f) Limitations on Rights of Participants. A Participant shall not be entitled to receive any greater payment under Section 5.01 or 5.05 than a Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.
- (g) Certain Pledges. The Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement and any Note to secure obligations of the Lender, including any pledge or assignment to secure obligations to Lender's financier or to a Federal Reserve Bank; provided that no such pledge or assignment shall release the Lender from any of its

obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

11.06 Survival. The obligations of the Borrower under Sections 5.01, 5.03, 5.05, 11.03, 11.05, 11.09, 11.10, 11.11, 11.12, 11.14, 11.15 and Section 12 (to the extent guaranteeing any of the obligations under the foregoing Sections) shall survive the repayment of the Loan and the termination of the Commitment and, in the case of the Lender's assignment of any interest in the Commitment or the Loan hereunder, shall survive, in the case of any event or circumstance that occurred prior to the effective date of such assignment, the making of such assignment, notwithstanding that the Lender may cease to be the "Lender" hereunder. In addition, each representation and warranty made, or deemed to be made by a notice of the Loan, herein or pursuant hereto shall survive the making of such representation and warranty.

11.07 Captions. The table of contents and captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

11.08 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

11.09 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the law of the State of New York.

11.10 Jurisdiction, Service of Process and Venue.

- (a) Submission to Jurisdiction. Each Obligor agrees that any suit, action or proceeding with respect to this Agreement or any other Loan Document to which it is a party or any judgment entered by any court in respect thereof may be brought in the United States District Court for the Southern District of New York, in any court of the State of New York located in Manhattan, or in the courts of its own corporate domicile and irrevocably submits to the non-exclusive jurisdiction of each such court for the purpose of any such suit, action, proceeding or judgment. This Section 11.10(a) is for the benefit of the Lender only and, as a result, no Lender shall be prevented from taking proceedings in any other courts with jurisdiction. To the extent allowed by applicable Laws, the Lender may take concurrent proceedings in any number of jurisdictions.
- (b) Alternative Process. Nothing herein shall in any way be deemed to limit the ability of the Lender to serve any such process or summonses in any other manner permitted by applicable law.
- (c) Waiver of Venue, Etc. Each Obligor irrevocably waives to the fullest extent permitted by law any objection that it may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document and hereby further irrevocably waives to the fullest extent permitted by law any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment (in respect of which time for all appeals

has elapsed) in any such suit, action or proceeding shall be conclusive and may be enforced in any court to the jurisdiction of which such Obligor is or may be subject, by suit upon judgment.

11.11 Waiver of Jury Trial. EACH OBLIGOR AND EACH LENDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

11.12 Waiver of Immunity. To the extent that any Obligor may be or become entitled to claim for itself or its Property or revenues any immunity on the ground of sovereignty or the like from suit, court jurisdiction, attachment prior to judgment, attachment in aid of execution of a judgment or execution of a judgment, and to the extent that in any such jurisdiction there may be attributed such an immunity (whether or not claimed), such Obligor hereby irrevocably agrees not to claim and hereby irrevocably waives such immunity with respect to its obligations under this Agreement and the other Loan Documents.

11.13 Judgment Currency. This is an international loan transaction in which the specification of Dollars and payment in New York City is of the essence, and the obligations of the Borrower under this Agreement and the other Loan Documents to the Lender (in this Section 11.13 called an "Entitled Person") to make payment in Dollars shall not be discharged or satisfied by any tender pursuant to any judgment or recovery pursuant to any judgment in either case expressed in or converted into any other currency or in another place except to the extent that on the Business Day following receipt of any sum adjudged to be so due in the judgment currency such Entitled Person may in accordance with normal banking procedures purchase, and transfer to New York City, Dollars in the amount originally due to such Entitled Person with the judgment currency. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (in this Section 11.13 called the "judgment currency"), the rate of exchange that shall be applied shall be that at which in accordance with normal banking procedures the Lender could purchase such Dollars at New York City with the judgment currency on the Business Day next preceding the day on which such judgment is rendered. The Borrower hereby, as a separate obligation and notwithstanding any such judgment, agrees to indemnify such Entitled Person against, and to pay each Entitled Person on demand, in Dollars, the amount (if any) by which the sum originally due to such Entitled Person in Dollars hereunder exceeds the amount of the Dollars purchased and transferred as aforesaid.

11.14 Entire Agreement. This Agreement and the other Loan Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. EACH OBLIGOR ACKNOWLEDGES, REPRESENTS AND WARRANTS THAT IN DECIDING TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS OR IN TAKING OR NOT TAKING ANY ACTION HEREUNDER OR THEREUNDER, IT HAS NOT RELIED, AND WILL NOT RELY, ON ANY STATEMENT, REPRESENTATION, WARRANTY, COVENANT, AGREEMENT OR UNDERSTANDING, WHETHER WRITTEN OR ORAL, OF OR WITH THE LENDER OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

11.15 Severability. If any provision hereof is found by a court to be invalid or unenforceable, to the fullest extent permitted by applicable law the parties agree that such invalidity or unenforceability shall not impair the validity or enforceability of any other provision hereof.

11.16 No Fiduciary Relationship. The Borrower acknowledges that the Lender has no fiduciary relationship with, or fiduciary duty to, the Borrower arising out of or in connection with this Agreement or the other Loan Documents, and the relationship between the Lender and the Borrower is solely that of creditor and debtor. This Agreement and the other Loan Documents do not create a joint venture among the parties.

11.17 Confidentiality. The Lender agrees to maintain the confidentiality of the Confidential Information (as defined in the Non-Disclosure Agreement (defined below)) in accordance with the terms of that certain non-disclosure agreement dated April 29, 2013 by and between the Borrower and the Lender (the "Non-Disclosure Agreement").

Any new Lender that becomes party to this Agreement hereby agrees to be bound by the terms of the Non-Disclosure Agreement. The parties to this Agreement shall prepare a mutually agreeable press release announcing the completion of this transaction on the Closing Date.

11.18 USA PATRIOT Act. The Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

11.19 Maximum Rate of Interest. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law and shall not result in the receipt by the Lender of interest at a criminal rate, as the terms "interest" and "criminal rate" are defined under the *Criminal Code* (Canada) (in each case, the "Maximum Rate"). If the Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loan, and not to the payment of interest, or, if the excessive interest exceeds such unpaid principal, the amount exceeding the unpaid balance shall be refunded to the applicable Obligor. In determining whether the interest contracted for, charged, or received by the Lender exceeds the Maximum Rate, the Lender may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Indebtedness and other obligations of any Obligor hereunder, or (d) allocate interest between portions of such Indebtedness and other obligations under the Loan Documents to the end that no such portion shall bear interest at a rate greater than that permitted by applicable Law.

11.20 Interest Act (Canada). For the purposes of this Agreement, whenever interest is calculated on the basis of a period which is less than the actual number of days in a calendar year, each rate of interest determined pursuant to such calculation is, for the purposes of the *Interest Act* (Canada), equivalent to such rate multiplied by the actual number

of days in the calendar year in which such rate is to be ascertained and divided by the number of days used as the basis of such calculation.

SECTION 12. GUARANTEE

12.01 The Guarantee. The Subsidiary Guarantors hereby jointly and severally guarantee to the Lender and its successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Loan made by the Lender to the Borrower and all fees and other amounts from time to time owing to the Lender by the Borrower under this Agreement or under any other Loan Document and by any other Obligor under any of the Loan Documents, in each case strictly in accordance with the terms thereof (such obligations being herein collectively called the “Guaranteed Obligations”). The Subsidiary Guarantors hereby further jointly and severally agree that if the Borrower shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, the Subsidiary Guarantors will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

12.02 Obligations Unconditional. The obligations of the Subsidiary Guarantors under Section 12.01 are absolute and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of the Borrower under this Agreement or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section that the obligations of the Subsidiary Guarantors hereunder shall be absolute and unconditional, joint and several, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the Subsidiary Guarantors hereunder, which shall remain absolute and unconditional as described above:

- (i) at any time or from time to time, without notice to the Subsidiary Guarantors, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;
- (ii) any of the acts mentioned in any of the provisions of this Agreement or any other agreement or instrument referred to herein shall be done or omitted;
- (iii) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or any other agreement or instrument referred to herein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

- (iv) any lien or security interest granted to, or in favour of, the Lender as security for any of the Guaranteed Obligations shall fail to be perfected.

The Subsidiary Guarantors hereby expressly waive diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Lender exhausts any right, power or remedy or proceed against the Borrower under this Agreement or any other agreement or instrument referred to herein, or against any other Person under any other guarantee of, or security for, any of the Guaranteed Obligations.

12.03 Reinstatement. The obligations of the Subsidiary Guarantors under this Section 12 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of the Borrower in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Subsidiary Guarantors jointly and severally agree that they will indemnify the Lender on demand for all reasonable costs and expenses (including fees of counsel) incurred by the Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

12.04 Subrogation. The Subsidiary Guarantors hereby jointly and severally agree that until the payment and satisfaction in full of all Guaranteed Obligations and the expiration and termination of the Commitment of the Lender under this Agreement they shall not exercise any right or remedy arising by reason of any performance by them of their guarantee in Section 12.01, whether by subrogation or otherwise, against the Borrower or any other guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

12.05 Remedies. The Subsidiary Guarantors jointly and severally agree that, as between the Subsidiary Guarantors and the Lender, the obligations of the Borrower under this Agreement and the other Loan Documents may be declared to be forthwith due and payable as provided in Section 10 hereof (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 10) notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against the Borrower and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by the Borrower) shall forthwith become due and payable by the Subsidiary Guarantors for purposes of Section 12.01.

12.06 Instrument for the Payment of Money. Each Subsidiary Guarantor hereby acknowledges that the guarantee in this Section 12 constitutes an instrument for the payment of money, and consents and agrees that the Lender, at its sole option, in the event of a dispute by such Subsidiary Guarantor in the payment of any moneys due hereunder, shall have the right to proceed by motion for summary judgment in lieu of complaint pursuant to N.Y. Civ. Prac. L&R § 3213.

12.07 Continuing Guarantee. The guarantee in this Section is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising. The obligations of the Subsidiary Guarantors hereunder are primary and not contingent obligations.

12.08 Rights of Contribution. The Subsidiary Guarantors hereby agree, as between themselves and without limitation of any right or remedy of the Lender under any Loan Document, that if any Subsidiary Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Subsidiary Guarantor of any Guaranteed Obligations, each other Subsidiary Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Subsidiary Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Guaranteed Obligations. The payment obligation of a Subsidiary Guarantor to any Excess Funding Guarantor under this Section shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Subsidiary Guarantor under the other provisions of this Section 12 and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations.

For purposes of this Section, (i) "Excess Funding Guarantor" means, in respect of any Guaranteed Obligations, a Subsidiary Guarantor that has paid an amount in excess of its Pro Rata Share of such Guaranteed Obligations, (ii) "Excess Payment" means, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Pro Rata Share of such Guaranteed Obligations and (iii) "Pro Rata Share" means, for any Subsidiary Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Subsidiary Guarantor (excluding any shares of stock of any other Subsidiary Guarantor) exceeds the amount of all the debts and liabilities of such Subsidiary Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Subsidiary Guarantor hereunder and any obligations of any other Subsidiary Guarantor that have been Guaranteed by such Subsidiary Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Subsidiary Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of the Borrower and the Subsidiary Guarantors hereunder and under the other Loan Documents) of all of the Subsidiary Guarantors, determined (A) with respect to any Subsidiary Guarantor that is a party hereto on the Closing Date, as of the Closing Date, and (B) with respect to any other Subsidiary Guarantor, as of the date such Subsidiary Guarantor becomes a Subsidiary Guarantor hereunder.

12.09 General Limitation on Guarantee Obligations. In any action or proceeding involving any provincial, territorial or state corporate law, or any state, Canadian provincial or federal or United States federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Subsidiary Guarantor under Section 12.01 would otherwise, taking into account the provisions of Section 12.08, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 12.01, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Subsidiary Guarantor, the Lender or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding. It is acknowledged that this Section 12.09 is for the benefit of the Lender, and that neither the Borrower nor any Subsidiary Guarantor shall avail itself of any purported rights under this Section 12.09 in the event of an Event of Default or otherwise.

12.10 Limitation on Guarantee Obligations of Bioniche Europe. As regards Bioniche Europe only, the Guaranteed Obligations do not include or extend to any indebtedness, obligations or liabilities of the Borrower or any other Obligor under or in respect of or otherwise relating to the Warrants, and such indebtedness, obligations or liabilities of the Borrower or any other Obligor are expressly excluded from the scope of the guarantee given by Bioniche Europe pursuant to this Section 12.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWER

BIONICHE LIFE SCIENCES INC.

By: "***Graeme McRae***"

Name: Graeme McRae

Title: President & CEO

Address for Notices:

231 Dundas Street East

Belleville, Ontario

K8N 1E2

Attention: Mairi Phillips/Brian Ford

Telephone: (613) 966-8058/

Fax: (613) 966-4049

SUBSIDIARY GUARANTOR

BIONICHE ANIMAL HEALTH

USA, INC.

By: "***Graeme McRae***"

Name: Graeme McRae

Title: Director

Address for Notices:

231 Dundas Street East

Belleville, Ontario

K8N 1E2

Attention: Mairi Phillips/Brian Ford

Telephone: (613) 966-8058/

Fax: (613) 966-4049

BIONICHE ANIMAL HEALTH
EUROPE LIMITED

By: "***Graeme McRae***"

Name: Graeme McRae

Title: Director

Address for Notices:

231 Dundas Street East
Belleville, Ontario
K8N 1E2

Attention: Mairi Phillips/Brian Ford

Telephone: (613) 966-8058/

Fax: (613) 966-4049

BIONICHE ANIMAL HEALTH CANADA
INC.

By: "***Graeme McRae***"

Name: Graeme McRae

Title: Director & Chairman

Address for Notices:

231 Dundas Street East
Belleville, Ontario
K8N 1E2

Attention: Mairi Phillips/Brian Ford

Telephone: (613) 966-8058/

Fax: (613) 966-4049

Signed

by BIONICHE ANIMAL HEALTH

(A/ASIA) PTY. LTD

ABN 64 006 949 480

in accordance with section 127 of the
Corporations Act 2001 by a director and
secretary/director:

“Graeme McRae”

Signature of director

Graeme McRae

Name of director (please print)

“Andrew Grant”

Signature of secretary/director

Andrew Grant

Name of secretary/director (please print)

Address for Notices:

231 Dundas Street East
Belleville, Ontario
K8N 1E2

Attention: Mairi Phillips/Brian Ford
Telephone: (613) 966-8058/
Fax: (613) 966-4049

LENDER

PALADIN LABS INC.

