

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	11/20/2006

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
2052128 Ontario Inc.		11/17/2006	CORPORATION: CANADA

RECEIVING PARTY DATA

Name:	Millenium Biologix Inc.
Street Address:	785 Midpark Drive
City:	Kingston, Ontario
State/Country:	CANADA
Postal Code:	K7M 7G3
Entity Type:	CORPORATION: CANADA

PROPERTY NUMBERS Total: 1

Property Type	Number	Word Mark
Registration Number:	2846315	SKELITE

CORRESPONDENCE DATA

Fax Number: (612)766-1600
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 612-766-8178
 Email: trademarkmpls@faegre.com, cbaraloto@faegre.com, dbrant@faegre.com
 Correspondent Name: Cathleen F. Baraloto
 Address Line 1: 90 South Seventh Street
 Address Line 2: 2200 Wells Fargo Center
 Address Line 4: Minneapolis, MINNESOTA 55402-3901

ATTORNEY DOCKET NUMBER: 68730-000000

DOMESTIC REPRESENTATIVE

OP \$40.00 2846315

Name: Cathleen F. Baraloto
Address Line 1: 90 South Seventh Street
Address Line 2: 2200 Wells Fargo Center
Address Line 4: Minneapolis, MINNESOTA 55402-3901

NAME OF SUBMITTER:	Cathleen F. Baraloto
Signature:	/Cathleen F. Baraloto/
Date:	04/20/2007

Total Attachments: 63

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EXHIBIT A

Schedule "A"

PLAN OF ARRANGEMENT
UNDER SECTION 182
OF THE ONTARIO *BUSINESS CORPORATIONS ACT*

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"Act" means the Bankruptcy and Insolvency Act, R.S.C., 1985, c.B-3 as amended from time to time.

"Administrative Fees and Expenses" means the proper fees and expenses of the Proposal Trustee, as well as the legal fees and disbursements of MBI and 205 and of the Proposal Trustee, on or incidental to the NOI and the Proposal, the negotiations in connection with the preparation of the Proposal and any subsequent Proposals, and the proceedings arising out of the Proposal and any subsequent Proposals including advice to MBI, Post-Amalgamation MBI or 205.

"Affected Claims" means the Claims of Secured Creditors, Preferred Creditors and Unsecured Creditors.

"Affected Creditors" means those creditors holding Affected Claims

"Arrangement" means an arrangement under section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Article 4 or made at the direction of the Court in the Order.

"Articles of Arrangement" means the articles of arrangement of MBI in respect of the Arrangement that are required by the OBCA to be sent to the Director after the Order is made.

"Certificate" means the certificate of arrangement giving effect to the Arrangement, issued pursuant to subsection 183(2) of the OBCA after the Articles of Arrangement have been filed;

"Certificate of Full Performance" means the certificate completed by the Proposal Trustee pursuant to Section 65.3 of the Act.

"Claims" means any right or claim, of any person against MBI, in connection with any indebtedness, liability, action, cause of action, suit, debt due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever,

whether liquidated, un-liquidated, fixed, contingent, matured, legal, equitable, secured, present, future, known or unknown, and whether by guarantee, surety or otherwise in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the NOI Date with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts, events or matters which exist, or occurred, on or before the NOI Date, including all claims in respect to the costs of remedying any environmental condition or damage effecting real property and Severance Claims.

“Conveyance Agreement” means an agreement between Post-Amalgamation MBI and MBTI whereby MBTI acquires the MBI Assets in consideration of assuming all the MBI Liabilities.

“Court” means the Ontario Superior Court of Justice, in Bankruptcy and Insolvency.

“Crown Claims” means claims of Her Majesty in Right of Canada or any Province of Canada as defined in s. 60(1.1) of the Act, for which the Crown has priority or preference to the claims of Unsecured Creditors.

“Director” means the Director appointed pursuant to section 278 of the OBCA;

“Director Claims” means claims against directors of MBI that arose before the NOI Date and that relate to the obligations of MBI for which the directors are by law liable in their capacity as directors for the payment of such obligations. Director Claims do not include claims that (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors; or (b) are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.

“Effective Date” means the date shown on the Certificate;

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date;

“Employee Claims” means claims of employees or former employees for amounts equal to the amounts that they would be qualified to receive under section 136(1)(d) of the Act if MBI became bankrupt on the NOI Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before Court approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the bankrupt's business during the same period. For greater certainty, Employee Claims do not include any amounts claimed by employees or former employees on account of Severance Claims.

“Escrow Agreement” means the escrow agreement to be entered into by Post-Amalgamation MBI, MBTI and the Proposal Trustee.

“Levy” means the levy imposed by the Superintendent of Bankruptcy under the Act.

“MBC” means Millenium Biologix Corporation, the parent company and sole shareholder of MBI.

"MBI" means Millenium Biologix Inc.

"MBI Assets" means the assets, property and undertaking of Post-Amalgamation MBI on the Proposal Implementation Date including the proceeds from a proposed financing transaction involving Insignia Energy Inc. less the Trust, excluding Post-Amalgamation MBI's tax losses.

"MBI Liabilities" means Claims of Affected Creditors against MBI that are provable under the Act.

"MBTI" means Millenium Biologix Technologies Inc., a wholly-owned subsidiary of MBC.

"NOI" means the Notice of Intention to Make a Proposal filed by MBI on October 6, 2006.

"NOI Date" means October 6, 2006.

"OBCA" means the Ontario *Business Corporations Act* as now in effect and as may be amended from time to time prior to the Effective Date;

"Order" means the order of the Court approving the Arrangement as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed;

"Post-Amalgamation MBI" means MBI subsequent to its amalgamation with 205128 Ontario Inc.

"Post-Filing Goods and Services" means, in respect of the Proposal, the goods supplied, services rendered and other consideration given to MBI with the approval of MBI or Post-Amalgamation MBI after the NOI Date but excludes Employee Claims.

"Preferred Creditors" means persons entitled to a claim under section 136(1) of the Act, excluding the Proposal Trustee's fees and disbursements.

"Proposal" means the Proposal dated October 18, 2006 made by MBI.

"Proposal Date" means the date the Proposal is filed.

"Proposal Implementation Date" means the business day on which the Proposal becomes effective and binding and is the day that the Certificate of Full Performance is completed.

"Proposal Trustee" means Ernst & Young Inc.

"Secured Creditors" means secured creditors as defined in the Act who have provable claims against MBI.

“Severance Claims” means any and all claims to which the Company is or will be subject for damages, severance entitlements or termination entitlements arising from or under (a) the Ontario Employment Standards Act or any other applicable statute, (b) common law, and/or (c) any express or implied agreement which claims are as a result of; (1) the termination by MBI, on or before October 29, 2006, of any person’s employment or (2) temporary lay-off by MBI, on or before October 29, 2006, of any employee who is not subsequently called back, or recalled, to work within the time prescribed by the Ontario Employment Standards Act.

“Trust” means the fund established pursuant to the Escrow Agreement to pay unpaid Administrative Fees and Expenses, Crown Claims, Employee Claims, Levy, if any, and Post-Filing Goods and Services. The Trust will be held by the Proposal Trustee under the Escrow Agreement.

“205” means 2052128 Ontario Inc. the wholly owned subsidiary of MBI.

“Unsecured Creditors” means those persons with claims that are provable pursuant to the Act in respect of (i) debts and liabilities present or future, including contingent claims, to which the Company is subject as of the NOI Date, or to which it may become subject before its discharge by reason of any obligations incurred before the NOI Date; (ii) Severance Claims; and (iii) Director Claims, except for those claims:

- that are Claims by Preferred Creditors;
- that are Claims that are Administrative Fees and Expenses;
- that are Crown Claims;
- that are Employee Claims
- that are Claims by Secured Creditors.

1.2 Sections and Headings

The division of this Plan of Arrangement into sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Plan of Arrangement. Unless otherwise indicated, any reference in this Plan of Arrangement to a section or an exhibit refers to the specified section of or exhibit to this Plan of Arrangement.

1.3 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular number include the plural and vice versa and words importing any gender include all genders.

ARTICLE 2 ARRANGEMENT

2.1 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on (i) Post-Amalgamation MBI, (ii) MBC, and (iii) all Affected Creditors.

2.2 Arrangement

Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) There will be added to the articles of MBI provisions in respect of non-voting common shares and common shares as set out in Schedule A attached hereto;
- (b) The issued and outstanding common shares of MBI shall be reorganized by changing each issued and outstanding common share of MBI, together with the rights and privileges attaching to each such common share, into one hundred (100) issued and outstanding common shares of MBI so that, for greater certainty, the number of issued and outstanding common shares of MBI shall have been increased by one hundred (100) times;
- (c) MBI and 205 will be amalgamated and continued under the OBCA to form Post-Amalgamation MBI, in respect of which the name, the address of the registered office, the minimum and maximum number of directors, the name, address for service and residence of the directors, the names and Ontario corporation numbers of the amalgamating corporations, any restrictions on business, the classes and any maximum number of shares that the corporation is authorized to issue, the restrictions on transfer and other provisions, shall be as set out in Schedule B attached hereto;
- (d) Post-Amalgamation MBI shall transfer all of the MBI Assets and all of the MBI Liabilities to MBTI, notwithstanding:
 - (i) the provisions of any agreement or legislation limiting or preventing the assignment or limiting or preventing the transfer of any part of the Assets and Liabilities;
 - (ii) the right of any person to notice of, or consent to, the transfer of the Assets and Liabilities;
 - (iii) the provisions of the *Bulk Sales Act* (Ontario) or any applicable bulk sales legislation in any jurisdiction in which the Assets and Liabilities are situated; and

- (iv) the provisions of Part V of the *Personal Property Security Act* (Ontario) or any similar legislation in any other jurisdictions in which the MBI Assets and the MBI Liabilities are situated;
- (e) Post-Amalgamation MBI shall be entitled to issue its securities to one or more investors for cash proceeds; and
- (f) The Trust shall be established upon Post-Amalgamation MBI issuing and depositing with the Proposal Trustee in its capacity as escrow agent under the Escrow Agreement \$685,000 to be held and disbursed in accordance with the terms of the Escrow Agreement.

ARTICLE 3 AMENDMENTS

3.1 Amendments to Plan of Arrangement

MBI reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by MBC, and (iii) filed with the Court.

Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by MBI, provided that it concerns a matter which, in the reasonable opinion of MBI, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE 4 FURTHER ASSURANCES

4.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of MBC, MBI and 205, shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

Schedule A

1A

I. To create an unlimited number of non-voting common shares with the following rights, privileges, restrictions and conditions:

2. The holders of Common Non-Voting Shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Non-Voting Shares as such) provided that, except as required by law, the holders of the Common Non-Voting Shares shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Common Non-Voting Shares shall be entitled to receive all informational documents and other communications:
 - (a) required to be sent to the holders of Common Shares by applicable law or by any stock exchange on which the Common Shares of the Corporation are listed; and
 - (b) voluntarily sent by the Corporation to the holders of Common Shares in connection with any meeting of shareholders.
3. The holders of Common Non-Voting Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Non-Voting Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of dividends, provided that no dividend may be declared in respect of, or any other benefit conferred upon the holders of, Common Shares unless concurrently therewith the same dividend in respect of, or the same benefit is conferred upon the holders of, Common Non-Voting Shares.
4. The holders of Common Non-Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Non-Voting Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.
5. For the purposes of these provisions:
 - (a) "business day" means a day on which securities may be traded on the floor of the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed;

- (b) "Offer" means an offer to purchase Common Shares (or an acceptance of an offer to sell Common Shares) which must, by reason of applicable securities legislation or by laws, regulations or policies of a stock exchange on which the Common Shares are listed, be made to each holder of Common Shares whose last address on the records of the Corporation is in a province or territory of Canada to which the relevant requirement applies;
 - (c) "Offer Date" means the date on which an Offer is made;
 - (d) "Redemption Price" means the value of the consideration offered under an Offer which, in the case of non cash consideration shall be determined solely by the Board of Directors of the Corporation, acting reasonably; and
 - (e) "Redemption Period" means the period of time commencing on the seventh business day after the Offer Date and terminating on the last date upon which holders of Common Shares may accept the Offer.
6. Subject to Sections 6, 8 and 9 and applicable law, if an Offer is made, each outstanding Common Non-Voting Share shall be redeemed by the Corporation at the Redemption Price per Common Non-Voting Share at the option of the holder during the Redemption Period. The redemption right provided for in this Section 5 may be exercised by notice in writing given to the Corporation accompanied by the share certificate or certificates representing the Common Non-Voting Shares in respect of which the holder desires to exercise such right of redemption, and such notice shall be executed by the holder of the Common Non-Voting Shares registered on the books of the Corporation, or by his duly authorized attorney, and shall specify the number of Common Non-Voting Shares which the holder desires to have redeemed. The holder shall pay any governmental or other tax imposed on or in respect of such redemption. Upon receipt by the Corporation of such notice and share certificate or certificates, the Corporation shall issue or cause to be issued a cheque for the aggregate Redemption Price to be paid to such holder (less any tax required to be withheld) in accordance with Sections 6 and 8. If less than all of the Common Non-Voting Shares represented by any share certificate are to be redeemed, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Common Non-Voting Shares represented by the original share certificate which are not to be redeemed.
7. The redemption right provided for in Section 5 shall not come into effect if:
- (a) one or more shareholders of the Corporation who did not make or act in concert with the person or persons making the Offer and who, in the aggregate, beneficially own, directly or indirectly, or exercise control or direction over, not less than 50% of the outstanding Common Shares, determine within five business days after the Offer Date that he or they will continue to so own or exercise control or direction over, in the aggregate, 50% or more of the outstanding Common Shares;

- (b) contemporaneously with the Offer, an offer is made to the holders of Common Non-Voting Shares upon the same terms and conditions as those contained in the Offer, including the consideration to be paid to the holders of Common Shares and the offer is for the same percentage of Common Non-Voting Shares as the percentage of Common Shares sought to be acquired under the Offer, excluding in each case the number of shares then owned by the offeror;
- (c) the Board of Directors of the Corporation determines within five business days after the Offer Date that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring Common Shares; or
- (d) the Offer is not completed in accordance with its terms;
- provided that:
- (e) in the case of Section 6(a) above, within six business days after the Offer Date, a certificate signed by or on behalf of the one or more shareholders of the Corporation is delivered to the Secretary of the Corporation confirming that: (A) such shareholders did not make or act in concert with the person or persons making the Offer; (B) such shareholders beneficially own, directly or indirectly, or exercise control or direction over in the aggregate not less than 50% of the outstanding Common Shares; and (C) such shareholders have determined that they will not accept the Offer and provided further that upon any variation of the Offer, including an increase in price, such shareholders of the Corporation shall be deemed not to have accepted the Offer as varied and the certificate delivered by or on behalf of them as described above shall be deemed to continue to apply and no further certificate need be filed for purposes of these provisions unless and until one or more of such shareholders determine to accept the Offer as varied and the result of such acceptance would be to reduce the aggregate holdings of the remaining shareholders who delivered such certificate to less than 50% of the outstanding Common Shares in which case a certificate to that effect signed by or on behalf of such shareholders would determine to accept the Offer as varied shall be delivered to the Corporation forthwith after such determination and, in any event, not less than five business days prior to termination of the Conversion Period;
- (f) in the case of Section 6(c), the Secretary of the Corporation delivers to the transfer agent within six business days after the Offer Date a certified copy of a resolution of the Board of Directors of the Corporation determining that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring the Common Shares and stating the reason for such determination; and

- (g) as soon as reasonably possible after the receipt of a certificate under Section 6(e) or a certified copy of the resolution under Section 6(f), the Corporation shall send to the holders of Common Non-Voting Shares notice of and a brief description of the effect of the determination under Section 6(a) or Section 6(c), as the case may be.
8. If the events described in Sections 6(a), (b) or (c) hereof shall not have occurred within five business days after the Offer Date, or if an amended certificate as described in Section 6(e) shall have been delivered, the Corporation shall send as soon as reasonably possible to the holders of Common Non-Voting Shares a notice containing a brief description of the rights of such holders hereunder.
9. The redemption of all Common Non-Voting Shares delivered to the Corporation for redemption pursuant to Section 5 shall be subject to the provisions of this Section 8 and the provisions of Section 9 and the Corporation shall make all arrangements necessary or desirable to give effect to this Section 8. All Common Non-Voting Shares delivered for redemption pursuant to Section 5 shall be redeemed subject to completion of the Offer but no cheques representing the Redemption Price for the Common Non-Voting Shares so redeemed shall be delivered to the holders of such Common Non-Voting Shares unless and until the Offer is completed in accordance with its terms. Upon completion of the Offer (the "Redemption Date"), the Corporation shall deliver to the holders entitled thereto all moneys owing to the holders of the Common Non-Voting Shares redeemed. If the Offer is not completed, the right provided in Section 5 shall not be effective and the Corporation shall return or issue and deliver to the holders entitled thereto share certificates representing Common Non-Voting Shares delivered to the Corporation pursuant to Section 5.
10. Neither the Common Shares nor the Common Non-Voting Shares shall be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the shares of the other of such classes are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.
11. The rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares as a class may be added to, changed or removed but only with approval of the holders of Common Non-Voting Shares given as herein specified.
12. The rights, privileges, restrictions and conditions attached to the Common Non-Voting Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Common Non-Voting Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two thirds of the votes cast at a meeting of holders of Common Non-Voting Shares duly called for such purpose and held upon at least 21 days notice at which a quorum is present comprising at least two persons holding or representing by proxy at least 20% of the outstanding Common Non-

Voting Shares. If any such quorum is not present within half an hour after the time appointed for the meeting then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Common Non-Voting Share shall be entitled to one vote in respect of each Common Non-Voting Share held.

13. Any cheque representing payment of the Redemption Price not presented to the Corporation's bankers for payment, or otherwise not claimed within six years after the Redemption Date, shall be irrevocably forfeited to the Corporation.
14. From and after the Redemption Date, the Common Non-Voting Shares redeemed shall cease to be entitled to dividends, and the parties that were the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect of such redeemed shares, unless payment of the Redemption Price shall not be duly made by the Corporation.

All Common Non-Voting Shares which are redeemed, in accordance with the rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares, shall, subject to applicable law, be deemed to be returned to the authorized but unissued capital of the Corporation.

II. To add the following rights, privileges, restrictions and conditions to the existing Common Shares,

1. The holders of Common Shares shall be entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such);
2. The holders of Common Shares shall be entitled to receive dividends as and when declared by Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and
3. The holders of Common Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose

of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Non Voting Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

Schedule B

1. The name of the amalgamated corporation is:

Millenium Biologix Inc.

2. The address of the registered office is:

785 Midpark Drive, Kingston, Ontario K7M 7G3

3. The minimum and maximum number of directors is:

Minimum: 1; Maximum: 10

4. The directors are:

<u>Name</u>	<u>Address for Service</u>	<u>Resident Canadian (y/n)</u>
Sydney Pugh	785 Midpark Drive Kingston, Ontario K7M 7G3	Yes
Timothy J.N. Smith	785 Midpark Drive Kingston, Ontario K7M 7G3	Yes
Henry J. Pankratz	785 Midpark Drive Kingston, Ontario K7M 7G3	Yes
Enda Kenny	785 Midpark Drive Kingston, Ontario K7M 7G3	No
Jeremy L. Curnock Cook	785 Midpark Drive Kingston, Ontario K7M 7G3	No

5. Information on amalgamating companies:

<u>Names of amalgamating companies</u>	<u>Ontario Corporation Number</u>
Millenium Biologix Inc.	1640870
2052128 Ontario Inc.	2052128

6. Restrictions on business: None

7. Classes and any maximum number of shares that the corporation is authorized to issue:

I. An unlimited number of non-voting common shares with the following rights, privileges, restrictions and conditions:

1. The holders of Common Non-Voting Shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Non-Voting Shares as such) provided that, except as required by law, the holders of the Common Non-Voting Shares shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Common Non-Voting Shares shall be entitled to receive all informational documents and other communications:
 - (a) required to be sent to the holders of Common Shares by applicable law or by any stock exchange on which the Common Shares of the Corporation are listed; and
 - (b) voluntarily sent by the Corporation to the holders of Common Shares in connection with any meeting of shareholders.
2. The holders of Common Non-Voting Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Non-Voting Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of dividends, provided that no dividend may be declared in respect of, or any other benefit conferred upon the holders of, Common Shares unless concurrently therewith the same dividend in respect of, or the same benefit is conferred upon the holders of, Common Non-Voting Shares.
3. The holders of Common Non-Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting

shares in respect of return of capital on dissolution, to share rateably, together with the holders of Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Non-Voting Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

4. For the purposes of these provisions:

- (a) "business day" means a day on which securities may be traded on the floor of the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed;
- (b) "Offer" means an offer to purchase Common Shares (or an acceptance of an offer to sell Common Shares) which must, by reason of applicable securities legislation or by laws, regulations or policies of a stock exchange on which the Common Shares are listed, be made to each holder of Common Shares whose last address on the records of the Corporation is in a province or territory of Canada to which the relevant requirement applies;
- (c) "Offer Date" means the date on which an Offer is made;
- (d) "Redemption Price" means the value of the consideration offered under an Offer which, in the case of non cash consideration shall be determined solely by the Board of Directors of the Corporation, acting reasonably; and
- (e) "Redemption Period" means the period of time commencing on the seventh business day after the Offer Date and terminating on the last date upon which holders of Common Shares may accept the Offer.

5. Subject to Sections 6, 8 and 9 and applicable law, if an Offer is made, each outstanding Common Non-Voting Share shall be redeemed by the Corporation at the Redemption Price per Common Non-Voting Share at the option of the holder during the Redemption Period. The redemption right provided for in this Section 5 may be exercised by notice in writing given to the Corporation accompanied by the share certificate or certificates representing the Common Non-Voting Shares in respect of which the holder desires to exercise such right of redemption, and such notice shall be executed by the holder of the Common Non-Voting Shares registered on the books of the Corporation, or by his duly authorized attorney, and shall specify the number of Common Non-Voting Shares which the holder desires to have redeemed. The holder shall pay any governmental or other tax imposed on or in respect of such redemption. Upon receipt by the Corporation of such notice and share certificate or certificates, the Corporation shall issue or cause to be issued a cheque for the aggregate Redemption Price to be paid to such holder (less any tax required to be withheld) in accordance with Sections 6 and 8. If less than all of the Common Non-Voting Shares represented by any share certificate are to be redeemed, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Common Non-Voting Shares represented by the original share certificate which are not to be redeemed.

6. The redemption right provided for in Section 5 shall not come into effect if:
- (a) one or more shareholders of the Corporation who did not make or act in concert with the person or persons making the Offer and who, in the aggregate, beneficially own, directly or indirectly, or exercise control or direction over, not less than 50% of the outstanding Common Shares, determine within five business days after the Offer Date that he or they will continue to so own or exercise control or direction over, in the aggregate, 50% or more of the outstanding Common Shares;
 - (b) contemporaneously with the Offer, an offer is made to the holders of Common Non-Voting Shares upon the same terms and conditions as those contained in the Offer, including the consideration to be paid to the holders of Common Shares and the offer is for the same percentage of Common Non-Voting Shares as the percentage of Common Shares sought to be acquired under the Offer, excluding in each case the number of shares then owned by the offeror;
 - (c) the Board of Directors of the Corporation determines within five business days after the Offer Date that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring Common Shares; or
 - (d) the Offer is not completed in accordance with its terms;
- provided that:
- (e) in the case of Section 6(a) above, within six business days after the Offer Date, a certificate signed by or on behalf of the one or more shareholders of the Corporation is delivered to the Secretary of the Corporation confirming that: (A) such shareholders did not make or act in concert with the person or persons making the Offer; (B) such shareholders beneficially own, directly or indirectly, or exercise control or direction over in the aggregate not less than 50% of the outstanding Common Shares; and (C) such shareholders have determined that they will not accept the Offer and provided further that upon any variation of the Offer, including an increase in price, such shareholders of the Corporation shall be deemed not to have accepted the Offer as varied and the certificate delivered by or on behalf of them as described above shall be deemed to continue to apply and no further certificate need be filed for purposes of these provisions unless and until one or more of such shareholders determine to accept the Offer as varied and the result of such acceptance would be to reduce the aggregate holdings of the remaining shareholders who delivered such certificate to less than 50% of the outstanding Common Shares in which case a certificate to that effect signed by or on behalf of such shareholders would determine to accept the Offer as varied shall be delivered to the Corporation forthwith after such determination and, in any

event, not less than five business days prior to termination of the Conversion Period;

(f) in the case of Section 6(c), the Secretary of the Corporation delivers to the transfer agent within six business days after the Offer Date a certified copy of a resolution of the Board of Directors of the Corporation determining that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring the Common Shares and stating the reason for such determination; and

(g) as soon as reasonably possible after the receipt of a certificate under Section 6(e) or a certified copy of the resolution under Section 6(f), the Corporation shall send to the holders of Common Non-Voting Shares notice of and a brief description of the effect of the determination under Section (6)(a) or Section 6(c), as the case may be.

7. If the events described in Sections 6(a), (b) or (c) hereof shall not have occurred within five business days after the Offer Date, or if an amended certificate as described in Section 6(e) shall have been delivered, the Corporation shall send as soon as reasonably possible to the holders of Common Non-Voting Shares a notice containing a brief description of the rights of such holders hereunder.
8. The redemption of all Common Non-Voting Shares delivered to the Corporation for redemption pursuant to Section 5 shall be subject to the provisions of this Section 8 and the provisions of Section 9 and the Corporation shall make all arrangements necessary or desirable to give effect to this Section 8. All Common Non-Voting Shares delivered for redemption pursuant to Section 5 shall be redeemed subject to completion of the Offer but no cheques representing the Redemption Price for the Common Non-Voting Shares so redeemed shall be delivered to the holders of such Common Non-Voting Shares unless and until the Offer is completed in accordance with its terms. Upon completion of the Offer (the "Redemption Date"), the Corporation shall deliver to the holders entitled thereto all moneys owing to the holders of the Common Non-Voting Shares redeemed. If the Offer is not completed, the right provided in Section 5 shall not be effective and the Corporation shall return or issue and deliver to the holders entitled thereto share certificates representing Common Non-Voting Shares delivered to the Corporation pursuant to Section 5.
9. Neither the Common Shares nor the Common Non-Voting Shares shall be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the shares of the other of such classes are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.
10. The rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares as a class may be added to, changed or removed but only with approval of the holders of Common Non-Voting Shares given as herein specified.

11. The rights, privileges, restrictions and conditions attached to the Common Non-Voting Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Common Non-Voting Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two thirds of the votes cast at a meeting of holders of Common Non-Voting Shares duly called for such purpose and held upon at least 21 days notice at which a quorum is present comprising at least two persons holding or representing by proxy at least 20% of the outstanding Common Non-Voting Shares. If any such quorum is not present within half an hour after the time appointed for the meeting then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Common Non-Voting Share shall be entitled to one vote in respect of each Common Non-Voting Share held.
12. Any cheque representing payment of the Redemption Price not presented to the Corporation's bankers for payment, or otherwise not claimed within six years after the Redemption Date, shall be irrevocably forfeited to the Corporation.
13. From and after the Redemption Date, the Common Non-Voting Shares redeemed shall cease to be entitled to dividends, and the parties that were the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect of such redeemed shares, unless payment of the Redemption Price shall not be duly made by the Corporation.

All Common Non-Voting Shares which are redeemed, in accordance with the rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares, shall, subject to applicable law, be deemed to be returned to the authorized but unissued capital of the Corporation.

II. An unlimited number of Common Shares with the following rights, privileges, restrictions and conditions:

1. The holders of Common Shares shall be entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such);
2. The holders of Common Shares shall be entitled to receive dividends as and when declared by Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and

3. The holders of Common Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Non Voting Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

9. The issue, transfer or ownership of shares is restricted and the restrictions are as follows:

No securities of the Corporation, other than non-convertible debt securities, shall be transferred without the consent of either (a) a majority of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or (b) the holders of at least 51% of the outstanding common shares of the Corporation expressed by a resolution passed at a meeting of such shareholders or by an instrument or instruments in writing signed by the holders of at least 51% of the outstanding common shares of the Corporation.

10. Other provisions:

None

Schedule "B"

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made as of November 9, 2006 by and among Millenium Biologix Inc. (the "Vendor"), Millenium Biologix Technologies Inc. (the "Purchaser"), and Ernst & Young Inc., solely in its capacity as Proposal Trustee of Millenium Biologix Inc. (the "Escrow Agent").

RECITALS

WHEREAS, the Purchaser and the Vendor have entered into an Asset Purchase Agreement dated as of the date hereof (the "Purchase Agreement") in connection with the purchase and sale of certain assets of the Vendor;

WHEREAS, pursuant to Section 6(2) of the Purchase Agreement, the parties to the Purchase Agreement have agreed that the Vendor shall deposit in escrow with the Escrow Agent a certain portion of the cash assets of the Vendor pursuant to the terms of this Agreement to be available to satisfy Unpaid Fees, Expenses and Claims (as hereinafter defined); and

WHEREAS, the foregoing recitals are made by the parties hereto other than the Escrow Agent.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which are mutually admitted by each of the parties, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions.

"Cumulative Expected Amount", with respect to any date, shall mean the aggregate of the Expected Amount of all Unpaid Fees, Expenses and Claims as at such date.

"Expected Amount", with respect to any amount payable as contemplated by Section 7.4 of the Proposal (as hereinafter defined), shall be equal to the funds which would reasonably be required to be paid by the Purchaser in order to satisfy any such amount, as determined by the Purchaser acting in good faith.

"Evidence of Final Payment", with respect to any Unpaid Fees, Expenses and Claims or any portion thereof, shall mean a Reimbursement Instruction evidencing that such amount or a portion thereof has been finally paid.

"Remaining Escrowed Funds" shall mean the Escrowed Funds less any amounts released from the Escrowed Funds from time to time pursuant to the terms of this Agreement plus any interest earned on the Escrowed Funds pursuant to Section 2.5.

"Unpaid Fees, Expenses and Claims" shall mean all unpaid fees, expenses, claim(s) and similar amounts contemplated by Section 7.4 of the Proposal in respect of which the Escrow Agent has not received Evidence of Final Payment.

All other capitalized terms not defined in this Agreement shall have the same meaning in this Agreement as in the Purchase Agreement.

1.2 Gender and Number.

The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits.

1.3 Headings.

Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of content and shall not be considered part of this Agreement.

1.4 Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario and shall be treated, in all respects, as an Ontario contract.

1.5 Currency.

All references to dollar amounts in this Agreement and in any notice delivered pursuant to the terms of this Agreement are to Canadian currency.

1.6 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

1.7 Time

Time is of the essence in the performance of the Parties' respective obligations.

ARTICLE 2
APPOINTMENT OF AGENT AND DEPOSIT OF ESCROW FUNDS

2.1 Appointment of Escrow Agent.

Each of the parties to this Agreement (other than the Escrow Agent) hereby appoints Ernst & Young Inc., solely in its capacity as Proposal Trustee of Millenium Biologix Inc., to act as the Escrow Agent on the terms and conditions set forth in this Agreement and the Escrow Agent hereby accepts such appointment on such terms and conditions.

2.2 Escrowed Funds.

Pursuant to Section 6(2) of the Purchase Agreement, the Vendor hereby deposits with the Escrow Agent \$685,000 (the "Escrowed Funds") by wire transfer of immediately available funds to the account specified by the Escrow Agent or, at the option of the Vendor, by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank or trust company. The Escrowed Funds shall be held and released by the Escrow Agent solely in accordance with the terms and conditions of this Agreement.

2.3 Acknowledgment of Escrow Agent.

The Escrow Agent acknowledges the deposit of the Escrowed Funds and agrees to hold the Escrowed Funds in accordance with the terms and conditions of this Agreement.

2.4 Escrowed Funds as Security for Purchaser's Obligations under Certain Assumed Liabilities.

The parties (other than the Escrow Agent) agree that the Escrowed Funds are being deposited with the Escrow Agent to serve as security for the satisfaction, performance and observance by the Purchaser of its obligations and liabilities in respect of certain Assumed Liabilities, being those consisting of Unpaid Administrative Fees and Expenses, Crown Claims, Employee Claims, Levy, if any, and Post Filing Goods and Services, as such terms are defined in the Proposal of the Vendor dated October 18, 2006 (the "Proposal") under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").

2.5 Investment of Escrowed Funds.

The Escrowed Funds shall be deposited in an interest bearing bank account specified by the Escrow Agent. The Escrow Agent shall be responsible only for interest actually earned and received by it on the Escrowed Funds and shall not be required to achieve any specific, or any, rate of interest thereon. Any interest earned on the Escrowed Funds shall be added to the Escrowed Funds and paid out in accordance with this Agreement.

ARTICLE 3 RELEASE OF THE ESCROW FUNDS

3.1 Release Upon Reimbursement Instruction

Upon its receipt from the Purchaser of written confirmation that the Purchaser has paid any Unpaid Administrative Fees and Expenses, Crown Claims, Employee Claims, Levy, or Post Filing Goods and Services, and that the Purchaser requires immediate reimbursement from the Escrow Agent of some or all of such amounts (a "Reimbursement Instruction"), the Escrow Agent shall pay to the Purchaser out of the Escrowed Funds the amount specified (the "Payment Amount") in such Reimbursement Instructions, by wire transfer of immediately available funds in accordance with the payment instructions set out in any such instruction.