By: "*Samira Sakhia*"

Name: Samira Sakhia

Title: Chief Financial Officer

Address for Notices:

6111 Royalmount Ave., Suite 102
Montreal, Quebec
H4P 2T4

Attention: Samira Sakhia
Telephone: (514) 340-1112
Fax: (514) 344-4675

EXHIBIT A
FORM OF PROMISSORY NOTE

U.S.\$ _____ ,
2013

FOR VALUE RECEIVED, the undersigned, Bioniche Life Sciences Inc. (the “Borrower”), hereby promises to pay to Paladin Labs Inc. or its assigns (the “Lender”) at the Lender’s principal office in ●, ●, in immediately available funds, the aggregate principal sum of _____ U.S. Dollars (U.S.\$ _____) pursuant to the Amended and Restated Term Loan Agreement dated as of ●, 2013, among, inter alios, the Borrower and the Lender (as extended, renewed, amended or restated from time to time, the “Loan Agreement”), on the date or dates specified in the Loan Agreement together with interest on the principal amount of the Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Loan Agreement.

This Note is a Note issued in the name of the Lender pursuant to the terms of Section 2.04 of the Loan Agreement, and this Note and the holder hereof are entitled to all the benefits and security provided for thereby or referred to therein, to which Loan Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Loan Agreement.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

The Borrower hereby waives demand, presentment, protest or notice of any kind hereunder, other than notices provided for in the Loan Documents.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE LOAN AGREEMENT.

[Signature Page Follows]

BIONICHE LIFE SCIENCES INC.

By: _____

Name:

Title:

By: _____

Name:

Title:

EXHIBIT B
[INTENTIONALLY DELETED]

EXHIBIT C
FORM OF GUARANTEE ASSUMPTION AGREEMENT

GUARANTEE ASSUMPTION AGREEMENT

GUARANTEE ASSUMPTION AGREEMENT dated as of _____, ____ by **[NAME OF ADDITIONAL SUBSIDIARY GUARANTOR]**, a _____ corporation (the “Additional Subsidiary Guarantor”), in favour of Paladin Labs Inc., as Lender (the “Lender”) under that certain Amended and Restated Term Loan Agreement dated as of ●, 2013 between the Lender and Bioniche Life Sciences Inc., as Borrower, and the Subsidiary Guarantors party thereto (as modified and supplemented and in effect from time to time, the “Loan Agreement”).

Pursuant to Section 8.12(a) of the Loan Agreement, the Additional Subsidiary Guarantor hereby agrees to become a “Subsidiary Guarantor” for all purposes of the Loan Agreement, and a “Grantor” for all purposes of the Security Agreement. Without limiting the foregoing, the Additional Subsidiary Guarantor hereby, jointly and severally with the other Subsidiary Guarantors, guarantees to the Lender and its successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of all Guaranteed Obligations (as defined in Section 12.01 of the Loan Agreement) in the same manner and to the same extent as is provided in Section 12 of the Loan Agreement. In addition, the Additional Subsidiary Guarantor hereby makes the representations and warranties set forth in Sections 7.01, 7.02 and 7.03 of the Loan Agreement, and in Section [] of the Security Agreement, with respect to itself and its obligations under this Agreement, as if each reference in such Sections to the Loan Documents included reference to this Agreement, such representations and warranties to be made as of the date hereof.

The Additional Subsidiary Guarantor hereby instructs its counsel to deliver the opinions referred to in Section 8.12(a) of the Loan Agreement to the Lender.

IN WITNESS WHEREOF, the Additional Subsidiary Guarantor has caused this Guarantee Assumption Agreement to be duly executed and delivered as of the day and year first above written.

**[NAME OF ADDITIONAL
SUBSIDIARY GUARANTOR]**

By: _____

Title:

Accepted and agreed:

CAPITAL ROYALTY PARTNERS II L.P.,
as Lender

By: _____

Title:

Capital Royalty Partners II (Cayman) L.P.,
as Lender

By: _____

Title:

Capital Royalty Partners II – Parallel Fund “A”
L.P., as Lender

By: _____

Title:

EXHIBIT D
FORM OF COMPLIANCE CERTIFICATE

Capital Royalty Partners II L.P.

●

(the "Lender")

Ladies and Gentlemen:

The undersigned, _____ refers to the Amended and Restated Term Loan Agreement dated as of ●, 2013, (as amended, supplemented or otherwise modified, the "Loan Agreement"; the terms defined therein being used herein as therein defined), among the undersigned, the Subsidiary Guarantors (as defined therein) and the Lender. This Compliance Certificate is delivered pursuant to Section 8.01(d) of the Loan Agreement.

I, _____, the [Chief Executive Officer], [Chief Financial Officer] [a senior officer] of Bioniche Life Sciences Inc., in such capacity and not personally, hereby certify that:

1. I am the duly appointed [Chief Executive Officer] [Chief Financial Officer] of Bioniche Life Sciences Inc. and as such I am providing this certificate for and on behalf of Bioniche Life Sciences Inc. pursuant to the Loan Agreement.
2. I am familiar with and have examined the provisions of the Loan Agreement.
3. The financial statements most recently delivered pursuant to Section 8.01(a), 8.01(b) or 8.01(c), as applicable, of the Loan Agreement present fairly the financial position, results of operations and changes in financial position of the persons specified therein in accordance with IFRS (subject to normal year-end adjustments and the absence of any required notes to such financial statements).
4. The representations and warranties contained in Section 7 of the Loan Agreement are true and correct as though made on the date hereof, except for those changes to the representations and warranties which have been disclosed to and accepted by the Lender and any representation and warranty which is stated to be made as of a certain date (and then as of such date).
5. As of the date hereof, no Default or Event of Default has occurred and is continuing.
6. As of the date hereof, the Borrower is in compliance with the financial covenants in Section 8.15 of the Credit Agreement.

Dated this ____ day of _____.

By

Title:

SCHEDULE 1
MATERIAL AGREEMENTS

1. Employment Agreement between the Borrower and Graeme McRae.
2. Sub-license and Collaborative Agreement between the Borrower and Alberta Research Council Inc. dated June 15, 2001.
3. All of the agreements in respect of Existing Indebtedness listed on Schedule 7.13.
4. License Agreement between the Borrower and The University of Ottawa dated February 19, 2010.
5. License Agreement dated July 25, 2012 by and among The University of British Columbia and Universidad Nacional Autonoma De Mexico, as licensors, and Bioniche Life Sciences Inc., as licensee.
6. Amended and Restated Revenue Interest Agreement dated as of June 5, 2013 by and among, among others, the Initial Original Lenders and the Borrower.
7. License, Development and Supply Agreement between the Borrower, Bioniche Therapeutics Corp. and the Lender dated June ___, 2013.

SCHEDULE 7.05(b)
INTELLECTUAL PROPERTY

Borrower Contracts

1. Sub-license and Collaborative Agreement between the Borrower and Alberta Research Council Inc. dated June 15, 2001.
2. License Agreement between the Borrower and The University of Ottawa dated February 19, 2010.
3. License Agreement dated July 25, 2012 by and among The University of British Columbia and Universidad Nacional Autonoma De Mexico, as licensors, and Bioniche Life Sciences Inc., as licensee.
4. License, Development and Supply Agreement between the Borrower, Bioniche Therapeutics Corp. and the Lender dated June ____, 2013.

Patents¹ (other than those referenced in part (iii) of the definition of Patents)

MCC

Title	Patent Application Number	Patent Registration Number
Bacterial Cell Complex Composition and Method of Use Composition And Method for Regulating Cell Proliferation and Cell Death		US 6326357 AU 736450, CA 2299548, EP 1003525 (validated in AT, BE, CH, DE, DK, ES, FI, FR, GB, GR, IE, IT, NL, PT, SE), HU 227921, IL 134371, IL 180924 (divisional), JP 4335435, KR 533576, MX 219913, NO0322450, NZ 502674, SG 70748
Composition And Method for the Treatment of Bladder Cancer		AU 751667, CN ZL98813659.7, EP1054680 (validated in AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), HK 103887, JP 4426097, MX 219967, NZ 506406, RO 00832, US 6329347
Method for Treating Inflammation		AU 768327, CA 2354047, EP 1135164 (validated in AT, BE, CH, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, NL, PT, SE) JP 4488626, JP 505148, US 6890911
Chemotherapeutic Composition and Method		AU 782335, CA 2353905, EP 1135161 (validated in AT, BE, CH, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, NL, PT, SE), JP 4380922, NZ 511941, US 6809081
Composition and Method for Inducing Apoptosis in Prostate Cancer Cells		AU 780909, CA 2366090, EP 1165106 (validated in AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, NL, PT, SE), US 6794368
Hyaluronic Acid in the Treatment of Cancer	EP 0986939.7	AU 7840356, CA 2395493, JP 04215429, NZ 520312, US 7125858

¹ Patent Application Numbers and Patent Registration numbers provided with reference to county codes detailed on Annex 1 to this Schedule 7.05(b).

RNC Technology

Title	Patent Application Number	Patent Registration Number
Bacterial Ribonucleic Acid Compositions and making them	WO PCT/IB2011/054539, AR P110103806, AU 2011315093, CA 2799442, EP 11832218.9, US 13,701954, UY 33668	

Oligonucleotides (ODN)

Title	Patent Application Number	Patent Registration Number
Therapeutically Useful Synthetic Oligonucleotides	HK 09111447.7	AU 0785212, CN ZL00818858.0, CN 2008101740188 (divisional), EP 1238070 (validated in AT, BE, CH, DE, DK, ES, FI, FR, GB, GR, IE, IT, NL, PT, SE, TR), EP 1867718 (validated in CH, DE, DK, ES, FR, GB, IT), JP 4772245, IL 150196, MX 249712, NO 20022820, SG 89649, US 7157436
Modulation Of FAS and FASL Expression		AU 2001268863, MX 294119
Oligonucleotide Compositions and Their Use to Induce Differentiation of Cells	US 11/449152 (divisional)	EP 1381375, IL 158534, JP 4460220, NZ 529160, US 7087586
Therapeutically Useful Triethyleneglycol Cholesteryl Oligonucleotides		AU 2002341264, CN ZL02824191.6, EP 1432450 (validated in AT, BE, BG, CH, CZ, DE, DK, ES, FI, FR, GB, GR, IE, IT, LT, NL, PT, RO, SI, SK, SE, TR), HK 1067308, IL 161181, IN 226189, JP 4405259, MX 254832
Conformation-Activity Relationship of Apoptosis Inducing Phosphodiester Oligonucleotides		JP 4469603, KR 943567, IL 160408 MX 250876, US 7200531
Oligonucleotide Compositions and their use to Induce Apoptosis		IL160407, KR 10-17483, US 7199228, US 7893242
Oligonucleotide Compositions and Their Use for the Modulation of Dendritic /immune Cells	CN 3814355	KR 1092043, MX 280548, US 7371734
Non-DNA Base-Containing Oligonucleotide Composition and their Use for the Modulation of Immune	CA 2780066, CN 201080061070.8, EP 10829583.3, IL 29581, JP 2012-5138420, KR 10-	

Title	Patent Application Number	Patent Registration Number
Responses	2012-7014812, MX MX/a/2012/005174	

Antiviral Technology

Title	Patent Application Number	Patent Registration Number
Use of Imatinib to Treat Liver Disorders And Viral Infections	AP/P/2006/003863, AR P05-0102296, BR 0511805-0, CA 2568671, CL 1355-2005, CN 201110031735.7 (divisional) DZ 060615, EG 1159/2006, GC C/P/2005/4739, ID W00 2006 3795, IL 179796, KR7000191/2007, MY PI20052542, , PH 1-2006-502440, PY 15736-2005, TH 101149.0, TW 94118426.0, UY 28.942, VE 1099-2005	EA 013813 (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), EP 1750713 (validated AT, BE, CH, CZ, DE, DK, ES, FI, FR, GB, HU, IE, IT, LU, NL, PL, PT, SE), IR 34027, JP 5015769, MA 28840, MX 28840, SG 153111(divisional), TM19655, US 8293745

E. coli Vaccine Technology*

Title	Patent Application Number	Patent Registration Number
Pathogenic <i>Escherichia coli</i> Associated Protein EspA (sublicensed from AITF)	CA 2252372 (allowed), US 11/693,665 (divisional)	EP 904288 (validated AT, BE, DK, FR, DE, IE, IT, NL, ES, TR, GB), JP 5058106, MX 300500, US 6355254, US 7078193 (divisional), US 7214499 (divisional)
Host Membrane Receptor for Pathogenic Bacteria (sublicensed from AITF)	CA 2309559, JP 2009-071999 (divisional)	EP 1029054 (validated in AT, DE, ES, GB, IE, IT, PT, SE), JP 4410412, US 7208574, US 7531315, US 7759462
Enterohemorrhagic <i>Escherichia coli</i> Vaccine (sublicensed from AITF)	AR 020100026, BR PI 0206312-3, EP 02726978.6, EP 10183730.0 (divisional), JP 2009-0664488, JP 2013-028877 (divisional), MX/a/2009/006894 (divisional), US 11/876655 (continuation), US 11/876671 (divisional)	AU2002218927, CA 2433792, MX 279066, NZ 527322, US 7300659
Bacterial Virulence Factors and Uses Thereof (Option to license from UBC)	AR 20040104025, AU 20112018889(divisional), BR PI0415816-4, CA 2543763, CN	AU 2004286002, CN ZL200480039568.9, CO 1384, JP 5100122, NZ 547156, RU 2006118803, UA 94206, ZA 2006/04412

Title	Patent Application Number	Patent Registration Number
	200910206659 (divisional), CN 200910206659(divisional), EP 04899798.8, EP 11175692(divisional), EP 11184778.6(divisional), IN 2984/DELNP/2006 (divisional), IN 1747/DELNP/2011 (divisional), IN 7990-DELNP/2012 (divisional), JPD1 2011-152074(divisional), KR 2006-7010661, KR 2011-7019259(divisional), KR 2013-7001391 (divisional), MX PA/a/2006/004858, MX291494 (divisional), NO2006 2361, PH 1-2006-501046, RU 2012122559, UA 2011 00838 (divisional), US 10/577742, US 13/182334 (continuation)	
Methods and Compositions for treating and preventing Shiga Toxin Producing Escherichia coli infection (Joint VIDO/BLSI licensed from AITF)	AU 2010234193, BR P101415816.4, CA 2757828, EP 10761153.5, JP 2012-503839, US 13/262,444	