3.2 Contents of Reimbursement Instruction.

Any Reimbursement Instruction provided to the Escrow Agent by the Purchaser pursuant to Section 3.1 above shall be delivered in accordance with Section 7.2 hereof and shall state as follows:

- (a) that the Purchaser is entitled to reimbursement in accordance with Section 7.4 of the Proposal;
- (b) the particulars of the amount paid by the Purchaser in respect of which reimbursement is claimed, including evidence satisfactory to the Escrow Agent, acting reasonably, that the amount so paid falls within the matters contemplated by Section 7.4 of the Proposal;
- (c) the Payment Amount;
- (d) all necessary information to effect a wire transfer of the Payment Amount to the Purchaser; and
- (e) the date upon which the Escrow Agent is to effect payment of the Payment Amount.

3.3 Release of Escrowed Funds to Purchaser.

- (a) The Escrow Agent shall release to the Purchaser on May 9, 2007 (the "Automatic Release Date") by wire transfer of immediately available funds to an account or accounts designated by the Purchaser in writing the amount, if any, by which the amount of Remaining Escrowed Funds on such date exceeds the Cumulative Expected Amount as of such date.
- (b) At any time after the Automatic Release Date, on the date when the Cumulative Expected Amount equals zero, the Escrow Agent shall release to Purchaser by

wire transfer of immediately available funds to an account specified by the Vendor in writing the amount, if any, of the Remaining Escrowed Funds.

3.4 Disagreements / Direction from Court

- (a) In the event that any disagreement or dispute arises between the Purchaser and any third party in respect of payment of the Escrowed Funds, whether on not litigation has been instituted and at the Escrow Agent's option, the Escrow Agent may pay some or all of the Remaining Escrowed Funds into Court in a manner permitted by the BIA and in accordance with the *Rules of Civil Procedure* (Ontario) and upon so doing shall be released from any and all liability under this Agreement or in connection with the Escrowed Funds.
- (b) In the event that for any reason the Escrow Agent desires to obtain further direction from the Court in connection with the Proposal or any other matter contemplated by this Agreement, including, without limitation, in the event that the Escrowed Funds are not sufficient for the purposes contemplated by this Agreement, the Escrow Agent shall be entitled to do so and to rely on any such direction received from the Court in fulfilling its duties hereunder.

3.5 Termination

This Agreement will be terminated automatically upon the earlier of (i) the date on which the Escrow Agent ceases to hold any Remaining Escrowed Funds; and (ii) November 9, 2007. In the event that clause (ii) of the immediately preceding sentence applies, upon payment to the Escrow Agent by the Purchaser of all outstanding fees pursuant to Section 4.2 hereof, the Escrow Agent shall transfer and deliver to the Purchaser the remaining Escrowed Funds and all books, records, documents and other material in the possession of the Escrow Agent relating to the Escrowed Funds.

ARTICLE 4 THE ESCROW AGENT

4.1 Reliance on Instruments.

The Escrow Agent shall be fully protected in acting upon any instrument, certificate or paper in good faith believed by it to be genuine and signed by the proper person or persons, and the Escrow Agent shall be under no duty to make investigations or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

4.2 Fees and Expenses.

The Purchaser agrees to reimburse the Escrow Agent for all fees, out-of-pocket costs, charges and expenses, including all legal fees and disbursements incurred by the Escrow Agent (the "Escrow Expenses") in connection with its services pursuant to the provisions of this

Agreement. The Purchaser further agrees that the Escrow Agent may withdraw from the Escrowed Funds and pay to itself the full amount of any Escrow Expenses which are not promptly reimbursed by the Purchaser.

4.3 Counsel.

The Escrow Agent may employ such counsel and advisors as it may reasonably require for the purpose of discharging its duties under this Agreement and the Escrow Agent may act and shall be protected in acting in good faith on the opinion or advice of or information obtained from any such counsel or advisor in relation to any matter arising under this Agreement.

ARTICLE 5 LIABILITY AND INDEMNIFICATION

5.1 Liabilities and Duties.

The Escrow Agent shall have no obligations, duties or responsibilities except as expressly set forth in this Agreement and shall have no liability or responsibility arising under any other agreement, including any other agreement referred to in this Agreement to which the Escrow Agent is not a party.

5.2 Indemnification of the Escrow Agent.

The Purchaser shall indemnify the Escrow Agent from, and hold it harmless against, any claim, demand, suit, loss, liability, damage, obligation, payment, cost, expense and accrued interest thereon (including, without limitation, the costs and expenses of, and accrued interest in respect of, any and all actions, suits, proceedings, assessments, judgements, settlements and compromises relating thereto and reasonable lawyers' fees and expenses in connection therewith and including any claim made as a result of the fact that the Escrowed Funds are not sufficient for the purposes contemplated by this Agreement) (collectively, an "Indemnifiable Loss") incurred or suffered by it arising out of or in connection with the performance of its obligations under this Agreement so long as such Indemnifiable Loss does not arise as a result of the gross negligence or wilful misconduct of the Escrow Agent or a breach by the Escrow Agent of any other provision of this Agreement.

ARTICLE 6 AMENDMENT AND TERMINATION OF AGREEMENT

6.1 Amendment of Agreement.

This Agreement may be amended from time to time, in whole or in part, by an instrument in writing executed by the Purchaser and the Vendor and by notice thereof to the Escrow Agent in accordance with Section 7.2 hereof, provided that no amendment to this Agreement which would materially affect the rights, duties, responsibilities or obligations of the Escrow Agent under this Agreement shall bind the Escrow Agent without the written consent of the Escrow Agent.

6.2 Survival.

The provisions of Section 5.2 shall survive the termination of this Agreement and shall continue in full force and effect indefinitely.

6.3 Resignation or Removal of Escrow Agent.

The Escrow Agent may resign its position and be discharged from all further duties under this Agreement upon at least 10 days' written notice to the Purchaser in accordance with Section 7.2 hereof or such shorter notice as the Purchaser may accept as sufficient. The Purchaser shall have the right at any time, upon at least 10 days' written notice to the Escrow Agent, in accordance with Section 7.2 hereof, to remove the Escrow Agent and to appoint a new escrow agent of the Escrowed Funds. In the event of the resignation or removal of the Escrow Agent, the Purchaser shall forthwith appoint a new escrow agent of the Escrowed Funds acceptable to it and shall give written notice of such appointment to the Escrow Agent in accordance with Section 7.2 hereof. Upon receipt of the notice mentioned in the preceding sentence, and payment to the Escrow Agent by the Purchaser of all outstanding fees pursuant to Section 4.2 hereof in the case of the removal of the Escrow Agent pursuant to this Section 6.3, the Escrow Agent shall transfer and deliver to the new escrow agent the Remaining Escrowed Funds and all books, records, documents and other material, in the possession of the Escrow Agent relating to the Escrowed Funds. On any appointment of a new escrow agent pursuant to this Section 6.3, such new escrow agent shall be vested with the same powers, rights, duties and responsibilities and shall be subject to removal as escrow agent hereunder as if it had been originally named herein as the Escrow Agent without any further assurance, conveyance, act or deed.

6.4 Waiver.

Except as expressly provided in this Agreement, no waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

ARTICLE 7 GENERAL

7.1 Assignment.

This Agreement and all of the provisions of this Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by any party without the prior written consents of the other parties, which consents shall not be unreasonably withheld provided that no such assignment shall relieve or discharge the assigning party from any of its obligations under this Agreement.

7.2 Notice.

Any notice or other communication or writing required or permitted to be given under this Agreement or for the purposes of this Agreement (a "notice") shall be sufficiently given if delivered personally or if transmitted by facsimile transmission (with original to follow by mail) to:

- (a) If to the Purchaser, to:

Millenium Biologix Technologies Inc.
785 Midpark Drive
Kingston, ON K7M 7G3

Facsimile No.: (613) 389-6625

Attention: Brian Fielding

- (b) If to the Vendor, to:

Millenium Biologix Inc.
785 Midpark Drive
Kingston, ON K7M 7G3

Facsimile No.: (613) 389-6625

Attention: Brian Fielding

- (c) If to the Escrow Agent, to:

Ernst & Young Inc.
100 Queen Street, Suite 1600
Ottawa, ON K1P 1K1

Facsimile No.: (613) 232-5324

Attention: Greg Adams

or at such other address as the party to whom such notice is to be given shall have last notified the party giving the same in the manner provided in this Section. Any notice so delivered shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following the day it is so delivered. Any notice so transmitted by facsimile transmission shall be deemed to have been given and received on the day of its confirmed transmission (as confirmed by the transmitting medium), provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following such day.

7.3 Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

**MILLENNIUM BIOLOGIX TECHNOLOGIES
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

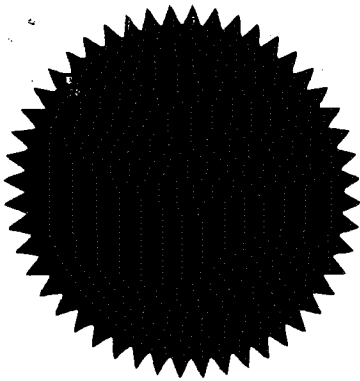
MILLENNIUM BIOLOGIX INC.

By: _____
Name: Brian Fielding
Title: Authorized Signatory

**ERNST & YOUNG INC., solely in its capacity as
Proposal Trustee of Millenium Biologix Inc. and
not in its personal capacity**

By: _____
Name:
Title:

EXHIBIT B



ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE)
JUSTICE *PANET*)
FRIDAY THE 17TH DAY
OF NOVEMBER, 2006

IN THE MATTER OF THE PROPOSAL OF
MILLENIUM BIOLOGIX INC.
OF THE CITY OF KINGSTON
IN THE PROVINCE OF ONTARIO

AND IN THE MATTER OF A PROPOSED
PLAN OF ARRANGEMENT INVOLVING
MILLENIUM BIOLOGIX AND 2052128
ONTARIO INC.

ORDER

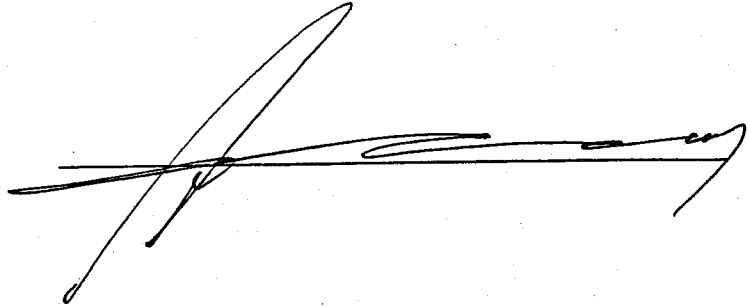
THIS MOTION made by Ernst & Young Inc. (the "Trustee") for approval of a Proposal made by Millenium Biologix Inc. ("MBI") on October 18, 2006 (the "Proposal") and orders concerning several associated matters was heard this day at Ottawa.