Reproductive Technology

Title	Patent Application Number	Patent Registration Number
Carrier Device, Drug Delivery Device		US D469872, NZ 29801
Drug Delivery System (Gills)		AU 741072, CA 2,320,993, EP 1061987 (validated in DE, ES, FR, GB, IE, NL), NZ 506120, US 6770288
Drug Delivery System (Wishbone)		AU 734838, CA 230535, EP 1021137 (validated in DE, ES, FR, GB, IE, NL), NZ 503715
Determination of Genetic Sex in Ruminants using Y-Chromosome specific Polynucleotides		US 5459038

MCWE

Title	Patent Application Number	Patent Registration Number
Composition and Method For Stimulation of Reproductive Performance		AU 726330, CA 2170142, EP 0714305 (validated in CH, FR, DE, GB, IT), US 5632995
Immunostimulatory Bacterial Cell Wall Fraction Immunotherapeutic Composition	JP 516525/94	US 5759554 AU 691797, CA 2154689, CN 94191293.0, EP 0681479 (validated DE, DK, FR, GB, IE, NL, NZ)
Method for Enhancing Production Performance in an Animal		AU 726330, CA 2378888, EP1196182B1, (validated in AT, BE, DE, DK, ES, FI, FR, GB, GR, IE, IT, NL, PT, RO, SI, SE), NZ 517098, US 06890541
Method for Treating and Eliminating a Parasitic Disease		AU 727781, CN ZL98803893.5, MX228019, NZ 338060, US 6139844

Botanical Technology

Title	Patent Application Number	Patent Registration Number
Insect Repellent	AR 40101784, CA 2526627	AU 2004241797, CN ZL2004080020595, EP 1667698 (validated in DE, GB, FR), IN 235583, MX 261419, US 7381431, US 7985432

Anxiolytic Technology*

Title	Patent Application Number	Patent Registration Number
Anxiolytic Marcgraviaceae Compositions containing Betulinic Acid, Betulinic Acid Derivatives, and Methods (University of Ottawa)	EP 02729689.6, EP 12007548.6 (divisional), US 12/366837 (divisional), US 13/672578 (continuation)	CA 2446748, US 7488722
Plant compositions & Methods & Uses thereof for Treating Elevated Glucocorticoid Related Disorders & Anxiety	AU 2012250283, CA 2795330	

* These technologies are licensed from other parties.

Trademarks

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000582AR	Argentina	BIONICHE	2011/10/12	3.121.271	2013/01/04	2.553.246	2023/01/04	Renewal Fee Due
K6000582AR1	Argentina	BIONICHE	2011/10/12	3.121.272	2013/01/04	2.553.245	2023/01/04	Renewal Fee Due
K6001188AR1	Argentina	CUE-MATE	2003/04/29	2427189	2006/05/02	2.081.896	2016/05/02	Renewal Fee Due
K6001188AR2	Argentina	CUE-MATE	2002/06/06	2377984	2003/04/21	1 922 969	2023/04/21	Renewal Fee Due
K6001313AR	Argentina	ECONICHE	2007/06/15	2752287	2008/05/08	2,230,423	2018/05/08	Renewal Fee Due
K0520298AR	Argentina	FOLLTROPIN ⁶	2010/07/15	3.016.288				Office Action Received; Opposed
	Argentina	ONCOCIDIN	2012/11/30	3,211,609				Application Filed
K6000895AR	Argentina	PREGNECOL	2007/01/16	2724062	2008/01/22	2,209,099	2018/01/22	Renewal Fee Due
K60001077AR	Argentina	SETTLE	2005/06/14	2597227	2006/10/19	2.121.329	2016/10/19	Renewal Fee Due
K6001114AR	Argentina	SYNGRO ⁵	2009/08/11	2.936.058	2011/10/06	2.468.335	2021/10/06	Renewal Fee Due
K6001114AR	Argentina	VIGRO	2009/08/11	2.369.533	2010/05/20	2,369,533	2020/05/20	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000620AU	Australia	BC2A	2001/01/08	862387	2001/10/11	862387	2021/01/08	Renewal Fee Due
K6000582AU	Australia	BIONICHE	1991/03/09	562855	1991/03/09	562855	2018/09/03	Renewal Fee Due
K60001042AU	Australia	BREEDING ON CUE	2004/09/27	1022107	05/23/2005	1022107	2014/09/27	Renewal Fee Due
K6000291AU	Australia	COLIMUNE	1999/12/23	818530	2003/02/24	818530	2019/12/23	Renewal Fee Due
K6001189AU	Australia	CUE	2002/08/05	922252	2003/03/19	922252	2022/08/05	Renewal Fee Due
K60001063AU	Australia	CUE-MARE	2004/11/29	1032100	2006/06/13	1032100	2014/11/29	Renewal Fee Due
K6001188AU2	Australia	CUE-MATE	2002/06/07	915729	2003/01/23	915729	2022/06/07	Renewal Fee Due
K6001188AU1	Australia	CUE-MATE	2002/06/03	915111	2003/01/13	915111	2022/06/03	Renewal Fee Due
K6001188AU3	Australia	CUE-MATE	2002/08/05	922253	2003/03/19	922253	2022/08/05	Renewal Fee Due
K6000487AU	Australia	ECHI-FEND	2000/09/06	849286	2001/03/14	849286	2020/09/06	Renewal Fee Due
K6001313AU	Australia	ECONICHE	2007/05/21	1177163	2007/10/15	1177163	2017/05/21	Renewal Fee Due
K6000402AU	Australia	ENHANCE	2000/02/03	822225	2000/02/03	822225	2020/02/03	Renewal Fee Due
K0520299AU	Australia	EQUIMUNE	1989/04/04	507909	1989/04/04	507909	2016/04/04	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001364AU	Australia	EWE-MATE	2007/12/17	1215566	2008/08/01	1215566	2017/12/17	Renewal Fee Due
K0520286AU	Australia	FERTILINE	1988/12/14	501479	1988/12/14	501479	2019/12/14	Renewal Fee Due
K6000483AU	Australia	FLOWER Design	2000/09/06	849289	2001/03/14	849289	2020/09/06	Renewal Fee Due
K0520298AU	Australia	FOLLTROPIN	1987/11/04	475915	1989/07/13	475915	2018/11/04	Renewal Fee Due
K6000298AU	Australia	IMMUNOBOOST	1999/12/23	818532	1999/12/23	818532	2019/12/23	Renewal Fee Due
K6000154AU	Australia	KETAVET	1998/07/10	767279	1999/04/30	767279	2018/07/10	Renewal Fee Due
K6000492AU	Australia	MAMMACIDIN	2007/05/02	1173948	2007/12/12	1173948	2017/05/02	Renewal Fee Due
K6000622AU	Australia	MAP 5	1999/04/07	790475	1999/04/07	790475	2019/04/07	Renewal Fee Due
K6001696AU	Australia	NEXHA	2010/07/01	1369831	2010/06/30	1369831	2020/07/01	Renewal Fee Due
	Australia	ONCOCIDIN	2012/06/12	1495772	2013/04/03	1495772	2022/06/12	Renewal Fee Due
K6000839AU	Australia	OVA-GEST	2002/09/06	926090	2003/04/29	926090	2022/09/06	Renewal Fee Due
K6000895AU	Australia	PREGNECOL	2007/04/02	1169317	2009/01/27	1169317	2017/04/02	Renewal Fee Due
K0520280AU	Australia	REGRESSIN	1992/08/27	585377	1992/08/27	585377	2019/08/27	Renewal Fee Due
K6000576AU	Australia	SERATROPIN	1989/04/03	507864	1989/04/03	507864	2016/04/03	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001077AU	Australia	SETTLE	2005/04/08	1049746	2005/08/15	1049746	2015/04/08	Renewal Fee Due
K6001811AU	Australia	SIN SUSTO	2011/11/18	1460319	2011/11/18	1460319	2021/11/18	Renewal Fee Due
K6001043AU	Australia	SPERM/GLOBE Design	2004/09/27	1022106	2005/05/23	1022106	2014/09/27	Renewal Fee Due
K6000459AU	Australia	UROCIDIN *	2011/11/16	1459875	2011/11/16	1459875	2021/11/16	Renewal Fee Due
K0520282AU	Australia	VETREPHARM	1991/07/26	560433	1994/03/17	560433	2018/07/26	Renewal Fee Due
K6000964AU	Australia	VIGRO	2009/08/10	1314442	2010/04/10	1314442	2019/08/10	Renewal Fee Due
K6000459AT	Austria*	UROCIDIN *	2007/06/07	AM 3668/2010	2010/10/20	259.384	2020/10/20	Renewal Fee Due
K6000582BX	Benelux	BIONICHE	1993/07/14	75767	1994/05/04	536172	2013/07/14	Renewal Fee Due
K6000459BX	Benelux*	UROCIDIN *	2007/06/07	201022	2010/11/10	201022	2017/06/07	Renewal Fee Due
K6000582BR	Brazil	BIONICHE	2003/08/08	825756740				Registration Fee Paid;

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
								Awaiting Registration
K6001188BR2	Brazil	CUE-MATE	2002/06/10	824645537	2009/08/25	824645537	2019/08/25	Renewal Fee Due
K6001188BR1	Brazil	CUE-MATE	2002/06/06	824641051	2009/08/25	824641051	2019/08/25	Renewal Fee Due
K6000487BR	Brazil	ECHI-FEND	2000/09/06	823140920				Registration Fee Paid; Awaiting Registration
K6001313BR	Brazil	ECONICHE *	2007/07/03	829209107	2011/09/06	829209107	2021/09/06	Renewal Fee Due
K0520299BR	Brazil	EQUIMUNE	1995/10/10	816885443		816885443	2015/10/10	Renewal Fee Due
K6000483BR	Brazil	FLOWER Design	2000/09/06	823140911				Application Advertised; Awaiting Allowance
K0520298BR	Brazil	FOLLTROPIN-V	1993/04/27	816272670		816272670	2013/04/27	Renewal Fee Due
K6000295BR	Brazil	LUTROPIN-V	1993/04/20	816263035		816263035	2013/04/20	Renewal Fee Due
	Brazil	ONCOCIDIN	2012/11/29					Application Filed
K6000895BR	Brazil	PREGNECOL	2007/08/03	900432438	2013/01/15	900432438	2023/01/15	Renewal Fee Due
K60001077BR	Brazil	SETTLE	2005/04/14	827344007				Application Pending

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001114BR	Brazil	SYNGRO ²	2005/12/02	827931000				Application Opposed ² ;
K6001114BR1	Brazil	SYNGRO ²	2005/12/02	827930992				Application Opposed ² ;
K6000459BG	Bulgaria*	UROCIDIN *	2010/07/09	115327	2011/09/14	77525	2017/06/07	Renewal Fee Due
K6000919CA	Canada	AI-SYNCH	2003/09/22	1191418	2004/09/24	620668	2019/09/24	Renewal Fee Due
K6001348CA	Canada	BIO-ISO-G	2007/05/04	1346258	2009/02/26	735248	2024/02/26	Renewal Fee Due
K6000582CA	Canada	BIONICHE	1993/08/23	735306	1994/08/26	432566	2024/08/26	Renewal Fee Due
K0520285CA	Canada	BUTEQUIN	1981/10/26	477388	1986/08/29	317858	2016/08/29	Renewal Fee Due
K6001096CA	Canada	BUTEQUINE	2004/12/08	1240116	2005/10/19	650835	2020/10/19	Renewal Fee Due
K6000607CA	Canada	COLIBOS	2001/03/21	1096757	2003/03/11	577246	2018/03/11	Renewal Fee Due
K6000291CA	Canada	COLIMUNE	201/10/15	1.598.283				Application Filed
K6000577CA	Canada	CRONYXIN	1997/12/08	863499	1998/11/03	503579	2013/11/03	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	Canada	CUE-MATE	2010/08/31	1.494.217			2018/08/31	Declaration of Use Due
K6000487CA	Canada	ECHI-FEND	2000/03/10	1050429	2002/02/13	557,880	2017/02/13	Renewal Fee Due
K6000487CA2	Canada	ECHI-FEND	2012/05/23	1,578.881				Application Filed
K6001313CA	Canada	ECONICHE *	2007/03/05	1337986	2009/05/08	739,695	2024/05/08	Allowed; Declaration of Use Due
K6001432CA	Canada	ECONICHE & Leaf Design *	2008/03/25	1388410	2010/11/19	782,792	2025/11/19	Renewal Fee Due
K6000402CA1	Canada	ENHANCE	2006/06/16	1305669	2010/06/25	770,714	2025/06/25	Renewal Fee Due
K6000611CA	Canada	ENTEROBOS	2001/03/22	1097340	2003/03/11	577248	2018/03/11	Renewal Fee Due
K6001064CA	Canada	EPIC	2005/02/18	1247715	2006/01/03	655973	2021/01/03	Renewal Fee Due
K0520299CA	Canada	EQUIMUNE	1985/09/13	549095	1987/05/29	328047	2017/05/29	Renewal Fee Due
K6000483CA	Canada	FLOWER Design	2000/03/07	1049650	2003/09/29	591006	2018/09/29	Renewal Fee Due
K0520298CA	Canada	FOLLTROPIN	1986/07/03	565489	1988/05/13	340301	2018/05/13	Renewal Fee Due
K6000293CA	Canada	HYDRA	1983/03/02	499598	1984/05/04	290687	2014/05/04	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	Canada	IMMUNOBOOST	2012/10/15	1,598,279				Application Filed
K6000298CA	Canada	IMMUNOBOOST K	1996/04/26	811086	1997/10/10	483908	2012/10/10	Renewal Fee Due
K6000401CA2	Canada	IMMUNOCIDIN ³	2011/10/13	1547556				Application Filed
K6000294CA	Canada	IMMUNOSTIM	1987/06/11	585892	1988/10/28	347242	2018/10/28	Renewal Fee Due
K6001437CA	Canada	Leadership Logo *	2008/06/18	1400203			2012/06/18	Allowed; Declaration of Use Due
K6000295CA	Canada	LUTROPIN	1989/11/27	645615	1991/06/21	385913	2021/06/21	Renewal Fee Due
K6000492CA	Canada	MAMMACIDIN	2012/11/21	1.603.428				Application Filed
K6000296CA	Canada	MAMMALAC	1983/11/08	511992	1984/07/13	292953	2014/07/13	Renewal Fee Due
K6001696CA	Canada	NEXHA	2010/06/30	1487101			2013/06/30	Allowed; Declaration of Use Due
K6001141CA	Canada	NUTREQUIN	2006/01/06	1285161	2006/12/27	678755	2021/12/27	Renewal Fee Due
K6000655CA	Canada	OMEGA-FEND	2001/05/14	1102930	2003/03/20	577744	2018/03/20	Renewal Fee Due
K6001095CA	Canada	OMEGA-FEND &	2004/12/20	1241369	2005/11/25	653620	2020/11/25	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
		Design						
	Canada	ONCOCIDIN	2012/06/07	1.591.738				Application Filed
	Canada	PLASVET	2012/06/21	1,583,158				Application Filed
K6000895CA	Canada	PREGNECOL	2003/06/13	1181086	2004/05/28	611413	2019/05/28	Renewal Fee Due
K6000467CA	Canada	PROSTACIDIN	2012/08/27	1.591.738				Application Filed
K0520280CA	Canada	REGRESSIN	1989/11/27	645613	1991/06/21	385912	2021/06/21	Renewal Fee Due
K6000297CA	Canada	SEROTROPIN	1989/11/27	645617	1991/06/21	385914	2021/06/21	Renewal Fee Due
K6001811CA	Canada	SIN SUSTO	2011/11/17	1552579	2013/03/08	845.597	2014/11/17	Renewal Fee due
K6000578CA	Canada	SURE-AMP	1996/07/02	816661	2000/09/12	532499	2015/09/12	Renewal Fee Due
K6001114CA	Canada	SYNGRO	2005/04/04	1252861	2006/03/16	660892	2021/03/16	Renewal Fee Due
K6001062CA	Canada	TREE Design	2005/01/10	1243054	2006/02/28	659771	2021/02/28	Renewal Fee Due
K6000459CA	Canada	UROCIDIN *	2000/01/26	1044317			2014/01/26	Allowed; Declaration of Use Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K0520282CA	Canada	VETREPHARM	1979/05/29	440209	1981/12/04	264849	2026/12/04	Renewal Fee Due
K6000964CA	Canada	VIGRO	2004/03/11	1209235	2005/04/20	637879	2020/04/20	Renewal Fee Due
K6000608CA	Canada	VIRABOS	2001/03/26	1097374	2002/11/29	571459	2017/11/29	Renewal Fee Due
	Chile	BIONICHE	2012/12/06	1036.929				Application Filed
K6001188CL	Chile	CUE-MATE	2002/06/04		2002/10/31	647412	2012/10/31	Renewal Fee Due
K0520298CL	Chile	FOLLTROPIN	2006/09/29	746114	2008/09/28	828645	2018/09/29	Renewal Fee Due
	Chile	ONCOCIDIN	2012/12/03	1036294				Application Filed
K6000582CN	China	BIONICHE	1996/04/03	960042975	1997/08/21	1081070	2017/08/20	Renewal Fee Due
	China	BIONICHE (Chinese characters)	2012/10/29	11662427				Application Filed
	China	BIONICHE (Chinese characters)	2012/10/29	11662426				Application Filed
K6001042CN	China	BREEDING ON CUE (CI.5)	2004/12/03	4395528	2008/02/14	4395528	2018/02/14	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K60001042CN1	China	BREEDING ON CUE (Cl.10)	2004/12/03	4395527	2008/09/21	4395527	2018/09/20	Renewal Fee Due
K6001188CN1	China	CUE-MATE	2002/06/10		2003/08/28	3205066	2013/08/27	Renewal Fee Due
K6001188CN2	China	CUE-MATE	2002/06/05		2003/06/21	3200573	2013/06/20	Renewal Fee Due
K6001313CN	China	ECONICHE *	2007/05/24	6067945	2011/01/21	6067945	2021/01/20	Renewal Fee Due
	China	ENHAN CE	2012/12/20	11922583				Application Filed
K0520298CN	China	FOLLTROPIN	2002/11/27	3384878	2004/07/28	3384878	2014/07/28	Renewal Fee Due
	China	ONCOCIDIN	2012/12/03	118331013				Application Filed
K6000895CN	China	PREGNECOL	2011/11/21	10209950	2013/01/21	10209950	2023/01/20	Renewal Fee Due
K6001043CN	China	SPERM/GLOBE Design (Cl.5)	2004/12/03	4395530	2008/02/28	4395530	2018/02/27	Renewal Fee Due
K6001043CN1	China	SPERM/GLOBE Design (Cl.10)	2004/12/03	4395529	2007/06/28	4395529	2017/06/27	Renewal Fee Due
K6000459CN	China	UROCIDIN *	2011/11/18	10203534	2013/01/21	10203534	2023/01/20	Renewal Fee Due
	Columbia	BIONICHE	2012/12/06	12221367				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	Columbia	CUE-MATE	2012/11/06	12221359				Application Filed
K6001313CO	Colombia	ECONICHE *	2007/06/07	7057547	2008/02/22	347777	2018/02/22	Renewal Fee Due
K0520298CO	Colombia	FOLLTROPIN	2007/06/15	7061022	2008/01/16	348718	2018/01/16	Renewal Fee Due
	Columbia	ONCOCIDIN	2012/11/28	12215973				Application Filed
K6000582DK	Denmark	BIONICHE	1993/07/13	4518/93	1993/10/22	VR 7518	2013/10/22	Renewal Fee Due
	Denmark*	UROCIDIN *	2007/06/07	VA20101932	2010/07/20	VR 1876	2020/07/20	Renewal Fee Due
K6001188EC1	Ecuador	CUE-MATE	2002/06/11		2003/04/23	21647-03	2012/10/03	Renewal Fee Due
K6001188EC2	Ecuador	CUE-MATE	2002/06/11		2003/04/23	21648-03	2012/10/03	Renewal Fee Due
	E. Community	BIONICHE	2012/12/05	11401072				Application Filed
	E. Community	CUE-MATE	2012/12/04	11396421				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000487CTM	E. Community	ECHI-FEND	2001/02/12	2088383	2002/03/04	2088383	2021/02/12	Renewal Fee Due
K6001313CTM	E. Community	ECONICHE *	2007/05/22	5923958	2008/04/24	5923958	2017/05/22	Renewal Fee Due
K6000483CTM	E. Community	FLOWER DESIGN	2001/02/12	2088235	2002/03/04	2088235	2021/02/12	Renewal Fee Due
K0520298CTM	E. Community	FOLLTROPIN	2005/05/12	4392726	2006/06/12	4392726	2015/05/12	Renewal Fee Due
K6000401CTM	E. Community	IMMUNOCIDIN	2007/10/26	6397012	2008/10/09	6397012	2017/10/26	Renewal Fee Due
K6000492CTM	E. Community	MAMMACIDIN	2007/05/16	5911946	2008/05/02	5911946	2017/05/16	Renewal Fee Due
K6001696CTM	E. Community	NEXHA	2010/07/02	9221144	2010/12/17	9221144	2020/07/02	Renewal Fee Due
	E. Community	ONCOCIDIN	2012/06/11	10955921	2012/08/02	10955921	2022/06/11	Renewal Fee Due
K6001077CTM	E. Community	SETTLE	2005/05/03	4371531	2006/05/05	4371531	2015/05/03	Renewal Fee Due
K6001811CTM	E. Community	SIN SUSTO	2011/11/18	10427417	2011/11/18	10427417	2021/11/18	Renewal Fee Due
K6001114CTM	E.	SYNGRO	2005/07/12	4538526	2007/01/18	4538526	2015/07/12	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	Community							
K6000459CTM	E. Community	UROCIDIN*	2007/06/07	5977939				Application Approved
	Costa Rica	BIONICHE	2012/12/06	2012-11574				Application Filed
	Costa Rica	CUE-MATE	2012/12/06	2012-11573				Application Filed
K0520298CR	Costa Rica	FOLLTROPIN	2009/08/13	197777	2010/01/06	197777	2020/01/06	Renewal Fee Due
	Costa Rica	ONCOCIDIN	2012/11/27	2012-11360				Application Filed
	Croatia	BIONICHE	2012/12/05	Z20122078A				Application Filed
	Croatia	ONCOCIDIN	2012/11/29	Z20122047A				Application Filed
K6000459CY	Cyprus*	UROCIDIN *	2007/06/07	78976				Application Approved
K6000459CZ	Czech	UROCIDIN *	2007/06/07	5977939	2011/02/09	316604	2017/06/07	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	Republic*							
K6000459EE	Estonia*	UROCIDIN *	2010/08/12	M201000688	2012/04/11	49225	2022/04/11	Renewal Fee Due
K6000582FI	Finland	BIONICHE	1993/07/13	3106/93	1994/07/05	132738	2014/07/05	Renewal Fee Due
K6000459FI	Finland*	UROCIDIN *	2010/07/07	T201001818	2010/08/31	249667	2020/08/31	Renewal Fee Due
K6000582FR	France	BIONICHE	1993/07/20	93/476994	1993/12/31	93476994	2013/07/20	Renewal Fee Due
K6000459FR	France*	UROCIDIN *	2007/06/07	103753832	2010/12/03	103753832	2017/06/07	Renewal Fee Due
K6000582DE	Germany	BIONICHE	1993/07/24	99094/5	1999/04/14	2105684	2013/07/24	Renewal Fee Due
K6000582GR	Greece	BIONICHE	1994/06/27	119.721	1997/08/19	119.721	2014/06/27	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000459GR	Greece*	UROCIDIN *	2010/08/18	576	2011/12/19	576	2020/08/18	Renewal Fee Due
K6000582HK	Hong Kong	BIONICHE	1993/07/16	7306/93	1997/05/20	B5542/97	2014/07/16	Renewal Fee Due
	Hong Kong	ENHANCE	2012/12/21	302475595				Application Filed
K6000459HU	Hungary*	UROCIDIN *	2010/08/05	M1001877	2011/01/17	202 131	2017/06/07	Renewal Fee Due
	Iceland	BIONICHE	2012/12/07	3344/2012				Application Filed
	Iceland	ONCOCIDIN	2012/12/07	3343/2012	2013/03/04	180/2013	2023/03/04	Renewal Fee Due
K6000582IN	India	BIONICHE	2009/07/31	1846184	2011/03/25	1846184	2019/07/31	Renewal Fee Due
K6000582IN1	India	BIONICHE	2009/07/31	1846183				Application Pending
K6001188IN1	India	CUE-MATE ⁸	2002/06/15	1115161	2005/02/21	1115161	2022/06/28	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001188IN2	India	CUE-MATE ⁸	2002/06/15	1115160	2006/01/09	1115160	2022/06/15	Renewal Fee Due
K6001313IN	India	ECONICHE*	2007/05/23	1561272	2011/01/12	904639	2017/05/23	Renewal Fee Due
K6000402IN	India	ENHANCE	2009/09/15	1862798				Response to Examiner's Report
	India	EPIC	2012/11/09	2426324				Application Filed
K0520298IN	India	FOLLTROPIN	2008/05/14	1687159	2011/03/09	1687159	2018/05/14	Renewal Fee Due
	India	LUTROPIN	2012/08/23	2384364				Application Filed
	India	ONCOCIDIN	2012/11/29	1057888				Application Filed
K6000895IN	India	PREGNECOL ⁹	2009/09/15	1862799				Application Advertised
K6000459IN	India	UROCIDIN*	2011/11/17	2235389				Application Filed
	Indonesia	BIONICHE	2013/02/08	D00.2013.005 886				Application Filed
	Indonesia	CUE-MATE	2013/02/08	D00.2013.005 888				Application Filed
	Indonesia	CUE-MATE	2013/02/08	D00.2013.005 887				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001188IR	Iran	CUE-MATE	2007/10/27	86080354	2008/04/29	152461	2017/10/27	Renewal Fee Due
K6000895IR	Iran	PREGNECOL	2007/10/27	86080353	2008/04/29	153739	2017/10/27	Renewal Fee Due
K6000582IE	Ireland	BIONICHE	1993/07/12	93/3077	1993/07/12	157591	2020/07/11	Renewal Fee Due
K6000459IE	Ireland*	UROCIDIN *	2010/06/22	2007/03059	2010/12/11	243641	2017/06/07	Renewal Fee Due
K6000582IL	Israel	BIONICHE	1993/07/14	88055	1995/05/10	88055	2014/07/14	Renewal Fee Due
	Israel	CUE-MATE	2012/08/06	248491				Application Filed
	Israel	ENHANCE	2012/08/06	248492				Application Filed
	Israel	EQUIMUNE	2012/08/06	248493				Application Filed
K0520298IL	Israel	FOLLTROPIN	2009/08/09	222875	2010/12/05	222875	2019/08/09	Renewal Fee Due
	Israel	ONCOCIDIN	2012/11/29	251320				Application Filed
K6000839IL	Israel	OVA-GEST	2008/08/10	213998	2010/08/08	213998	2018/08/10	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000895IL	Israel	PREGNECOL	2008/08/10	213999	2010/03/10	213999	2018/08/10	Renewal Fee Due
K6000582IT	Italy	BIONICHE	1993/09/21	MI93C 006385	1996/04/24	676.805	2013/09/21	Renewal Fee Due
K6000459IT	Italy*	UROCIDIN *	2007/06/07	2010C007513	2011/01/19	1407352	2017/06/07	Renewal Fee Due
K6000582JP	Japan	BIONICHE	1993/07/16	74821/93	1996/05/31	3160135	2016/05/31	Renewal Fee Due
K6001188JP	Japan	CUE-MATE	2002/06/04		2003/08/29	4704325	2013/08/29	Renewal Fee Due
K6001313JP	Japan	ECONICHE *	2007/05/23	200751042	2007/11/22	5094309	2017/11/22	Renewal Fee Due
	Japan	ONCOCIDIN	2012/11/28	2012-096356	2013/03/01	5561984	2023/03/01	Renewal Fee Due
	Japan	SIN SUSTO	2012 /04/26	2012-033596	2012/07/06	5505948	2022/07/06	Renewal Fee Due
K6000459JP	Japan	UROCIDIN *	2011/11/16	2011082325	2012/04/20	5487884	2022/04/22	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000459LV	Latvia*	UROCIDIN *	2007/06/07	M-10-770	2011/07/20	M63532	2017/06/07	Renewal Fee Due
K6000459LT	Lithuania*	UROCIDIN *	2007/06/07	2010 1383	2011/06/22	63688	2017/06/07	Renewal Fee Due
K6000459MT	Malta*	UROCIDIN *	2010/06/18	49901CV	2011/02/07	49901CV	2017/06/07	Renewal Fee Due
K6000582MX	Mexico	BIONICHE	2008/09/10	960383	2008/09/30	1064850	2018/09/10	Renewal Fee Due
K6000582MX1	Mexico	BIONICHE	2008/10/21	968922	2008/11/19	1073003	2018/10/21	Renewal Fee Due
K6001188MX1	Mexico	CUE-MATE	2012/06/29	1287774				Application Filed
K6001188MX2	Mexico	CUE-MATE	2012/06/29	1287772				Application Filed
K6001313MX	Mexico	ECONICHE *	2007/05/22	856022	2007/10/09	1005314	2017/05/22	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K0520298MX	Mexico	FOLLTROPIN	2007/06/07	860170	2012/07/03	1294794	2017/06/07	Renewal Fee Due
K6000492MX	Mexico	MAMMACIDIN	2007/05/24	856867	2007/10/09	1005870	2017/05/24	Renewal Fee Due
	Mexico	ONCOCIDIN	2012/12/04	1331278				Application Filed
K6000895MX	Mexico	PREGNECOL	2008/09/10	960390	2008/09/29	1063434	2018/09/10	Renewal Fee Due
K6001077MX	Mexico	SETTLE	2008/09/10	960384	2008/09/29	1063433	2018/09/10	Renewal Fee Due
	Morocco	BIONICHE	2012/12/21	148810				Application Filed
	Morocco	ONCOCIDIN	2012/12/04	148375				Application Filed
K6000620NZ	New Zealand	BC2A	2001/01/11	630576	2001/07/12	630576	2018/01/11	Renewal Fee Due
K6000582NZ	New Zealand	BIONICHE	1993/07/12	228407	1996/04/12	228407	2014/07/12	Renewal Fee Due
K6001042NZ	New Zealand	BREEDING ON CUE	2004/09/28	719063	2004/09/28	719063	2014/09/28	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001189NZ2	New Zealand	CUE	2002/07/19		2002/07/19	661071	2019/07/19	Renewal Fee Due
K6001189NZ3	New Zealand	CUE	2002/07/19		2002/07/19	661072	2019/07/19	Renewal Fee Due
K6001063NZ	New Zealand	CUE-MARE	2004/11/30	722241	2004/12/01	722241	2014/11/30	Renewal Fee Due
K6001188NZ3	New Zealand	CUE MATE; CUEMATE	2002/07/19		2002/07/19	661076	2019/07/19	Renewal Fee Due
K6001188NZ1	New Zealand	CUE MATE	1999/04/08		1999/11/12	307675	2016/04/08	Renewal Fee Due
K6001313NZ	New Zealand	ECONICHE *	2007/05/22	768723	2007/11/22	768723	2017/03/05	Renewal Fee Due
K6000402NZ	New Zealand	ENHANCE	2007/12/17	781495	2011/02/09	781495	2017/12/17	Renewal Fee Due
K0520299NZ	New Zealand	EQUIMUNE	1989/05/22	193340	1989/05/22	193340	2020/05/22	Renewal Fee Due
K6001364NZ	New Zealand	EWE-MATE	2007/12/17	781498	2007/12/17	781498	2017/12/17	Renewal Fee Due
K6000628NZ	New Zealand	FERTILENE	1989/05/16	193201	1992/09/25	193201	2020/05/16	Renewal Fee Due
K6000629NZ	New Zealand	FOLLTROPIN-V	1989/05/22	193339	1992/09/25	193339	2020/05/22	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000298NZ	New Zealand	IMMUNOBOOST	1999/12/24	605846	2001/08/09	605846	2020/12/24	Renewal Fee Due
K6000154NZ	New Zealand	KETAJET	1998/07/15	295325	1999/01/19	295325	2015/01/15	Renewal Fee Due
K6000492NZ	New Zealand	MAMMACIDIN	2007/05/02	767756	2007/11/08	767756	2017/05/02	Renewal Fee Due
K6000622NZ	New Zealand	MAP 5	1999/04/08	307626	1999/04/08	307626	2016/04/08	Renewal Fee Due
	New Zealand	ONCOCIDIN	2012/06/11	960311	2012/06/07	960311	2022/06/07	Renewal Fee Due
K6000839NZ	New Zealand	OVA-GEST	2007/12/17	781501	2008/06/18	781501	2017/12/17	Renewal Fee Due
K6000895NZ	New Zealand	PREGNECOL	2007/06/12	770174	2007/12/13	770174	2017/06/12	Renewal Fee Due
K6001077NZ	New Zealand	SETTLE	2008/04/08	787222	2009/04/09	787222	2018/04/08	Renewal Fee Due
K6001043NZ	New Zealand	SPERM/GLOBE Design	2004/09/28	719062	2004/09/28	719062	2014/09/28	Renewal Fee Due
K6001043NZ1	New Zealand	SPERM/GLOBE Design	2005/03/10	726443	2005/03/10	726443	2015/03/10	Renewal Fee Due
K6000459NZ	New Zealand	UROCIDIN *	2011/11/16	852484	2011/11/16	852484	2021/11/16	