ON READING the Notice of Motion dated November 10, 2006 and the affidavit of Gregory Adams and the report of the Trustee filed on the motion, and on hearing the submissions of counsel for the Trustee:

1. THIS COURT ORDERS that effective immediately prior to the completion of the financing transaction by MBI as contemplated by the Proposal, the Proposal is approved in accordance with the *Bankruptcy and Insolvency Act*.

2. **THIS COURT ORDERS** that the plan of arrangement proposed by MBI and adopted by the sole shareholder of MBI, attached hereto as Schedule "A" (the "Plan") be and is hereby approved pursuant to paragraph 182(5)(f) of the Ontario *Business Corporations Act* (the "OBCA").
3. **THIS COURT ORDERS** that MBI may amalgamate with 2052128 Ontario Inc. in accordance with the terms of the Plan notwithstanding the provisions of section 178 of the *OBCA*.
4. **THIS COURT ORDERS** that a trust shall be established in accordance with the terms of the draft Escrow Agreement between MBI, Millenium Biologix Technologies Inc. ("MBTI") and the Trustee, attached hereto as Schedule "B".
5. **THIS COURT ORDERS** that, subject to the terms of the trust established in accordance with paragraph 4 hereof, and effective immediately prior to the completion of the financing transaction by MBI as contemplated by the Proposal, all assets of MBI (the "Assets") and all liabilities of MBI (the "Liabilities") which Assets and Liabilities, for greater certainty, shall not include the tax attributes of MBI, shall vest in MBTI and MBI shall be fully and completely released from all such Liabilities, notwithstanding:
 - (a) the provisions of any agreement or legislation limiting or preventing the assignment or limiting or preventing the transfer of any part of the Assets and Liabilities;
 - (b) the right of any person to notice of, or consent to, the transfer of the Assets and Liabilities;
 - (c) the provisions of the *Bulk Sales Act* (Ontario) or any applicable bulk sales legislation in any jurisdiction in which the Assets and Liabilities are situated; and
 - (d) the provisions of Part V of the *Personal Property Security Act* (Ontario) or any similar legislation in any other jurisdictions in which the Assets and Liabilities are situated.
6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in Switzerland to give effect to this Order and to assist MBI and the Trustee in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully

requested to make such orders and to provide such assistance to MBI and the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist MBI and the Trustee and its agents in carrying out the terms of this Order.

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a cursive or stylized name.

Schedule "A"

PLAN OF ARRANGEMENT
UNDER SECTION 182
OF THE ONTARIO *BUSINESS CORPORATIONS ACT*

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"Act" means the Bankruptcy and Insolvency Act, R.S.C., 1985, c.B-3 as amended from time to time.

"Administrative Fees and Expenses" means the proper fees and expenses of the Proposal Trustee, as well as the legal fees and disbursements of MBI and 205 and of the Proposal Trustee, on or incidental to the NOI and the Proposal, the negotiations in connection with the preparation of the Proposal and any subsequent Proposals, and the proceedings arising out of the Proposal and any subsequent Proposals including advice to MBI, Post-Amalgamation MBI or 205.

"Affected Claims" means the Claims of Secured Creditors, Preferred Creditors and Unsecured Creditors.

"Affected Creditors" means those creditors holding Affected Claims

"Arrangement" means an arrangement under section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Article 4 or made at the direction of the Court in the Order.

"Articles of Arrangement" means the articles of arrangement of MBI in respect of the Arrangement that are required by the OBCA to be sent to the Director after the Order is made.

"Certificate" means the certificate of arrangement giving effect to the Arrangement, issued pursuant to subsection 183(2) of the OBCA after the Articles of Arrangement have been filed;

"Certificate of Full Performance" means the certificate completed by the Proposal Trustee pursuant to Section 65.3 of the Act.

"Claims" means any right or claim, of any person against MBI, in connection with any indebtedness, liability, action, cause of action, suit, debt due, account, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever,

whether liquidated, un-liquidated, fixed, contingent, matured, legal, equitable, secured, present, future, known or unknown, and whether by guarantee, surety or otherwise in any way, and whether in whole or in part, incurred or arising or relating to the period prior to or existing on the NOI Date with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future based in whole or in part on facts, events or matters which exist, or occurred, on or before the NOI Date, including all claims in respect to the costs of remedying any environmental condition or damage effecting real property and Severance Claims.

"Conveyance Agreement" means an agreement between Post-Amalgamation MBI and MBTI whereby MBTI acquires the MBI Assets in consideration of assuming all the MBI Liabilities.

"Court" means the Ontario Superior Court of Justice, in Bankruptcy and Insolvency.

"Crown Claims" means claims of Her Majesty in Right of Canada or any Province of Canada as defined in s. 60(1.1) of the Act, for which the Crown has priority or preference to the claims of Unsecured Creditors.

"Director" means the Director appointed pursuant to section 278 of the OBCA;

"Director Claims" means claims against directors of MBI that arose before the NOI Date and that relate to the obligations of MBI for which the directors are by law liable in their capacity as directors for the payment of such obligations. Director Claims do not include claims that (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors; or (b) are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors.

"Effective Date" means the date shown on the Certificate;

"Effective Time" means 12:01 a.m. (Toronto time) on the Effective Date;

"Employee Claims" means claims of employees or former employees for amounts equal to the amounts that they would be qualified to receive under section 136(1)(d) of the Act if MBI became bankrupt on the NOI Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before Court approval of this Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the bankrupt's business during the same period. For greater certainty, Employee Claims do not include any amounts claimed by employees or former employees on account of Severance Claims.

"Escrow Agreement" means the escrow agreement to be entered into by Post-Amalgamation MBI, MBTI and the Proposal Trustee.

"Levy" means the levy imposed by the Superintendent of Bankruptcy under the Act.

"MBC" means Millenium Biologix Corporation, the parent company and sole shareholder of MBI.

“MBI” means Millenium Biologix Inc.

“MBI Assets” means the assets, property and undertaking of Post-Amalgamation MBI on the Proposal Implementation Date including the proceeds from a proposed financing transaction involving Insignia Energy Inc. less the Trust, excluding Post-Amalgamation MBI’s tax losses.

“MBI Liabilities” means Claims of Affected Creditors against MBI that are provable under the Act.

“MBTI” means Millenium Biologix Technologies Inc., a wholly-owned subsidiary of MBC.

“NOI” means the Notice of Intention to Make a Proposal filed by MBI on October 6, 2006.

“NOI Date” means October 6, 2006.

“OBCA” means the Ontario *Business Corporations Act* as now in effect and as may be amended from time to time prior to the Effective Date;

“Order” means the order of the Court approving the Arrangement as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed;

“Post-Amalgamation MBI” means MBI subsequent to its amalgamation with 205128 Ontario Inc.

“Post-Filing Goods and Services” means, in respect of the Proposal, the goods supplied, services rendered and other consideration given to MBI with the approval of MBI or Post-Amalgamation MBI after the NOI Date but excludes Employee Claims.

“Preferred Creditors” means persons entitled to a claim under section 136(1) of the Act, excluding the Proposal Trustee’s fees and disbursements.

“Proposal” means the Proposal dated October 18, 2006 made by MBI.

“Proposal Date” means the date the Proposal is filed.

“Proposal Implementation Date” means the business day on which the Proposal becomes effective and binding and is the day that the Certificate of Full Performance is completed.

“Proposal Trustee” means Ernst & Young Inc.

“Secured Creditors” means secured creditors as defined in the Act who have provable claims against MBI.

"Severance Claims" means any and all claims to which the Company is or will be subject for damages, severance entitlements or termination entitlements arising from or under (a) the Ontario Employment Standards Act or any other applicable statute, (b) common law, and/or (c) any express or implied agreement which claims are as a result of; (1) the termination by MBI, on or before October 29, 2006, of any person's employment or (2) temporary lay-off by MBI, on or before October 29, 2006, of any employee who is not subsequently called back, or recalled, to work within the time prescribed by the Ontario Employment Standards Act.

"Trust" means the fund established pursuant to the Escrow Agreement to pay unpaid Administrative Fees and Expenses, Crown Claims, Employee Claims, Levy, if any, and Post-Filing Goods and Services. The Trust will be held by the Proposal Trustee under the Escrow Agreement.

"205" means 2052128 Ontario Inc. the wholly owned subsidiary of MBI.

"Unsecured Creditors" means those persons with claims that are provable pursuant to the Act in respect of (i) debts and liabilities present or future, including contingent claims, to which the Company is subject as of the NOI Date, or to which it may become subject before its discharge by reason of any obligations incurred before the NOI Date; (ii) Severance Claims; and (iii) Director Claims, except for those claims:

- that are Claims by Preferred Creditors;
- that are Claims that are Administrative Fees and Expenses;
- that are Crown Claims;
- that are Employee Claims
- that are Claims by Secured Creditors.

1.2 Sections and Headings

The division of this Plan of Arrangement into sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Plan of Arrangement. Unless otherwise indicated, any reference in this Plan of Arrangement to a section or an exhibit refers to the specified section of or exhibit to this Plan of Arrangement.

1.3 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular number include the plural and vice versa and words importing any gender include all genders.

ARTICLE 2 ARRANGEMENT

2.1 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on (i) Post-Amalgamation MBI, (ii) MBC, and (iii) all Affected Creditors.

2.2 Arrangement

Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) There will be added to the articles of MBI provisions in respect of non-voting common shares and common shares as set out in Schedule A attached hereto;
- (b) The issued and outstanding common shares of MBI shall be reorganized by changing each issued and outstanding common share of MBI, together with the rights and privileges attaching to each such common share, into one hundred (100) issued and outstanding common shares of MBI so that, for greater certainty, the number of issued and outstanding common shares of MBI shall have been increased by one hundred (100) times;
- (c) MBI and 205 will be amalgamated and continued under the OBCA to form Post-Amalgamation MBI, in respect of which the name, the address of the registered office, the minimum and maximum number of directors, the name, address for service and residence of the directors, the names and Ontario corporation numbers of the amalgamating corporations, any restrictions on business, the classes and any maximum number of shares that the corporation is authorized to issue, the restrictions on transfer and other provisions, shall be as set out in Schedule B attached hereto;
- (d) Post-Amalgamation MBI shall transfer all of the MBI Assets and all of the MBI Liabilities to MBTI, notwithstanding:
 - (i) the provisions of any agreement or legislation limiting or preventing the assignment or limiting or preventing the transfer of any part of the Assets and Liabilities;
 - (ii) the right of any person to notice of, or consent to, the transfer of the Assets and Liabilities;
 - (iii) the provisions of the *Bulk Sales Act* (Ontario) or any applicable bulk sales legislation in any jurisdiction in which the Assets and Liabilities are situated; and

- (iv) the provisions of Part V of the *Personal Property Security Act* (Ontario) or any similar legislation in any other jurisdictions in which the MBI Assets and the MBI Liabilities are situated;
- (e) Post-Amalgamation MBI shall be entitled to issue its securities to one or more investors for cash proceeds; and
- (f) The Trust shall be established upon Post-Amalgamation MBI issuing and depositing with the Proposal Trustee in its capacity as escrow agent under the Escrow Agreement \$685,000 to be held and disbursed in accordance with the terms of the Escrow Agreement.