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
								Renewal Fee Due
K6000625NZ	New Zealand	VETALAR	1992/11/23	223154	1992/11/23	223154	2013/11/23	Renewal Fee Due
K0520282NZ	New Zealand	VETREPHARM	1989/05/16	193202	1989/05/16	193202	2020/05/16	Renewal Fee Due
K0520282NZ1	New Zealand	VETREPHARM	1991/09/05	212669	1991/09/05	212669	2022/09/05	Renewal Fee Due
	Norway	BIONICHE	2012/12/05	201213465				Application Filed
K6001313NO	Norway	ECONICHE *	2007/05/23	200705898	2007/11/23	242645	2017/11/23	Renewal Fee Due
K6000492NO	Norway	MAMMACIDIN	2007/05/21	200705712	2007/10/31	241807	2017/10/31	Renewal Fee Due
	Norway	ONCOCIDIN	2012/11/28	201213144				Application Filed
	Pakistan	BIONICHE	2012/12/24	331417				Application Filed
	Pakistan	ONCOCIDIN	2012/12/03	330103				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6000582PY	Paraguay	BIONICHE ¹⁰	2011/05/25	20596				Application Advertised
K6000582PY1	Paraguay	BIONICHE	2011/05/25	20597	2012/09/05	367.597	2022/09/05	Renewal Fee Due
K0520298PY	Paraguay	FOLLTROPIN	2011/05/25	20598	2012/09/05	367.598	2022/09/05	Renewal Fee Due
K6000459PL	Poland*	UROCIDIN *	2007/06/07	375419	2007/06/07	243335	2017/06/07	Renewal Fee Due
K6000459PT	Portugal*	UROCIDIN *	2007/06/07	468.924	2010/10/18	468924	2020/10/18	Renewal Fee Due
K6000459RO	Romania*	UROCIDIN *	2007/06/07	M201000448 5	2007/06/07	117983	2017/06/07	Renewal Fee Due
	Serbia	BIONICHE	2012/12/07	Z-1736/2012				Application Filed
	Serbia	ONCOCIDIN	2012/12/04	Z-1696/2012				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	Singapore	BIONICHE	2012/12/05	T12/18405Z				Application Filed
	Singapore	ONCOCIDIN	2012/11/30	T12/18243Z	2012/11/30	T12/18243Z	2022/11/30	Renewal Fee Due
	South Africa	BIONICHE (Cl.5)	2012/06/08	2012/15309				Application Filed
	South Africa	BIONICHE (Cl.10)	2012/06/08	2012/15310				Application Filed
K6001188ZA2	South Africa	CUE-MATE (Cl.10)	2002/06/10	2002/07805	2009/07/20	2002/07805	2022/06/03	Renewal Fee Due
K6001188ZA1	South Africa	CUE-MATE (Cl.5)	2002/06/03	2002/08231	2009/10/26	2002/08231	2022/06/07	Renewal Fee Due
K6001313ZA	South Africa	ECONICHE *	2007/05/21	2007/10574	2010/04/09	2007/10574	2017/05/21	Renewal Fee Due
	South Africa	ENHANCE	2012/06/08	2012/15308				Application Filed
	South Africa	EQUIMUNE	2012/06/08	2012/15303				Application Filed
	South Africa	FOLLTROPIN	2012/06/08	2012/15303				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	South Africa	ONCOCIDIN	2012/11/28	2012/32239				Application Filed
	South Africa	OVA-GEST	2012/06/05	2012/15304				Application Filed
	South Africa	PREGNECOL	2012/06/08	2012/15305				Application Filed
	South Africa	SETTLE	2012/06/08	2012/15306				Application Filed
	South Africa	UROCIDIN*						Application Filed
K6000459SK	Slovak Republic*	UROCIDIN *	2007/06/07	982-2010	2011/01/14	229087	2017/06/07	Renewal Fee Due
K6000459SI	Slovenia*	UROCIDIN *	2007/06/07	Z-201070952	2011/01/17	201070952	2017/06/07	Renewal Fee Due
K6000582ES	Spain	BIONICHE	1993/08/27	1778092	1994/02/04	1778092	2013/08/27	Renewal Fee Due
K6000459ES	Spain*	UROCIDIN *	2007/06/07	2.935.610	2010/12/02	2935610	2017/06/07	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	S. Korea	BIONICHE	2012/12/05	40-2012-75868				Application Filed
K6001188KR	S. Korea	CUE-MATE	2002/06/05		2003/07/25	554592	2013/07/25	Renewal Fee Due
	S. Korea	ONCOCIDIN	2012/11/29	40-2012-74416				Application Filed
K6000459SE	Sweden*	UROCIDIN *	2010/06/17	2010/05137	2010/08/06	412116	2020/08/06	Renewal Fee Due
	Switzerland	BIONICHE	2012/12/06	64488/2012				Application Filed
	Switzerland	CUE-MATE	2012/12/04	64436/2012				Application Filed
	Switzerland	ONCOCIDIN	2012/11/28	64200/2012				Application Filed
	Turkey	BIONICHE	2012/07/30	2012/67267				Application Filed
	Turkey	ONCOCIDIN	2012/11/29	2012/99533				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
	United Arab Emirates	BIONICHE (Cl.5)	2012/10/17	180758				Application Filed
	United Arab Emirates	BIONICHE (Cl.10)	2012/10/17	180759				Application Filed
K6000582GB	U. Kingdom	BIONICHE	1993/07/13	1541697	1993/07/13	1541697	2020/07/13	Renewal Fee Due
K6000459GB	U. Kingdom*	UROCIDIN *	2007/06/07	2550943	2010/09/24	2550943	2017/06/07	Renewal Fee Due
K6000525US	United States	AMPLIMUNE	1991/03/25	74/151,598	1994/06/21	1841147	2014/06/21	Renewal Fee Due
K6000582US	United States	BIONICHE	1992/08/19	74/802,631	1995/12/26	1944760	2015/12/26	Renewal Fee Due
K6001096US1	United States	BUTEQUINE	2009/01/14	77/648,912	2013/01/22	4,280,095	2023/01/22	Renewal Fee Due
K6001041US	United States	CUE-MATE	2004/09/20	78/486,100			2013/09/06	Allowed; Statement of Use Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001313US	United States	ECONICHE *	2007/03/14	77/130,625	2012/11/06	4,235,612	2022/11/06	Renewal Fee Due
K6001432US	United States	ECONICHE & Leaf Design *	2008/04/07	77/441,604	2011/03/22	3933185	2017/03/22	Declaration of Use Due
K6001064US	United States	EPIC	2005/04/14	78/608,849	2006/10/03	3150654	2016/10/03	Declaration of Use Due
K0520299	United States	EQUIMUNE	1990/01/29	74/023,827	1990/11/13	1621995	2020/11/13	Renewal Fee Due
K0520298	United States	FOLLTROPIN	1990/01/29	74/023,786	1993/07/27	1784722	2013/07/27	Renewal Fee Due
K6000909US	United States	IMMUNOBOOST	2003/09/23	78/304,083	2004/09/21	2886646	2014/09/21	Renewal Fee Due
K6000401US2	United States	IMMUNOCIDIN ³	2009/11/04	77/864,645	2013/01/15	4,276,085	2023/01/15	Renewal Fee Due
K6000492US1	United States	MAMMACIDIN	2007/04/09	77/151,944	2013/01/15	4,276,085	2023/01/15	Renewal Fee Due
K0520281	United States	MAP	1993/06/15	74/403,090	1995/04/18	1889515	2015/04/18	Renewal Fee Due
K6001696US	United States	NEXHA	2010/07/14	85/084,419				Allowed; Statement of Use Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
							2013/05/31	
K6000655US2	United States	OMEGA-FEND	2012/12/07	85-797,746				Application Filed
	United States	OMEGA-FEND	2012/12/07	85-797,755				Application Filed
	United States	ONCOCIDIN	2012/06/19	85/655,515				Application Filed
	United States	PLASVET	2012/07/06	85/110,951				Application Filed
K6000467US1	United States	PROSTACIDIN	2010/08/19	85/110,951			2013/08/08	Allowed; Statement of Use Due
K0520280	United States	REGRESSIN	201/1/21	85-809.587				Application Filed
K6001077US	United States	SETTLE	2004/11/19	78/519,937	2010/09/28	3,855,033	2016/09/28	Declaration of Use Due
K6001811US	United States	SIN SUSTO	2011/11/23	85/480,308				Application Filed

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K6001114US	United States	SYNGRO	2005/04/14	78/608,870	2007/02/13	3,207,438	2017/02/13	Renewal Fee Due
K6000459US	United States	UROCIDIN *	2000/02/22	75/924,536				Pending Registration Canadian
K6000964US	United States	VIGRO	2002/11/14	78/185,292	2004/06/01	2849577	2014/06/01	Renewal Fee Due
K6000980US	United States	YCD	2002/04/08	76/392,695	2003/01/28	2680748	2023/01/28	Renewal Fee Due
K0520298UY	Uruguay	FOLLTROPIN7	2010/07/16	414.208				Application Filed
K6001188VE1	Venezuela	CUE-MATE	2002/07/29	11628-02	2003/11/04	248565	2013/11/04	Renewal Fee Due
K6001188VE2	Venezuela	CUE-MATE	2002/07/29	11629-02	2003/11/04	248566	2013/11/04	Renewal Fee Due
K6001188VN1	Vietnam	CUE-MATE	2002/06/07		2002/06/20	48272	2021/12/07	Renewal Fee Due
K6001188VN2	Vietnam	CUE-MATE	2002/06/03		2003/06/20	49723	2021/12/03	Renewal Fee Due

Owned Trademarks								
File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date

¹ Application Converted into National Applications in Various Countries* following successful opposition by Apogepha Arzneimittel

NOTES:

GmbH in Germany

² Application Opposed by Alpharma Inc. re CYGRO; global co-existence agreement has been signed

³ Settlement Agreement in place with ImmunoClin Limited, owner of IMMUNOCLIN trademark

⁴ Consent to Use Agreement in place with Summit VetPharm LLC, owner of SUMMIT VETPHARM

⁵ Application Opposed by both Ivax Argentina S.A. (SYNCRO) and Craveri S.A. (SILBRON), each for different products

⁶ Application Opposed by Ferring B.V. and Laboratorios Bago S.A. Laboratorios Bago S.A. has subsequently withdrawn its opposition

⁷ Application Opposed by Ferring B.V. Defence has been filed

⁸ Assignment from Pfizer to BLSI has been filed at Trademarks Registry; record is pending

⁹ Opposition filed by Meyer Organics Pvt Ltd.

¹⁰ Opposition filed by Sud-Chemi AG. Awaiting further communication from TMO

*Pursuant to TPC (now ITO) Agreements security will not be granted over these trademarks

Licensed Trademarks

TRADEMARKS LICENSED BY BIONICHE LIFE SCIENCES INC.

Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Owner
Canada	Vetalar	1971/05/26	343013	1972/09/29	TMA185829	Park Davis and Company → Warner Lambert → Pfizer
Canada	Hyalovet	1982/01/01	481689	1984/06/22	TMA292291	Trans Bussan S.A.

Copyrights (owned by the Borrower)

World wide web @bioniche.com

World wide web @bionicheanimalhealth.com

World wide web @econichevaccine.com

World wide web @fightecoli.com

Domain Names

Internic Registrar

Name	Status	Expires
arthropen.ca	ACT	29/01/2013
arthropen.net	ACT	29/01/2013
arthropen.us	ACT	28/01/2013
arthropenvet.ca	ACT	29/01/2013
arthropenvet.us	ACT	28/01/2013
bio-iso-g.ca	ACT	06/05/2012
bioisog.ca	ACT	06/05/2012
bioniche.biz	ACT	02/05/2013
bioniche.ca	ACT	12/01/2012
bioniche.cn	ACT	30/08/2015
bioniche.com	ACT	07/10/2013
bioniche.info	ACT	02/06/2013
bioniche.net	ACT	18/09/2015
bioniche.org	ACT	18/09/2012
bioniche.us	ACT	14/09/2014
bionicheanimalhealth.biz	ACT	19/07/2014
bionicheanimalhealth.ca	ACT	19/07/2012
bionicheanimalhealth.com	ACT	19/07/2014
bionicheanimalhealth.info	ACT	19/07/2014
bionicheanimalhealth.net	ACT	19/07/2014
bionicheanimalhealth.org	ACT	19/07/2014
bionicheanimalhealth.us	ACT	14/09/2014
bionichebotanicals.ca	ACT	21/03/2012
bionichebotanicals.com	ACT	27/01/2013

Internic Registrar

Name	Status	Expires
bionichebotanicals.net	ACT	21/03/2013
bionichecustommedia.com	ACT	01/07/2016
bionichelifesciences.ca	ACT	21/03/2013
bionichelifesciences.com	ACT	21/03/2013
bionichelifesciences.net	ACT	21/03/2013
bionichelifesciencesinc.ca	ACT	21/03/2013
bionichelifesciencesinc.com	ACT	21/03/2013
bionichelifesciencesinc.net	ACT	21/03/2013
bionichenews.com	ACT	19/02/2013
bladdercancer.info	ACT	21/09/2013
cowscanhelp.com	ACT	16/01/2013
echi-fend.ca	ACT	06/05/2012
echi-fend.com	ACT	06/05/2012
echifend.ca	ACT	06/05/2012
ecolivaccine.ca	ACT	06/06/2012
ecolivaccine.com	ACT	06/06/2013
ecolivaccine.net	ACT	06/06/2013
ecolivaccine.us	ACT	06/05/2012
econichevaccine.ca	ACT	06/06/2012
econichevaccine.com	ACT	06/06/2013
econichevaccine.net	ACT	06/06/2013
econichevaccine.us	ACT	06/05/2012
equinepentosan.ca	ACT	29/01/2013
equinepentosan.com	ACT	29/01/2013
equinepentosan.us	ACT	28/01/2013

Internic Registrar

Name	Status	Expires
fightecoli.ca	ACT	06/06/2012
fightecoli.com	ACT	06/06/2013
fightecoli.net	ACT	06/06/2013
fightecoli.us	ACT	06/05/2012
pentosan.ca	ACT	29/01/2013
pentosan.us	ACT	28/01/2013
pentosanpolysulphatesodium.ca	ACT	29/01/2013
pentosanpolysulphatesodium.us	ACT	28/01/2013
singletimedbreeding.com	ACT	30/10/2012
sucromate.com	ACT	12/02/2015
urocidin.ca	ACT	01/12/2013

GoDaddy Registrar

peridan.com	ACT	21/04/2013
horsewound.com	ACT	18/12/2013
animal-wounds.ca	ACT	27/07/2015
animal-wounds.com	ACT	27/07/2015
animalwound.ca	ACT	27/07/2015
animalwound.com	ACT	27/07/2015
horse-wounds.ca	ACT	27/07/2015
horse-wounds.com	ACT	27/07/2015
bio-iso-g.com	ACT	22/09/2016
bioisog.com	ACT	22/09/2016

MelbourneIT Registrar

cuemate.com.au	ACT	20/03/2012
pregnecol.com.au	ACT	29/06/2012

Internic Registrar

Name	Status	Expires
pregnecol.com	ACT	23/06/2015

ANNEX 1
COUNTRY CODES

Code	Country	Code	Country	Code	Country	Code	Country
AD	Andorra	AE	United Arab Emirates	AF	Afghanistan	AG	Antigua and Barbuda
AI	Anguilla	AL	Albania	AM	Armenia	AN	Netherlands Antilles
AO	Angola	AP	African Regional Industrial Property Organization (ARIPO)	AR	Argentina	AT	Austria
AU	Australia	AW	Aruba	AZ	Azerbaijan	BA	Bosnia and Herzegovina
BB	Barbados	BD	Bangladesh	BE	Belgium	BF	Burkina Faso
BG	Bulgaria	BH	Bahrain	BI	Burundi	BJ	Benin
BM	Bermuda	BN	Brunei Darussalam	BO	Bolivia	BR	Brazil
BS	Bahamas	BT	Bhutan	BV	Bouvet Island	BW	Botswana
BX	Benelux Trademark Office (BBM) and Benelux Designs Office (BBDM)	BY	Belarus	BZ	Belize	CA	Canada
CD	Democratic Republic of the Congo	CF	Central African Republic	CG	Congo	CH	Switzerland
CI	Côte d'Ivoire	CK	Cook Islands	CL	Chile	CM	Cameroon
CN	China	CO	Colombia	CR	Costa Rica	CU	Cuba
CV	Cape Verde	CY	Cyprus	CZ	Czech Republic	DE	Germany
DJ	Djibouti	DK	Denmark	DM	Dominica	DO	Dominican Republic
DZ	Algeria	EA	Eurasian Patent Organization	EC	Ecuador	EE	Estonia
EG	Egypt	EH	Western Sahara	EM	Office for Harmonization in the Internal Market (OHIM)	EP	European Patent Office
ER	Eritrea	ES	Spain	ET	Ethiopia	FI	Finland
FJ	Fiji	FK	Falkland Islands	FO	Faroe Islands	FR	France
GA	Gabon	GB	United Kingdom	GC	Patent Office of the Cooperation Council for the Arab States of the Gulf (GCC)	GD	Grenada
GE	Georgia	GH	Ghana	GI	Gibraltar	GL	Greenland
GM	Gambia	GN	Guinea	GQ	Equatorial Guinea	GR	Greece
GS	South Georgia and the South Sandwich Islands	GT	Guatemala	GW	Guinea-Bissau	GY	Guyana
HK	The Hong Kong Special Administrative Region of the People's Republic of China	HN	Honduras	HR	Croatia	HT	Haiti
HU	Hungary	IB	World Intellectual Property Organization (WIPO)	ID	Indonesia	IE	Ireland
IL	Israel	IN	India	IQ	Iraq	IR	Iran (Islamic Republic of)
IS	Iceland	IT	Italy	JM	Jamaica	JO	Jordan
JP	Japan	KE	Kenya	KG	Kyrgyzstan	KH	Cambodia
KI	Kiribati	KM	Comoros	KN	Saint Kitts and Nevis	KP	Democratic People's Republic of Korea
KR	Republic of Korea	kW	Kuwait	KY	Cayman Islands	KZ	Kazakhstan
LA	Lao People's Democratic Republic	LB	Lebanon	LC	Saint Lucia	LI	Liechtenstein
LK	Sri Lanka	LR	Liberia	LS	Lesotho	LT	Lithuania
LU	Luxembourg	LV	Latvia	LY	Libyan Arab Jamahiriya	MA	Morocco
MC	Monaco	MD	Republic of Moldova	MG	Madagascar	MK	The Former Yugoslav Republic of Macedonia
ML	Mali	MM	Myanmar	MN	Mongolia	MO	Macau
MP	Northern Mariana	MR	Mauritania	MS	Montserrat	MT	Malta

	Islands						
MU	Mauritius	MV	Maldives	MW	Malawi	MX	Mexico
MY	Malaysia	MZ	Mozambique	NA	Namibia	NE	Niger
NG	Nigeria	NI	Nicaragua	NL	Netherlands	NO	Norway
NP	Nepal	NR	Nauru	NZ	New Zealand	OA	African Intellectual Property Organization (OAPI)
OM	Oman	PA	Panama	PE	Peru	PG	Papua New Guinea
PH	Philippines	PK	Pakistan	PL	Poland	PT	Portugal
PW	Palau	PY	Paraguay	QA	Qatar	RO	Romania
RU	Russian Federation	RW	Rwanda	SA	Saudi Arabia	SB	Solomon Islands
SC	Seychelles	SD	Sudan	SE	Sweden	SG	Singapore
SH	Saint Helena	SI	Slovenia	SK	Slovakia	SL	Sierra Leone
SM	San Marino	SN	Senegal	SO	Somalia	SR	Suriname
ST	Sao Tome and Principe	SV	El Salvador	SY	Syrian Arab Republic	SZ	Swaziland
TC	Turks and Caicos Islands	TD	Chad	TG	Togo	TH	Thailand
TJ	Tajikistan	TM	Turkmenistan	TN	Tunisia	TO	Tonga
TP	East Timor	TR	Turkey	TT	Trinidad and Tobago	TV	Tuvalu
TW	Taiwan	TZ	United Republic of Tanzania	UA	Ukraine	UG	Uganda
US	United States of America	UY	Uruguay	UZ	Uzbekistan	VA	Holy See
VC	Saint Vincent and the Grenadines	VE	Venezuela	VG	Virgin Islands (British)	VN	Vietnam
VU	Vanuatu	WO	World Intellectual Property Organization (WIPO)	WS	Samoa	YE	Yemen
YU	Yugoslavia	ZA	South Africa	ZM	Zambia	ZW	Zimbabwe

SCHEDULE 7.06 LITIGATION

Mr. William Wells and Mr. Greg Gubitza (Applicants) have filed a Notice of Application with the Ontario Superior Court of Justice. The Notice of Application names Bioniche Life Sciences Inc. (the Company) and each Director personally as Respondents. The Applicants seek an order from the Court that an early special meeting of shareholders be called for the purpose of allowing shareholders to consider and vote on the removal of the individual Directors from office and the election of new directors to fill the vacancies thereby created. The Applicants also seek a declaration that any sale of the Company's Animal Health division be considered a sale of all or substantially all of the Company's property and therefore require shareholder approval.

The Company has already set and published the date of annual shareholders meeting for November 5, 2013. The Company has also issued a press release indicating that at the November 5, 2013 shareholders meeting, all shareholders will have the opportunity to vote on (i) the disposition of the Animal Health business, and (ii) the composition of the Board.

The Company intends to vigorously defend the Application.

**SCHEDULE 7.12
SUBSIDIARIES**

Subsidiary	Jurisdiction	Percentage of Ownership of the Borrower (direct or indirect)
Bioniche Animal Health Canada Inc.	Ontario	100%
Bioniche Therapeutics Corp.*	Canada (federal corporation)	100%
Bioniche Urology IP Inc.*	Canada (federal corporation)	100%
Bioniche Urology Inc.*	Delaware	100%
Bioniche Animal Health USA, Inc.	Georgia	100%
Bioniche Animal Health Europe Limited	Ireland	100%
Bioniche Animal Health (A/Asia) Pty. Ltd.	Australia	100%
Bioniche Therapeutics (A/Asia) Pty. Ltd.*	Australia	100%

* Inactive

SCHEDULE 7.13
EXISTING INDEBTEDNESS; LIENS SECURING EXISTING INDEBTEDNESS

Existing Indebtedness

1. Loan Agreement between Her Majesty the Queen in Right of the Province of Ontario as represented by the Minister of Economic Development and Trade and the Borrower dated March 31, 2008, representing outstanding Indebtedness as at the Borrowing Date in the amount of Cdn.\$10,000,000.00.
2. Offer of credit from Business Development Bank of Canada to the Borrower dated February 7, 2008, representing outstanding Indebtedness as at the Borrowing Date in the amount of Cdn.\$4,167,000.00.
3. Agreement between Her Majesty the Queen in Right of Canada as represented by the Minister of Industry and the Borrower dated March 31, 2001 to provide financial support for mycobacterial cell wall technologies, representing outstanding Indebtedness as at the Borrowing Date in the amount of \$4,391,136.00. In addition, the Borrower has contingent obligations to pay a royalty on future sales of Urocidin at the rate of 6% of the net sales proceeds received by the Borrower, subject to cumulative maximum disbursement of Cdn.\$11,278,000.00.
4. Agreement between Her Majesty the Queen in Right of Canada as represented by the Minister of Industry of Canada and the Borrower dated March 30, 2001 to provide financial support for an E. Coli vaccine, representing outstanding Indebtedness as at the Borrowing Date in the amount of \$0.00. In addition, the Borrower has contingent obligations to pay a royalty on future sales of Econiche at the rate of 2.5% of the net sales proceeds received by the Borrower, subject to cumulative maximum disbursement of \$13,638,000.00.
5. Repayable Contribution Agreement between the Borrower and Her Majesty the Queen in Right of Canada as represented by the Minister of Agriculture and Agri-Food dated December 19, 2007, representing outstanding Indebtedness as at the Borrowing Date in the amount of Cdn.\$5,000,000.00.
6. Agreement to provide financial support in respect of E. Coli vaccine between the Borrower and Her Majesty the Queen in Right of Ontario as represented by the Minister of Agriculture, Food and Rural Affairs dated January 14, 2008, representing outstanding Indebtedness as at the Borrowing Date in the amount of \$0.00.
7. Agreement between the Borrower and Her Majesty the Queen in Right of Canada hereby represented by the Minister responsible for the Federal Economic Development Agency for Southern Ontario dated July 8, 2010, representing outstanding Indebtedness as at the Borrowing Date in the amount of Cdn.\$630,316.00.
8. Assumption of mortgage agreement with Business Development Bank of Canada dated June 24, 2011, for 271 Labrosse, Pointe Claire, Quebec, by the Borrower representing outstanding Indebtedness as at the Borrowing Date of Cdn.\$580,000.
9. Agreement between the Australia and New Zealand Banking Group Limited and Bioniche Animal Health (A/Asia) Pty Ltd, dated April 23, 2008, for refinancing

representing outstanding indebtedness as at the Borrowing Date of Australian\$348,700.00.