ARTICLE 3 AMENDMENTS

3.1 Amendments to Plan of Arrangement

MBI reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by MBC, and (iii) filed with the Court.

Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by MBI, provided that it concerns a matter which, in the reasonable opinion of MBI, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE 4 FURTHER ASSURANCES

4.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of MBC, MBI and 205, shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

Schedule A

1A

I. To create an unlimited number of non-voting common shares with the following rights, privileges, restrictions and conditions:

2. The holders of Common Non-Voting Shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Non-Voting Shares as such) provided that, except as required by law, the holders of the Common Non-Voting Shares shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Common Non-Voting Shares shall be entitled to receive all informational documents and other communications:
 - (a) required to be sent to the holders of Common Shares by applicable law or by any stock exchange on which the Common Shares of the Corporation are listed; and
 - (b) voluntarily sent by the Corporation to the holders of Common Shares in connection with any meeting of shareholders.
3. The holders of Common Non-Voting Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Non-Voting Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of dividends, provided that no dividend may be declared in respect of, or any other benefit conferred upon the holders of, Common Shares unless concurrently therewith the same dividend in respect of, or the same benefit is conferred upon the holders of, Common Non-Voting Shares.
4. The holders of Common Non-Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Non-Voting Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.
5. For the purposes of these provisions:
 - (a) "business day" means a day on which securities may be traded on the floor of the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed;

- (b) "Offer" means an offer to purchase Common Shares (or an acceptance of an offer to sell Common Shares) which must, by reason of applicable securities legislation or by laws, regulations or policies of a stock exchange on which the Common Shares are listed, be made to each holder of Common Shares whose last address on the records of the Corporation is in a province or territory of Canada to which the relevant requirement applies;
 - (c) "Offer Date" means the date on which an Offer is made;
 - (d) "Redemption Price" means the value of the consideration offered under an Offer which, in the case of non cash consideration shall be determined solely by the Board of Directors of the Corporation, acting reasonably; and
 - (e) "Redemption Period" means the period of time commencing on the seventh business day after the Offer Date and terminating on the last date upon which holders of Common Shares may accept the Offer.
6. Subject to Sections 6, 8 and 9 and applicable law, if an Offer is made, each outstanding Common Non-Voting Share shall be redeemed by the Corporation at the Redemption Price per Common Non-Voting Share at the option of the holder during the Redemption Period. The redemption right provided for in this Section 5 may be exercised by notice in writing given to the Corporation accompanied by the share certificate or certificates representing the Common Non-Voting Shares in respect of which the holder desires to exercise such right of redemption, and such notice shall be executed by the holder of the Common Non-Voting Shares registered on the books of the Corporation, or by his duly authorized attorney, and shall specify the number of Common Non-Voting Shares which the holder desires to have redeemed. The holder shall pay any governmental or other tax imposed on or in respect of such redemption. Upon receipt by the Corporation of such notice and share certificate or certificates, the Corporation shall issue or cause to be issued a cheque for the aggregate Redemption Price to be paid to such holder (less any tax required to be withheld) in accordance with Sections 6 and 8. If less than all of the Common Non-Voting Shares represented by any share certificate are to be redeemed, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Common Non-Voting Shares represented by the original share certificate which are not to be redeemed.
7. The redemption right provided for in Section 5 shall not come into effect if:
- (a) one or more shareholders of the Corporation who did not make or act in concert with the person or persons making the Offer and who, in the aggregate, beneficially own, directly or indirectly, or exercise control or direction over, not less than 50% of the outstanding Common Shares, determine within five business days after the Offer Date that he or they will continue to so own or exercise control or direction over, in the aggregate, 50% or more of the outstanding Common Shares;

- (b) contemporaneously with the Offer, an offer is made to the holders of Common Non-Voting Shares upon the same terms and conditions as those contained in the Offer, including the consideration to be paid to the holders of Common Shares and the offer is for the same percentage of Common Non-Voting Shares as the percentage of Common Shares sought to be acquired under the Offer, excluding in each case the number of shares then owned by the offeror;
- (c) the Board of Directors of the Corporation determines within five business days after the Offer Date that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring Common Shares; or
- (d) the Offer is not completed in accordance with its terms;
- provided that:
- (e) in the case of Section 6(a) above, within six business days after the Offer Date, a certificate signed by or on behalf of the one or more shareholders of the Corporation is delivered to the Secretary of the Corporation confirming that: (A) such shareholders did not make or act in concert with the person or persons making the Offer; (B) such shareholders beneficially own, directly or indirectly, or exercise control or direction over in the aggregate not less than 50% of the outstanding Common Shares; and (C) such shareholders have determined that they will not accept the Offer and provided further that upon any variation of the Offer, including an increase in price, such shareholders of the Corporation shall be deemed not to have accepted the Offer as varied and the certificate delivered by or on behalf of them as described above shall be deemed to continue to apply and no further certificate need be filed for purposes of these provisions unless and until one or more of such shareholders determine to accept the Offer as varied and the result of such acceptance would be to reduce the aggregate holdings of the remaining shareholders who delivered such certificate to less than 50% of the outstanding Common Shares in which case a certificate to that effect signed by or on behalf of such shareholders would determine to accept the Offer as varied shall be delivered to the Corporation forthwith after such determination and, in any event, not less than five business days prior to termination of the Conversion Period;
- (f) in the case of Section 6(c), the Secretary of the Corporation delivers to the transfer agent within six business days after the Offer Date a certified copy of a resolution of the Board of Directors of the Corporation determining that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring the Common Shares and stating the reason for such determination; and

- (g) as soon as reasonably possible after the receipt of a certificate under Section 6(e) or a certified copy of the resolution under Section 6(f), the Corporation shall send to the holders of Common Non-Voting Shares notice of and a brief description of the effect of the determination under Section (6)(a) or Section 6(c), as the case may be.
8. If the events described in Sections 6(a), (b) or (c) hereof shall not have occurred within five business days after the Offer Date, or if an amended certificate as described in Section 6(e) shall have been delivered, the Corporation shall send as soon as reasonably possible to the holders of Common Non-Voting Shares a notice containing a brief description of the rights of such holders hereunder.
9. The redemption of all Common Non-Voting Shares delivered to the Corporation for redemption pursuant to Section 5 shall be subject to the provisions of this Section 8 and the provisions of Section 9 and the Corporation shall make all arrangements necessary or desirable to give effect to this Section 8. All Common Non-Voting Shares delivered for redemption pursuant to Section 5 shall be redeemed subject to completion of the Offer but no cheques representing the Redemption Price for the Common Non-Voting Shares so redeemed shall be delivered to the holders of such Common Non-Voting Shares unless and until the Offer is completed in accordance with its terms. Upon completion of the Offer (the "Redemption Date"), the Corporation shall deliver to the holders entitled thereto all moneys owing to the holders of the Common Non-Voting Shares redeemed. If the Offer is not completed, the right provided in Section 5 shall not be effective and the Corporation shall return or issue and deliver to the holders entitled thereto share certificates representing Common Non-Voting Shares delivered to the Corporation pursuant to Section 5.
10. Neither the Common Shares nor the Common Non-Voting Shares shall be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the shares of the other of such classes are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.
11. The rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares as a class may be added to, changed or removed but only with approval of the holders of Common Non-Voting Shares given as herein specified.
12. The rights, privileges, restrictions and conditions attached to the Common Non-Voting Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Common Non-Voting Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two thirds of the votes cast at a meeting of holders of Common Non-Voting Shares duly called for such purpose and held upon at least 21 days notice at which a quorum is present comprising at least two persons holding or representing by proxy at least 20% of the outstanding Common Non-

Voting Shares. If any such quorum is not present within half an hour after the time appointed for the meeting then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Common Non-Voting Share shall be entitled to one vote in respect of each Common Non-Voting Share held.

13. Any cheque representing payment of the Redemption Price not presented to the Corporation's bankers for payment, or otherwise not claimed within six years after the Redemption Date, shall be irrevocably forfeited to the Corporation.
14. From and after the Redemption Date, the Common Non-Voting Shares redeemed shall cease to be entitled to dividends, and the parties that were the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect of such redeemed shares, unless payment of the Redemption Price shall not be duly made by the Corporation.

All Common Non-Voting Shares which are redeemed, in accordance with the rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares, shall, subject to applicable law, be deemed to be returned to the authorized but unissued capital of the Corporation.

II. To add the following rights, privileges, restrictions and conditions to the existing Common Shares,

1. The holders of Common Shares shall be entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such);
2. The holders of Common Shares shall be entitled to receive dividends as and when declared by Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and
3. The holders of Common Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose

of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Non Voting Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

Schedule B

1. The name of the amalgamated corporation is:

Millenium Biologix Inc.

2. The address of the registered office is:

785 Midpark Drive, Kingston, Ontario K7M 7G3

3. The minimum and maximum number of directors is:

Minimum: 1; Maximum: 10

4. The directors are:

<u>Name</u>	<u>Address for Service</u>	<u>Resident Canadian (y/n)</u>
Sydney Pugh	785 Midpark Drive Kingston, Ontario K7M 7G3	Yes
Timothy J.N. Smith	785 Midpark Drive Kingston, Ontario K7M 7G3	Yes
Henry J. Pankratz	785 Midpark Drive Kingston, Ontario K7M 7G3	Yes
Enda Kenny	785 Midpark Drive Kingston, Ontario K7M 7G3	No
Jeremy L. Curnock Cook	785 Midpark Drive Kingston, Ontario K7M 7G3	No

5. Information on amalgamating companies:

<u>Names of amalgamating companies</u>	<u>Ontario Corporation Number</u>
Millenium Biologix Inc.	1640870
2052128 Ontario Inc.	2052128

6. Restrictions on business: None

7. Classes and any maximum number of shares that the corporation is authorized to issue:

I. An unlimited number of non-voting common shares with the following rights, privileges, restrictions and conditions:

1. The holders of Common Non-Voting Shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Non-Voting Shares as such) provided that, except as required by law, the holders of the Common Non-Voting Shares shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Common Non-Voting Shares shall be entitled to receive all informational documents and other communications:
 - (a) required to be sent to the holders of Common Shares by applicable law or by any stock exchange on which the Common Shares of the Corporation are listed; and
 - (b) voluntarily sent by the Corporation to the holders of Common Shares in connection with any meeting of shareholders.
2. The holders of Common Non-Voting Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Non-Voting Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of dividends, provided that no dividend may be declared in respect of, or any other benefit conferred upon the holders of, Common Shares unless concurrently therewith the same dividend in respect of, or the same benefit is conferred upon the holders of, Common Non-Voting Shares.
3. The holders of Common Non-Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting

shares in respect of return of capital on dissolution, to share rateably, together with the holders of Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Non-Voting Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

4. For the purposes of these provisions:

- (a) "business day" means a day on which securities may be traded on the floor of the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed;
- (b) "Offer" means an offer to purchase Common Shares (or an acceptance of an offer to sell Common Shares) which must, by reason of applicable securities legislation or by laws, regulations or policies of a stock exchange on which the Common Shares are listed, be made to each holder of Common Shares whose last address on the records of the Corporation is in a province or territory of Canada to which the relevant requirement applies;
- (c) "Offer Date" means the date on which an Offer is made;
- (d) "Redemption Price" means the value of the consideration offered under an Offer which, in the case of non cash consideration shall be determined solely by the Board of Directors of the Corporation, acting reasonably; and
- (e) "Redemption Period" means the period of time commencing on the seventh business day after the Offer Date and terminating on the last date upon which holders of Common Shares may accept the Offer.

5. Subject to Sections 6, 8 and 9 and applicable law, if an Offer is made, each outstanding Common Non-Voting Share shall be redeemed by the Corporation at the Redemption Price per Common Non-Voting Share at the option of the holder during the Redemption Period. The redemption right provided for in this Section 5 may be exercised by notice in writing given to the Corporation accompanied by the share certificate or certificates representing the Common Non-Voting Shares in respect of which the holder desires to exercise such right of redemption, and such notice shall be executed by the holder of the Common Non-Voting Shares registered on the books of the Corporation, or by his duly authorized attorney, and shall specify the number of Common Non-Voting Shares which the holder desires to have redeemed. The holder shall pay any governmental or other tax imposed on or in respect of such redemption. Upon receipt by the Corporation of such notice and share certificate or certificates, the Corporation shall issue or cause to be issued a cheque for the aggregate Redemption Price to be paid to such holder (less any tax required to be withheld) in accordance with Sections 6 and 8. If less than all of the Common Non-Voting Shares represented by any share certificate are to be redeemed, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Common Non-Voting Shares represented by the original share certificate which are not to be redeemed.

6. The redemption right provided for in Section 5 shall not come into effect if:

- (a) one or more shareholders of the Corporation who did not make or act in concert with the person or persons making the Offer and who, in the aggregate, beneficially own, directly or indirectly, or exercise control or direction over, not less than 50% of the outstanding Common Shares, determine within five business days after the Offer Date that he or they will continue to so own or exercise control or direction over, in the aggregate, 50% or more of the outstanding Common Shares;
- (b) contemporaneously with the Offer, an offer is made to the holders of Common Non-Voting Shares upon the same terms and conditions as those contained in the Offer, including the consideration to be paid to the holders of Common Shares and the offer is for the same percentage of Common Non-Voting Shares as the percentage of Common Shares sought to be acquired under the Offer, excluding in each case the number of shares then owned by the offeror;
- (c) the Board of Directors of the Corporation determines within five business days after the Offer Date that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring Common Shares; or
- (d) the Offer is not completed in accordance with its terms;

provided that:

- (e) in the case of Section 6(a) above, within six business days after the Offer Date, a certificate signed by or on behalf of the one or more shareholders of the Corporation is delivered to the Secretary of the Corporation confirming that: (A) such shareholders did not make or act in concert with the person or persons making the Offer; (B) such shareholders beneficially own, directly or indirectly, or exercise control or direction over in the aggregate not less than 50% of the outstanding Common Shares; and (C) such shareholders have determined that they will not accept the Offer and provided further that upon any variation of the Offer, including an increase in price, such shareholders of the Corporation shall be deemed not to have accepted the Offer as varied and the certificate delivered by or on behalf of them as described above shall be deemed to continue to apply and no further certificate need be filed for purposes of these provisions unless and until one or more of such shareholders determine to accept the Offer as varied and the result of such acceptance would be to reduce the aggregate holdings of the remaining shareholders who delivered such certificate to less than 50% of the outstanding Common Shares in which case a certificate to that effect signed by or on behalf of such shareholders would determine to accept the Offer as varied shall be delivered to the Corporation forthwith after such determination and, in any

event, not less than five business days prior to termination of the Conversion Period;

(f) in the case of Section 6(c), the Secretary of the Corporation delivers to the transfer agent within six business days after the Offer Date a certified copy of a resolution of the Board of Directors of the Corporation determining that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring the Common Shares and stating the reason for such determination; and

(g) as soon as reasonably possible after the receipt of a certificate under Section 6(e) or a certified copy of the resolution under Section 6(f), the Corporation shall send to the holders of Common Non-Voting Shares notice of and a brief description of the effect of the determination under Section 6(a) or Section 6(c), as the case may be.

7. If the events described in Sections 6(a), (b) or (c) hereof shall not have occurred within five business days after the Offer Date, or if an amended certificate as described in Section 6(e) shall have been delivered, the Corporation shall send as soon as reasonably possible to the holders of Common Non-Voting Shares a notice containing a brief description of the rights of such holders hereunder.

8. The redemption of all Common Non-Voting Shares delivered to the Corporation for redemption pursuant to Section 5 shall be subject to the provisions of this Section 8 and the provisions of Section 9 and the Corporation shall make all arrangements necessary or desirable to give effect to this Section 8. All Common Non-Voting Shares delivered for redemption pursuant to Section 5 shall be redeemed subject to completion of the Offer but no cheques representing the Redemption Price for the Common Non-Voting Shares so redeemed shall be delivered to the holders of such Common Non-Voting Shares unless and until the Offer is completed in accordance with its terms. Upon completion of the Offer (the "Redemption Date"), the Corporation shall deliver to the holders entitled thereto all moneys owing to the holders of the Common Non-Voting Shares redeemed. If the Offer is not completed, the right provided in Section 5 shall not be effective and the Corporation shall return or issue and deliver to the holders entitled thereto share certificates representing Common Non-Voting Shares delivered to the Corporation pursuant to Section 5.

9. Neither the Common Shares nor the Common Non-Voting Shares shall be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the shares of the other of such classes are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.

10. The rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares as a class may be added to, changed or removed but only with approval of the holders of Common Non-Voting Shares given as herein specified.

11. The rights, privileges, restrictions and conditions attached to the Common Non-Voting Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the Common Non-Voting Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two thirds of the votes cast at a meeting of holders of Common Non-Voting Shares duly called for such purpose and held upon at least 21 days notice at which a quorum is present comprising at least two persons holding or representing by proxy at least 20% of the outstanding Common Non-Voting Shares. If any such quorum is not present within half an hour after the time appointed for the meeting then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Common Non-Voting Share shall be entitled to one vote in respect of each Common Non-Voting Share held.
12. Any cheque representing payment of the Redemption Price not presented to the Corporation's bankers for payment, or otherwise not claimed within six years after the Redemption Date, shall be irrevocably forfeited to the Corporation.
13. From and after the Redemption Date, the Common Non-Voting Shares redeemed shall cease to be entitled to dividends, and the parties that were the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect of such redeemed shares, unless payment of the Redemption Price shall not be duly made by the Corporation.

All Common Non-Voting Shares which are redeemed, in accordance with the rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares, shall, subject to applicable law, be deemed to be returned to the authorized but unissued capital of the Corporation.

II. An unlimited number of Common Shares with the following rights, privileges, restrictions and conditions:

1. The holders of Common Shares shall be entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such);
2. The holders of Common Shares shall be entitled to receive dividends as and when declared by Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and

3. The holders of Common Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Non Voting Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

9. The issue, transfer or ownership of shares is restricted and the restrictions are as follows:

No securities of the Corporation, other than non-convertible debt securities, shall be transferred without the consent of either (a) a majority of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or (b) the holders of at least 51% of the outstanding common shares of the Corporation expressed by a resolution passed at a meeting of such shareholders or by an instrument or instruments in writing signed by the holders of at least 51% of the outstanding common shares of the Corporation.

10. Other provisions:

None

Schedule "B"

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement") is made as of November 9, 2006 by and among Millenium Biologix Inc. (the "Vendor"), Millenium Biologix Technologies Inc. (the "Purchaser"), and Ernst & Young Inc., solely in its capacity as Proposal Trustee of Millenium Biologix Inc. (the "Escrow Agent").

RECITALS

WHEREAS, the Purchaser and the Vendor have entered into an Asset Purchase Agreement dated as of the date hereof (the "Purchase Agreement") in connection with the purchase and sale of certain assets of the Vendor;

WHEREAS, pursuant to Section 6(2) of the Purchase Agreement, the parties to the Purchase Agreement have agreed that the Vendor shall deposit in escrow with the Escrow Agent a certain portion of the cash assets of the Vendor pursuant to the terms of this Agreement to be available to satisfy Unpaid Fees, Expenses and Claims (as hereinafter defined); and

WHEREAS, the foregoing recitals are made by the parties hereto other than the Escrow Agent.

NOW THEREFORE, for good and valuable consideration the receipt and adequacy of which are mutually admitted by each of the parties, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS AND PRINCIPLES OF INTERPRETATION

1.1 Definitions.

"Cumulative Expected Amount", with respect to any date, shall mean the aggregate of the Expected Amount of all Unpaid Fees, Expenses and Claims as at such date.

"Expected Amount", with respect to any amount payable as contemplated by Section 7.4 of the Proposal (as hereinafter defined), shall be equal to the funds which would reasonably be required to be paid by the Purchaser in order to satisfy any such amount, as determined by the Purchaser acting in good faith.

"Evidence of Final Payment", with respect to any Unpaid Fees, Expenses and Claims or any portion thereof, shall mean a Reimbursement Instruction evidencing that such amount or a portion thereof has been finally paid.

"Remaining Escrowed Funds" shall mean the Escrowed Funds less any amounts released from the Escrowed Funds from time to time pursuant to the terms of this Agreement plus any interest earned on the Escrowed Funds pursuant to Section 2.5.

"Unpaid Fees, Expenses and Claims" shall mean all unpaid fees, expenses, claim(s) and similar amounts contemplated by Section 7.4 of the Proposal in respect of which the Escrow Agent has not received Evidence of Final Payment.

All other capitalized terms not defined in this Agreement shall have the same meaning in this Agreement as in the Purchase Agreement.

1.2 Gender and Number.

The use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits.

1.3 Headings.

Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of content and shall not be considered part of this Agreement.

1.4 Applicable Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario and shall be treated, in all respects, as an Ontario contract.

1.5 Currency.

All references to dollar amounts in this Agreement and in any notice delivered pursuant to the terms of this Agreement are to Canadian currency.

1.6 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

1.7 Time

Time is of the essence in the performance of the Parties' respective obligations.

ARTICLE 2
APPOINTMENT OF AGENT AND DEPOSIT OF ESCROW FUNDS

2.1 Appointment of Escrow Agent.

Each of the parties to this Agreement (other than the Escrow Agent) hereby appoints Ernst & Young Inc., solely in its capacity as Proposal Trustee of Millenium Biologix Inc., to act as the Escrow Agent on the terms and conditions set forth in this Agreement and the Escrow Agent hereby accepts such appointment on such terms and conditions.

2.2 Escrowed Funds.

Pursuant to Section 6(2) of the Purchase Agreement, the Vendor hereby deposits with the Escrow Agent \$685,000 (the "Escrowed Funds") by wire transfer of immediately available funds to the account specified by the Escrow Agent or, at the option of the Vendor, by official bank draft drawn upon a Canadian chartered bank or by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank or trust company. The Escrowed Funds shall be held and released by the Escrow Agent solely in accordance with the terms and conditions of this Agreement.

2.3 Acknowledgment of Escrow Agent.

The Escrow Agent acknowledges the deposit of the Escrowed Funds and agrees to hold the Escrowed Funds in accordance with the terms and conditions of this Agreement.