10. Termination Agreement between Endo Pharmaceuticals Inc. dated December 21, 2012, representing return of all Urocidin rights to Bioniche in exchange for a 5% royalty due Endo on future products sales.

Liens Securing Existing Indebtedness

ONTARIO

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)
Toyota Credit Canada Inc.	Bioniche Life Sciences Inc.	678011859 20120501 1452 1530 4609 (3 years)
Capital Royalty Partners II L.P. Capital Royalty Partners II (Cayman) L.P. Capital Royalty Partners II – Parallel Fund "A" L.P.	Bioniche Life Sciences Inc. Sciences de La Vie Bioniche Inc.	676919979 20120319 1519 1590 7895 as amended by 20120320 1419 1590 7943 (10 years)
Caterpillar Financial Services Limited	Bioniche Life Sciences Inc.	676856448 20120315 1249 1901 3512 (5 years)
Scarborough Lexus Toyota/Natco Leasing	Bioniche Life Sciences Inc.	672125472 20110811 1406 1462 6518 (3 years)

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)
General Electric Canada Equipment Finance G.P.	Bioniche Sciences Inc. Life	670468653 20110607 1138 5064 1986 (6 years)
Scarborough Lexus Toyota/Natco Leasing	Bioniche Sciences Inc. Life	670258332 20110531 1011 1462 7270 (3 years)
National Leasing Group Inc.	Bioniche Sciences Inc. Life	669149028 20110418 1022 6005 4535 (4 years)
Scarborough Lexus Toyota/Natco Leasing	Bioniche Sciences Inc. Life	668529081 20110324 1703 1462 0057 (4 years)
De Lage Landen Financial Services Canada Inc.	Bioniche Sciences Inc. Life	667508427 20110203 1945 1531 3581 (4 years)
Scarborough Lexus Toyota/Natco Leasing	Bioniche Sciences Inc. Life	665055504 20101008 1404 1462 0881 (4 years)

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)
Scarborough Lexus Toyota/Natco Leasing	Bioniche Life Sciences Inc.	664378425 20100913 1405 1462 5071 (4 years)
Scarborough Lexus Toyota/Natco Leasing	Bioniche Life Sciences Inc.	664237692 20100907 1408 1462 3861 (4 years)
Pitney Bowes Global Financial Services	Bioniche Life Sciences Inc.	662414436 20100623 1737 8077 5296 (6 years)
Indcom Leasing Inc.	Bioniche Life Sciences Inc. Bioniche Life Sciences Inc.	661329225 20100513 1004 2203 4908 (4 years)
Indcom Leasing Inc.	Bioniche Life Sciences Inc. Bioniche Life Sciences Inc. Bioniche Life Sciences Inc. Bioniche Life Sciences Inc.	658874574 20100122 1300 2203 4649 (4 years)

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)
Her Majesty The Queen in Right of the Province of Ontario, as represented by the Minister of Economic Development and Innovation	Bioniche Life Sciences Inc.	643794552 20080401 1441 1862 7950 as amended by 20120315 1643 1862 4173 (10 years)
Business Development Bank of Canada	Bioniche Life Sciences Inc.	642953304 20080227 0924 8075 1440 (12 years)
		As amended by: 20080325 0836 8075 1526

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)
GE Vehicle & Equipment Leasing	Bioniche Animal Health Canada Inc.	684383382 20130129 1455 1254 4191 (5 years)

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)
<p>Capital Royalty Partners II L.P.</p> <p>Capital Royalty Partners II (Cayman) L.P.</p> <p>Capital Royalty Partners II – Parallel Fund "A" L.P.</p>	<p>Bioniche Animal Health Canada Inc.</p>	<p>676919934</p> <p>20120319 1515 1590 7894</p> <p>as amended by</p> <p>20120320 1419 1590 7942</p> <p>(10 years)</p>
<p>Enterprise Rent-a-Car Canada Limited o/a Murdoch Group Inc.</p>	<p>Bioniche Animal Health Canada Inc.</p>	<p>665109684</p> <p>20101013 0948 7036 4172</p> <p>(4 years)</p>
<p>Enterprise Rent-a-Car Canada Limited o/a Murdoch Group Inc.</p>	<p>Bioniche Animal Health Canada Inc.</p>	<p>663309315</p> <p>20100729 0932 7036 0719</p> <p>(4 years)</p>
<p>Enterprise Rent-a-Car Canada Limited o/a Murdoch Group Inc.</p>	<p>Bioniche Animal Health Canada Inc.</p>	<p>663133635</p> <p>20100722 0950 7036 0329</p> <p>(4 years)</p>
<p>Enterprise Rent-a-Car Canada Limited o/a Murdoch Group Inc.</p>	<p>Bioniche Animal Health Canada Inc.</p>	<p>661266711</p> <p>20100511 1404 7036 7211</p> <p>(4 years)</p>
<p>Enterprise Rent-a-Car Canada Limited o/a Murdoch Group Inc.</p>	<p>Bioniche Animal Health Canada Inc.</p>	<p>661283388</p> <p>20100511 1529 7036 7247</p> <p>(4 years)</p>

Secured Party(ies)	Debtor(s)	Reference File No. & Registration Number(s)
Enterprise Rent-a-Car Canada Limited o/a Murdoch Group Inc.	Bioniche Animal Health Canada Inc.	657893952 20091130 1521 7036 0448 (4 years)

- PPSA registration against the Borrower in favour of Caterpillar Financial Services Limited in respect of a standby generator set bearing serial number CAT00000CEKW01407 pursuant to a lease agreement to be entered into on or prior to the Borrowing Date by the Borrower, as lessee and Caterpillar Financial Services Limited, as Lessor

- With respect to 231 Dundas Street East, Belleville, Ontario:

(a) a charge in the original principal amount of \$5,000,000, granted by the Borrower to Business Development Bank of Canada and registered on March 26, 2008 as Instrument No. QR681941 in the Land Registry Office for Hastings (No. 21); and

(b) a charge in the original principal amount of \$10,000,000, granted by the Borrower to Ontario Development Corporation and registered on April 3, 2008 as Instrument No. QR682151 in the Land Registry Office for Hastings (No. 21).

QUEBEC

Security Registration no. & date / Origin	Extreme date of effect	Parties	Amount Interest /	Description of collateral (Summary):
<p>Conventional hypothec without delivery</p> <p>12-0241532-0001</p> <p>April 3, 2012</p> <p>Deed executed under before Me Aaron Litvack, notary on April 3, 2012</p>	<p>April 3, 2022</p>	<p>Holders:</p> <ul style="list-style-type: none"> • Capital Royalty Partners II L.P. • Capital Royalty Partners II (Cayman) L.P. • Capital Royalty Partners II - Parallel Fund "A" L.P. <p>Grantor:</p> <p>Bioniche Life Sciences Inc.</p>	<p>\$60,000,000</p> <p>25% per annum</p>	<p>See below</p>
<p>Rights of ownership of the lessor (leasing)</p> <p>12-0243142-0001</p> <p>April 3, 2012</p> <p>Deed executed under private signature on April 2, 2012</p>	<p>April 2, 2019</p>	<p>Lessor:</p> <p>Roynat Inc.</p> <p>Lessee:</p> <p>Bioniche Life Sciences Inc. / Sciences De La Vie Bioniche Inc</p>	<p>N/A</p>	<p>(1) photocopier Konica Minolta BIZHUB C220 N/S 13017927, together with all attachments accessories accessions replacements substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.</p>

Security Registration no. & date / Origin	Extreme date of effect	Parties	Amount Interest /	Description of collateral (Summary):
<p>Rights of ownership of the lessor (leasing)</p> <p>10-0170807-0001</p> <p>March 24, 2010</p> <p>Deed executed under private signature on March 23, 2010</p>	<p>March 23, 2016</p>	<p>Lessor:</p> <p>Roynat Inc.</p> <p>Lessee:</p> <p>Bioniche Life Sciences Inc.</p>	<p>N/A</p>	<p>(1) Copier Konica Minolta model C451 n/s 100004724 located at 171 Place Frontenac, Pointe-Claire Quebec;</p> <p>(1) Copier Konica Minolta model C250 n/s 31112159 located at 275 Labrosse, Pointe-Claire Quebec, together with all attachments, accessories, replacements, substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.</p>

Security Registration no. & date / Origin	Extreme date of effect	Parties	Amount Interest	Description of collateral (Summary):
<p>Rights of ownership of the lessor (leasing)</p> <p>10-0716011-0005</p> <p>October 13, 2010</p> <p>Deed executed under private signature on October 8, 2010</p>	<p>October 8, 2017</p>	<p>Lessor:</p> <p>Roynat Inc.</p> <p>Lessee:</p> <p>Bioniche Life Sciences Inc./ Sciences de la Vie Bioniche Inc.</p>	<p>N/A</p>	<p>(1) copier Ricoh MP 2000 n/s LT7006540156 together with all attachments, accessories, replacements, substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.</p>
<p>Rights of ownership of the lessor (leasing)</p> <p>10-0884848-0001</p> <p>December 16, 2010</p> <p>Deed executed under private signature on December 16, 2010</p>	<p>December 16, 2017</p>	<p>Lessor:</p> <p>Roynat Inc.</p> <p>Lessee:</p> <p>Bioniche Life Science Inc. (sic)</p>	<p>N/A</p>	<p>(1) Ricoh MP3350 demo n/s M6395700409, together with all attachments, accessories, replacements, substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds of the collateral.</p>

Security Registration no. & date / Origin	Extreme date of effect	Parties	Amount Interest /	Description of collateral (Summary):
Rights of ownership of the lessor (leasing) 11-0447569-0002 June 15, 2011 Deed executed under private signature on June 15, 2011	June 16, 2017	Lessor: General Electric Canada Equipment Finance G.P. Lessee: Bioniche Life Sciences Inc.	N/A	See below.

Deed of hypothec between Business Development Bank of Canada and Renaissance (London) Investments Inc. dated June 1, 2005 and registered at the Land Registry Office for the registration Division of Montreal under number 12 364 565, which hypothec was assumed by the Borrower under the deed of sale between Renaissance (London) Investments Inc. and the Borrower dated June 29, 2011 and registered at the Land Registry Office for the registration Division of Montreal under number 18 273 888.

AUSTRALIA

Secured Party(ies)	Debtor(s)	Registration Number and Kind	General Collateral Description	Purchase Money Security Interest
Royal Wolf Trading Australia Pty Limited	Bioniche Animal Health (A/Asia) Pty Ltd.	201202170080912 Security Interest	All goods supplied by the secured party to the grantor including but not limited to containers, ancillary equipment and related goods	Yes

Royal Wolf Trading Australia Pty Limited	Bioniche Animal Health (A/Asia) Pty Ltd.	201202170076963 Security Interest	All goods supplied by the secured party to the grantor including but not limited to containers, ancillary equipment and related goods	Yes
Pro-Pac Packaging (Aust) Pty. Limited	Bioniche Animal Health (A/Asia) Pty Ltd.	201201051984094 Security Interest	All goods supplied by the secured party to the grantor including but not limited to packaging products and related goods	Yes
Australia and New Zealand Banking Group Limited	Bioniche Animal Health (A/Asia) Pty Ltd.	201112150123785 (amended by 8629114 and 4570423) Security Interest	All present and after acquired personal property security interests (no exceptions)	Unknown
Ausco Modular Pty Limited	Bioniche Animal Health (A/Asia) Pty Ltd.	201203090003389 Security Interest	Other goods	Yes
Ausco Modular Pty Limited	Bioniche Animal Health (A/Asia) Pty Ltd.	201203230004018 Security Interest	Other goods	Yes
Macquarie Leasing Pty Ltd.	Bioniche Animal Health (A/Asia) Pty Ltd.	201208220009017 Security Interest	Motor vehicle	Yes

- a. The charge given by Bioniche Animal Health (A/Asia) Pty. Ltd. to Australia and New Zealand Banking Group Limited dated 29 August 2001;
- b. registered mortgage no. 8016767 granted by Bioniche Animal Health (A/Asia) Pty. Ltd. to Australia and New Zealand Banking Group Limited in respect of the property situated at 46 Seaton Street, Armidale, New South Wales, Australia more particularly described in Folio Auto-Consul 15290-74; and
- c. registered mortgage no. 8016764 granted by Bioniche Animal Health (A/Asia) Pty. Ltd. to Australia and New Zealand Banking Group Limited in respect of the property situated at 210 Enmore Road, Dangarsleigh, New South Wales, Australia more particularly described in Folio Auto-Consul 5841-59.

SCHEDULE 7.15
PERMITTED RESTRICTIVE AGREEMENTS

1. Loan Agreement made as of March 31, 2008 by and between the Borrower and Her Majesty The Queen in Right of the Province of Ontario, as represented by the Minister of Economic Development and Trade.
2. General Security Agreement made as of March 31, 2008 between the Borrower and the Ontario Development Corporation, as agent for Her Majesty The Queen in Right of the Province of Ontario as represented by the Minister of Economic Development and Trade.
3. General Security Agreement dated March 26, 2008 between the Borrower and Business Development Bank of Canada.
4. Repayable Contribution Agreement for the Agri-Opportunities Program between the Borrower and Her Majesty the Queen in Right of Canada, as represented by the Minister of Agriculture and Agri-Food, dated December 19, 2007.
5. Contribution Agreement dated March 31, 2001 between the Borrower and Her Majesty the Queen in Right of Canada as represented by the Minister of Industry (as amended).

**SCHEDULE 7.16
REAL PROPERTY**

Owned Real Property

1. 231 Dundas Street East, Belleville, Ontario, K8N 1E2
2. 275 Labrosse Avenue, Pointe-Claire, Quebec, H9R 1A5
3. 100 School House Road, R.R. #1, Stirling, Ontario, K0K 3E0
4. 271 Labrosse Avenue, Pointe Claire, Quebec, H9R 1A3
5. 219 Dundas Street East, Belleville, Ontario, K8N 1E2
6. 225 Dundas Street East, Belleville, Ontario, K8N 1E2
7. 46 Seaton Street, Armidale 2350, New South Wales, Australia
8. 210 Enmore Road, Dangarsleigh, New South Wales, Australia

Leased Real Property

1. Biotechnology Research Institute, 6100 Royalmount Avenue, Montreal, Quebec, H4P 2R2*
2. Suite 1802, 15 Castlereach Street, Sydney, NSW Australia, 2000**
3. A-201/24-26 Point Street, Pymont, NSW Australia, 2009***
4. 1.5 hectares of land east of the village of San Ramon de la Virgen de Saripiqui, Costa Rica
5. 1551 Jennings Mill Road, Suite 3200A, Bogart, Georgia, 30622
6. 119 Rowe Road, Athens, Georgia, 30601
7. 1335 NW Terre View Drive, Pullman, Washington
8. Approximately 15,023 sq ft of land at the south end of 231 Dundas Street East, Belleville, Ontario

* Lease to be terminated on or about July 1, 2013

** Lease currently being negotiated after change in lease location

*** Lease to be terminated on or about June 30, 2013

SCHEDULE 7.17
CANADIAN PENSION PLANS AND CANADIAN BENEFIT PLANS

1. Canadian Health and Dental plan with Equitable Life Canada
2. Employee Registered Retirement Savings Plan and Non Registered Savings Plans with Sun Life Canada
3. Stock Option Plan
4. Share Bonus Plan

**SCHEDULE 9.02
MATERIAL INTELLECTUAL PROPERTY**

PATENTS

MCC

Title	Patent Application Number	Patent Registration Number*
Bacterial Cell Complex Composition and Method of Use Composition And Method for Regulating Cell Proliferation and Cell Death		US 6326357 AU 736450, CA 2299548, EP 1003525 (validated in AT, BE, CH, DE, DK, ES, FI, FR, GB, GR, IE, IT, NL, PT, SE), HU 227921, IL 134371, IL 180924 (divisional), JP 4335435, KR 533576, MX 219913, NO0322450, NZ 502674, SG 70748
Composition And Method for the Treatment of Bladder Cancer		AU 751667, CN ZL98813659.7, EP1054680 (validated in AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), HK 103887, JP 4426097, MX 219967, NZ 506406, RO 00832, US 6329347
Method for Treating Inflammation		AU 768327, CA 2354047, EP 1135164 (validated in AT, BE, CH, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, NL, PT, SE) JP 4488626, JP 505148, US 6890911
Chemotherapeutic Composition and Method		AU 782335, CA 2353905, EP 1135161 (validated in AT, BE, CH, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, NL, PT, SE), JP 4380922, NZ 511941, US 6809081
Composition and Method for Inducing Apoptosis in Prostate Cancer Cells		AU 780909, CA 2366090, EP 1165106 (validated in AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, NL, PT, SE), US 6794368
Hyaluronic Acid in the Treatment of Cancer	EP 0986939.7	AU 7840356, CA 2395493, JP 04215429, NZ 520312, US 7125858

*see country codes annexed as Annex A

RNC Technology

Title	Patent Application Number	Patent Registration Number
Bacterial Ribonucleic Acid Compositions and making them	WO PCT/IB2011/054539, AR P110103806, AU 2011315093, CA 2799442, EP 11832218.9, US 13,701954, UY 33668	

E. coli Vaccine Technology*

Title	Patent Application Number	Patent Registration Number
Pathogenic <i>Escherichia coli</i> Associated Protein EspA (sublicensed from AITF)	CA 2252372 (allowed), US 11/693,665 (divisional)	EP 904288 (validated AT, BE, DK, FR, DE, IE, IT, NL, ES, TR, GB), JP 5058106, MX 300500, US 6355254, US 7078193 (divisional), US 7214499 (divisional)
Host Membrane Receptor for Pathogenic Bacteria (sublicensed from AITF)	CA 2309559, JP 2009-071999 (divisional)	EP 1029054 (validated in AT, DE, ES, GB, IE, IT, PT, SE), JP 4410412, US 7208574, US 7531315, US 7759462
Enterohemorrhagic <i>Escherichia coli</i> Vaccine (sublicensed from AITF)	AR 020100026, BR PI 0206312-3, EP 02726978.6, EP 10183730.0 (divisional), JP 2009-0664488, JP 2013-028877 (divisional), MX/a/2009/006894 (divisional), US 11/876655 (continuation), US 11/876671 (divisional)	AU2002218927, CA 2433792, MX 279066, NZ 527322, US 7300659
Bacterial Virulence Factors and Uses Thereof (Option to license from UBC)	AR 20040104025, AU 20112018889(divisional), BR PI0415816-4, CA 2543763, CN 200910206659 (divisional), CN 200910206659(divisional), EP 04899798.8, EP 11175692(divisional), EP 11184778.6(divisional), IN 2984/DELNP/2006 (divisional), IN 1747/DELNP/2011 (divisional), IN 7990-DELNP/2012 (divisional), JPD1 2011-152074(divisional), KR 2006-7010661, KR 2011-7019259(divisional), KR 2013-7001391 (divisional), MX PA/a/2006/004858, MX291494 (divisional), NO2006 2361, PH 1-2006-501046, RU 2012122559, UA 2011 00838 (divisional), US 10/577742, US 13/182334 (continuation)	AU 2004286002, CN ZL200480039568.9, CO1384, JP 5100122, NZ 547156, RU 2006118803, UA 94206, ZA 2006/04412
Methods and Compositions for treating and preventing Shiga Toxin Producing <i>Escherichia coli</i> infection (Joint VIDO/BLSI licensed from AITF)	AU 2010234193, BR P101415816.4, CA 2757828, EP 10761153.5, JP 2012-503839, US 13/262,444	

* This technology is licensed from another party.

ANNEX A

World Intellectual Property Organization (WIPO) Two Letter Country Codes

Code	Country	Code	Country	Code	Country	Code	Country
AD	Andorra	AE	United Arab Emirates	AF	Afghanistan	AG	Antigua and Barbuda
AI	Anguilla	AL	Albania	AM	Armenia	AN	Netherlands Antilles
AO	Angola	AP	African Regional Industrial Property Organization (ARIPO)	AR	Argentina	AT	Austria
AU	Australia	AW	Aruba	AZ	Azerbaijan	BA	Bosnia and Herzegovina
BB	Barbados	BD	Bangladesh	BE	Belgium	BF	Burkina Faso
BG	Bulgaria	BH	Bahrain	BI	Burundi	BJ	Benin
BM	Bermuda	BN	Brunei Darussalam	BO	Bolivia	BR	Brazil
BS	Bahamas	BT	Bhutan	BV	Bouvet Island	BW	Botswana
BX	Benelux Trademark Office (BBM) and Benelux Designs Office (BDDM)	BY	Belarus	BZ	Belize	CA	Canada
CD	Democratic Republic of the Congo	CF	Central African Republic	CG	Congo	CH	Switzerland
CI	Côte d'Ivoire	CK	Cook Islands	CL	Chile	CM	Cameroon
CN	China	CO	Colombia	CR	Costa Rica	CU	Cuba
CV	Cape Verde	CY	Cyprus	CZ	Czech Republic	DE	Germany
DJ	Djibouti	DK	Denmark	DM	Dominica	DO	Dominican Republic
DZ	Algeria	EA	Eurasian Patent Organization	EC	Ecuador	EE	Estonia
EG	Egypt	EH	Western Sahara	EM	Office for Harmonization in the Internal Market (OHIM)	EP	European Patent Office
ER	Eritrea	ES	Spain	ET	Ethiopia	FI	Finland
FJ	Fiji	FK	Falkland Islands	FO	Faroe Islands	FR	France
GA	Gabon	GB	United Kingdom	GC	Patent Office of the Cooperation Council for the Arab States of the Gulf (GCC)	GD	Grenada
GE	Georgia	GH	Ghana	GI	Gibraltar	GL	Greenland
GM	Gambia	GN	Guinea	GQ	Equatorial Guinea	GR	Greece

GS	South Georgia and the South Sandwich Islands	GT	Guatemala	GW	Guinea-Bissau	GY	Guyana
HK	The Hong Kong Special Administrative Region of the People's Republic of China	HN	Honduras	HR	Croatia	HT	Haiti
HU	Hungary	IB	World Intellectual Property Organization (WIPO)	ID	Indonesia	IE	Ireland
IL	Israel	IN	India	IQ	Iraq	IR	Iran (Islamic Republic of)
IS	Iceland	IT	Italy	JM	Jamaica	JO	Jordan
JP	Japan	KE	Kenya	KG	Kyrgyzstan	KH	Cambodia
KI	Kiribati	KM	Comoros	KN	Saint Kitts and Nevis	KP	Democratic People's Republic of Korea
KR	Republic of Korea	kW	Kuwait	KY	Cayman Islands	KZ	Kazakhstan
LA	Lao People's Democratic Republic	LB	Lebanon	LC	Saint Lucia	LI	Liechtenstein
LK	Sri Lanka	LR	Liberia	LS	Lesotho	LT	Lithuania
LU	Luxembourg	LV	Latvia	LY	Libyan Arab Jamahiriya	MA	Morocco
MC	Monaco	MD	Republic of Moldova	MG	Madagascar	MK	The Former Yugoslav Republic of Macedonia
ML	Mali	MM	Myanmar	MN	Mongolia	MO	Macau
MP	Northern Mariana Islands	MR	Mauritania	MS	Montserrat	MT	Malta
MU	Mauritius	MV	Maldives	MW	Malawi	MX	Mexico
MY	Malaysia	MZ	Mozambique	NA	Namibia	NE	Niger
NG	Nigeria	NI	Nicaragua	NL	Netherlands	NO	Norway
NP	Nepal	NR	Nauru	NZ	New Zealand	OA	African Intellectual Property Organization (OAPI)
OM	Oman	PA	Panama	PE	Peru	PG	Papua New Guinea
pH	Philippines	PK	Pakistan	PL	Poland	PT	Portugal
PW	Palau	PY	Paraguay	QA	Qatar	RO	Romania
RU	Russian Federation	RW	Rwanda	SA	Saudi Arabia	SB	Solomon Islands
SC	Seychelles	SD	Sudan	SE	Sweden	SG	Singapore
SH	Saint Helena	SI	Slovenia	SK	Slovakia	SL	Sierra Leone

SM	San Marino	SN	Senegal	SO	Somalia	SR	Suriname
ST	Sao Tome and Principe	SV	El Salvador	SY	Syrian Arab Republic	SZ	Swaziland
TC	Turks and Caicos Islands	TD	Chad	TG	Togo	TH	Thailand
TJ	Tajikistan	TM	Turkmenistan	TN	Tunisia	TO	Tonga
TP	East Timor	TR	Turkey	TT	Trinidad and Tobago	TV	Tuvalu
TW	Taiwan	TZ	United Republic of Tanzania	UA	Ukraine	UG	Uganda
US	United States of America	UY	Uruguay	UZ	Uzbekistan	VA	Holy See
VC	Saint Vincent and the Grenadines	VE	Venezuela	VG	Virgin Islands (British)	VN	Vietnam
VU	Vanuatu	WO	World Intellectual Property Organization (WIPO)	WS	Samoa	YE	Yemen
YU	Yugoslavia	ZA	South Africa	ZM	Zambia	ZW	Zimbabwe

TRADEMARKS

File No.	Country	Trade-mark	Filing Date	Serial No.	Issue Date	Reg'n No.	Due Date	Status as of the Borrowing Date
K0520298AR	Argentina	FOLLTROPIN ¹	2010/07/15	3.016.288				Office Action Received; Opposed
K0520298AU	Australia	FOLLTROPIN	1987/11/04	475915	1989/07/13	475915	2018/11/04	Renewal Fee Due
K0520298BR	Brazil	FOLLTROPIN-V	1993/04/27	816272670	1993/04/27	816272670	2013/04/27	Renewal Fee Due
K0520298CA	Canada	FOLLTROPIN	1986/07/03	565489	1988/05/13	340301	2018/05/13	Renewal Fee Due
K0520298CL	Chile	FOLLTROPIN	2006/09/29	746114	2008/09/28	828645	2018/09/29	Renewal Fee Due
K0520298CN	China	FOLLTROPIN	2002/11/27	3384878	2004/07/28	3384878	2014/07/28	Renewal Fee Due
K0520298CO	Colombia	FOLLTROPIN	2007/06/15	7061022	2008/01/16	348718	2018/01/16	Renewal Fee Due
K0520298CTM	E. Community	FOLLTROPIN	2005/05/12	4392726	2006/06/12	4392726	2015/05/12	Renewal Fee Due
K0520298CR	Costa Rica	FOLLTROPIN	2009/08/13	197777	2010/01/06	197777	2020/01/06	Renewal Fee Due
K0520298IN	India	FOLLTROPIN	2008/05/14	1687159	2011/03/09	1687159	2018/05/14	Renewal Fee Due
K0520298IL	Israel	FOLLTROPIN	2009/08/09	222875	2010/12/05	222875	2019/08/09	Renewal Fee Due
K0520298MX	Mexico	FOLLTROPIN	2007/06/07	860170	2012/07/03	1294794	2017/06/07	Renewal Fee Due
K6000629NZ	New Zealand	FOLLTROPIN-V	1989/05/22	193339	1992/09/25	193339	2020/05/22	Renewal Fee Due
K0520298PY	Paraguay	FOLLTROPIN	2011/05/25	20598	2012/09/05	367.598	2022/09/05	Renewal Fee Due

¹ Application Opposed by Ferring B.V. and Laboratorios Bago S.A. Laboratorios Bago S.A. has subsequently withdrawn its opposition.

K0520298	United States	FOLLTROPIN	1990/01/29	74/023,786	1993/07/27	1784722	2013/07/27	Renewal Fee Due
K0520298UY	Uruguay ²	FOLLTROPIN	2010/07/16	414.208				Application Filed

² Application Opposed by Ferring B.V. Defence filed and awaiting further communication from TMO.

**SCHEDULE 9.05
INVESTMENTS**

1. 411 shares of Principal Financial Group owned by AB Technology (now known as Bioniche Animal Health USA, Inc.).

SCHEDULE 9.14
PERMITTED SALES AND LEASEBACKS

Nil.