2.4 Escrowed Funds as Security for Purchaser's Obligations under Certain Assumed Liabilities.

The parties (other than the Escrow Agent) agree that the Escrowed Funds are being deposited with the Escrow Agent to serve as security for the satisfaction, performance and observance by the Purchaser of its obligations and liabilities in respect of certain Assumed Liabilities, being those consisting of Unpaid Administrative Fees and Expenses, Crown Claims, Employee Claims, Levy, if any, and Post Filing Goods and Services, as such terms are defined in the Proposal of the Vendor dated October 18, 2006 (the "Proposal") under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").

2.5 Investment of Escrowed Funds.

The Escrowed Funds shall be deposited in an interest bearing bank account specified by the Escrow Agent. The Escrow Agent shall be responsible only for interest actually earned and received by it on the Escrowed Funds and shall not be required to achieve any specific, or any, rate of interest thereon. Any interest earned on the Escrowed Funds shall be added to the Escrowed Funds and paid out in accordance with this Agreement.

**ARTICLE 3
RELEASE OF THE ESCROW FUNDS**

3.1 Release Upon Reimbursement Instruction

Upon its receipt from the Purchaser of written confirmation that the Purchaser has paid any Unpaid Administrative Fees and Expenses, Crown Claims, Employee Claims, Levy, or Post Filing Goods and Services, and that the Purchaser requires immediate reimbursement from the Escrow Agent of some or all of such amounts (a "Reimbursement Instruction"), the Escrow Agent shall pay to the Purchaser out of the Escrowed Funds the amount specified (the "Payment Amount") in such Reimbursement Instructions, by wire transfer of immediately available funds in accordance with the payment instructions set out in any such instruction.

3.2 Contents of Reimbursement Instruction.

Any Reimbursement Instruction provided to the Escrow Agent by the Purchaser pursuant to Section 3.1 above shall be delivered in accordance with Section 7.2 hereof and shall state as follows:

- (a) that the Purchaser is entitled to reimbursement in accordance with Section 7.4 of the Proposal;
- (b) the particulars of the amount paid by the Purchaser in respect of which reimbursement is claimed, including evidence satisfactory to the Escrow Agent, acting reasonably, that the amount so paid falls within the matters contemplated by Section 7.4 of the Proposal;
- (c) the Payment Amount;
- (d) all necessary information to effect a wire transfer of the Payment Amount to the Purchaser; and
- (e) the date upon which the Escrow Agent is to effect payment of the Payment Amount.

3.3 Release of Escrowed Funds to Purchaser.

- (a) The Escrow Agent shall release to the Purchaser on May 9, 2007 (the "Automatic Release Date") by wire transfer of immediately available funds to an account or accounts designated by the Purchaser in writing the amount, if any, by which the amount of Remaining Escrowed Funds on such date exceeds the Cumulative Expected Amount as of such date.
- (b) At any time after the Automatic Release Date, on the date when the Cumulative Expected Amount equals zero, the Escrow Agent shall release to Purchaser by

wire transfer of immediately available funds to an account specified by the Vendor in writing the amount, if any, of the Remaining Escrowed Funds.

3.4 Disagreements / Direction from Court

- (a) In the event that any disagreement or dispute arises between the Purchaser and any third party in respect of payment of the Escrowed Funds, whether on not litigation has been instituted and at the Escrow Agent's option, the Escrow Agent may pay some or all of the Remaining Escrowed Funds into Court in a manner permitted by the BIA and in accordance with the *Rules of Civil Procedure* (Ontario) and upon so doing shall be released from any and all liability under this Agreement or in connection with the Escrowed Funds.
- (b) In the event that for any reason the Escrow Agent desires to obtain further direction from the Court in connection with the Proposal or any other matter contemplated by this Agreement, including, without limitation, in the event that the Escrowed Funds are not sufficient for the purposes contemplated by this Agreement, the Escrow Agent shall be entitled to do so and to rely on any such direction received from the Court in fulfilling its duties hereunder.

3.5 Termination

This Agreement will be terminated automatically upon the earlier of (i) the date on which the Escrow Agent ceases to hold any Remaining Escrowed Funds; and (ii) November 9, 2007. In the event that clause (ii) of the immediately preceding sentence applies, upon payment to the Escrow Agent by the Purchaser of all outstanding fees pursuant to Section 4.2 hereof, the Escrow Agent shall transfer and deliver to the Purchaser the remaining Escrowed Funds and all books, records, documents and other material in the possession of the Escrow Agent relating to the Escrowed Funds.

ARTICLE 4 THE ESCROW AGENT

4.1 Reliance on Instruments.

The Escrow Agent shall be fully protected in acting upon any instrument, certificate or paper in good faith believed by it to be genuine and signed by the proper person or persons, and the Escrow Agent shall be under no duty to make investigations or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

4.2 Fees and Expenses.

The Purchaser agrees to reimburse the Escrow Agent for all fees, out-of-pocket costs, charges and expenses, including all legal fees and disbursements incurred by the Escrow Agent (the "Escrow Expenses") in connection with its services pursuant to the provisions of this

Agreement. The Purchaser further agrees that the Escrow Agent may withdraw from the Escrowed Funds and pay to itself the full amount of any Escrow Expenses which are not promptly reimbursed by the Purchaser.

4.3 Counsel.

The Escrow Agent may employ such counsel and advisors as it may reasonably require for the purpose of discharging its duties under this Agreement and the Escrow Agent may act and shall be protected in acting in good faith on the opinion or advice of or information obtained from any such counsel or advisor in relation to any matter arising under this Agreement.

ARTICLE 5 LIABILITY AND INDEMNIFICATION

5.1 Liabilities and Duties.

The Escrow Agent shall have no obligations, duties or responsibilities except as expressly set forth in this Agreement and shall have no liability or responsibility arising under any other agreement, including any other agreement referred to in this Agreement to which the Escrow Agent is not a party.

5.2 Indemnification of the Escrow Agent.

The Purchaser shall indemnify the Escrow Agent from, and hold it harmless against, any claim, demand, suit, loss, liability, damage, obligation, payment, cost, expense and accrued interest thereon (including, without limitation, the costs and expenses of, and accrued interest in respect of, any and all actions, suits, proceedings, assessments, judgements, settlements and compromises relating thereto and reasonable lawyers' fees and expenses in connection therewith and including any claim made as a result of the fact that the Escrowed Funds are not sufficient for the purposes contemplated by this Agreement) (collectively, an "Indemnifiable Loss") incurred or suffered by it arising out of or in connection with the performance of its obligations under this Agreement so long as such Indemnifiable Loss does not arise as a result of the gross negligence or wilful misconduct of the Escrow Agent or a breach by the Escrow Agent of any other provision of this Agreement.

ARTICLE 6 AMENDMENT AND TERMINATION OF AGREEMENT

6.1 Amendment of Agreement.

This Agreement may be amended from time to time, in whole or in part, by an instrument in writing executed by the Purchaser and the Vendor and by notice thereof to the Escrow Agent in accordance with Section 7.2 hereof, provided that no amendment to this Agreement which would materially affect the rights, duties, responsibilities or obligations of the Escrow Agent under this Agreement shall bind the Escrow Agent without the written consent of the Escrow Agent.

6.2 Survival.

The provisions of Section 5.2 shall survive the termination of this Agreement and shall continue in full force and effect indefinitely.

6.3 Resignation or Removal of Escrow Agent.

The Escrow Agent may resign its position and be discharged from all further duties under this Agreement upon at least 10 days' written notice to the Purchaser in accordance with Section 7.2 hereof or such shorter notice as the Purchaser may accept as sufficient. The Purchaser shall have the right at any time, upon at least 10 days' written notice to the Escrow Agent, in accordance with Section 7.2 hereof, to remove the Escrow Agent and to appoint a new escrow agent of the Escrowed Funds. In the event of the resignation or removal of the Escrow Agent, the Purchaser shall forthwith appoint a new escrow agent of the Escrowed Funds acceptable to it and shall give written notice of such appointment to the Escrow Agent in accordance with Section 7.2 hereof. Upon receipt of the notice mentioned in the preceding sentence, and payment to the Escrow Agent by the Purchaser of all outstanding fees pursuant to Section 4.2 hereof in the case of the removal of the Escrow Agent pursuant to this Section 6.3, the Escrow Agent shall transfer and deliver to the new escrow agent the Remaining Escrowed Funds and all books, records, documents and other material, in the possession of the Escrow Agent relating to the Escrowed Funds. On any appointment of a new escrow agent pursuant to this Section 6.3, such new escrow agent shall be vested with the same powers, rights, duties and responsibilities and shall be subject to removal as escrow agent hereunder as if it had been originally named herein as the Escrow Agent without any further assurance, conveyance, act or deed.

6.4 Waiver.

Except as expressly provided in this Agreement, no waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

**ARTICLE 7
GENERAL**

7.1 Assignment.

This Agreement and all of the provisions of this Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned by any party without the prior written consents of the other parties, which consents shall not be unreasonably withheld provided that no such assignment shall relieve or discharge the assigning party from any of its obligations under this Agreement.

7.2 Notice.

Any notice or other communication or writing required or permitted to be given under this Agreement or for the purposes of this Agreement (a "notice") shall be sufficiently given if delivered personally or if transmitted by facsimile transmission (with original to follow by mail) to:

- (a) If to the Purchaser, to:

Millenium Biologix Technologies Inc.
785 Midpark Drive
Kingston, ON K7M 7G3

Facsimile No.: (613) 389-6625

Attention: Brian Fielding

- (b) If to the Vendor, to:

Millenium Biologix Inc.
785 Midpark Drive
Kingston, ON K7M 7G3

Facsimile No.: (613) 389-6625

Attention: Brian Fielding

- (c) If to the Escrow Agent, to:

Ernst & Young Inc.
100 Queen Street, Suite 1600
Ottawa, ON K1P 1K1

Facsimile No.: (613) 232-5324

Attention: Greg Adams

or at such other address as the party to whom such notice is to be given shall have last notified the party giving the same in the manner provided in this Section. Any notice so delivered shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following the day it is so delivered. Any notice so transmitted by facsimile transmission shall be deemed to have been given and received on the day of its confirmed transmission (as confirmed by the transmitting medium), provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following such day.

7.3 Counterparts.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

**MILLENIUUM BIOLOGIX TECHNOLOGIES
INC.**

By: _____

Name:

Title:

By: _____

Name:

Title:

MILLENIUUM BIOLOGIX INC.

By: _____

Name: Brian Fielding

Title: Authorized Signatory

**ERNST & YOUNG INC., solely in its capacity as
Proposal Trustee of Millenium Biologix Inc. and
not in its personal capacity**

By: _____

Name:

Title:

ESTATE NO. 33-163313
COURT FILE NO.: 163313

IN THE MATTER OF THE PROPOSAL OF MILLENIUM BIOLOGIX INC.
Of the City of Kingston, in the Province of Ontario
AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING MILLENIUM BIOLOGIX AND 2052128
ONTARIO INC.

SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
Proceeding Commenced at Ottawa

ORDER

BLAKE, CASSELS & GRAYDON LLP
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World Exchange Plaza
20th Floor, 45 O'Connor Street
Ottawa, Ontario
K1P 1A4

Gordon Cameron
LSUC#: 26840W
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Solicitors for the Ernst & Young Inc.

