

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Patrick Wing Kwong Lee	12/01/1998
RECEIVING PARTY DATA	
Name:	Oncolytics Biotech, Inc.
Street Address:	1167 Kensington Cres NW
Internal Address:	Suite 210
City:	Calgary
State/Country:	CANADA
Postal Code:	T2N1X7
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6110461
CORRESPONDENCE DATA	
Fax Number:	
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Email:	crutherford@kilpatricktownsend.com
Correspondent Name:	Tiffany B. Thomas
Address Line 1:	12730 High Bluff Dr.
Address Line 2:	Suite 300
Address Line 4:	San Diego, CALIFORNIA 92130
ATTORNEY DOCKET NUMBER:	95178-860422
NAME OF SUBMITTER:	Christy Rutherford
Total Attachments: 5 source=P Lee Patent Assign to ONC Dec 1 1998#page1.tif source=P Lee Patent Assign to ONC Dec 1 1998#page2.tif source=P Lee Patent Assign to ONC Dec 1 1998#page3.tif source=P Lee Patent Assign to ONC Dec 1 1998#page4.tif source=P Lee Patent Assign to ONC Dec 1 1998#page5.tif	

OP \$40.00 6110461

THIS AGREEMENT made effective as of the 1st day of December, 1998.

BETWEEN:

PATRICK WING KWONG LEE, an individual resident in the
City of Calgary, in the Province of Alberta

(the "Vendor")

- and -

ONCOLYTICS BIOTECH INC., a body corporate, incorporated
pursuant to the laws of the Province of Alberta, with an office in
the City of Calgary, in the Province of Alberta

("Oncolytics")

(collectively the "Parties")

I hereby certify that the within document
is a true and correct copy of the document
of which it purports to be a true copy.
Given under my hand and seal of office

this 2 day of February 1999

A Notary Public in and for
the Province of Alberta

BRYCE G. BONNEVILLE
BARRISTER & SOLICITOR

WHEREAS the Vendor is the beneficial and registered owner of 44.82 % of a patent (the
"Property") for the use of reovirus for the treatment of neoplasia all as is more particularly
described in the patent application dated August 13, 1997 bearing attorney docket number
TDC97-01;

AND WHEREAS the Vendor is desirous of selling and Oncolytics is desirous of purchasing the
Property upon the terms and conditions herein set forth;

AND WHEREAS it is the intention of the parties hereto to effect the transfer of the Property
from the Vendor to Oncolytics pursuant to the provisions of section 85(1) of the *Income Tax Act*
and that no income tax be payable on the transaction;

THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and
agreements herein set forth and other good and valuable consideration, the receipt and
sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

1. The recitations and preamble are true and correct and form an integral part of this Agreement.
2. In this Agreement, unless the context otherwise requires, the following terms mean:
 - (a) "Act" means the *Income Tax Act* (Canada), as amended;
 - (b) "Share" or "Shares" means the common shares of Oncolytics which Oncolytics

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is authorized to issue pursuant to its Articles of Incorporation filed on April 2, 1998; and

- (c) "Effective Date" shall mean the 1st day of December, 1998.
3. The Vendor sells and transfers to Oncolytics and Oncolytics purchases and accepts from the Vendor, the Vendor's entire right, title and interest in and to the Property for the purchase price set out in paragraph 4 hereof.
 4. Subject to paragraph 5 hereunder, the purchase price payable for the Property agreed to be purchased and sold shall be \$448,206.99, which purchase price is to be fully satisfied and paid to the Vendor by issuance of 961,538 Shares.
 5. The Parties agree that the purchase price of the Property is intended to be the fair market value thereof immediately before the Effective Date, and declare that the price of \$448,206.99 for the Property is the bona fide belief and agreement of the Parties as to such fair market value. In the event that any taxing authority having jurisdiction alleges that the price of \$448,206.99 for the Property is not the fair market value at the Effective Date, or proposed to make an assessment of tax on the basis that any benefit or advantage is or has been conferred on any person by reason of the purchase and sale provided for herein, or if the Vendor and Oncolytics shall jointly determine in writing that the price of \$448,206.99 for the Property is not the fair market value of the Property at the Effective Date, then the purchase price of the Property shall be deemed to be and always to have been either:
 - (a) such amount as may be agreed on by the Parties and such taxing authority as being the fair market value of the Property immediately before the Effective Date;
 - (b) such amount jointly determined in writing by the Parties; or
 - (c) in the absence of such agreement, the amount finally determined by such tribunal or court as has jurisdiction in the matter to be equal to the fair market value of the Property immediately before the Effective Date;
- and the Parties acknowledge and agree that they shall be bound by the provisions of this paragraph and shall take all steps necessary to ensure that the fair market value of the shares issued pursuant to paragraph 4 equals the fair market value of the Property immediately before the Effective Date.
6. The Vendor represents and warrants to Oncolytics as follows:
 - (a) That the Vendor is the registered and beneficial owner of the Property and the Vendor has good right to assign and transfer the same unto Oncolytics free and clear of all liens, charges and encumbrances except as such liens, charges and

encumbrances are fully disclosed and agreed to by Oncolytics;

- (b) That the Vendor is not a non-resident of Canada within the meaning of the Act;
 - (c) That the Property is not subject to an option, or right capable of becoming an option, for the purchase price of the Property and that any consents, approvals or waivers of rights of first refusal required to be obtained by the Vendor with respect to the transfer of the Property to Oncolytics has been or will be obtained and that any interests in the Property which cannot be transferred as contemplated by this Agreement shall be held in trust by the Vendor for Oncolytics until such transfer takes place;
 - (d) to the best knowledge of the Vendor, there are no charges, judgments, orders, writs, decrees or injunctions in existence, contemplated or threatened against or in respect of the Property or which may affect the ability of the Vendor to consummate the transactions contemplated by this Agreement; and
 - (e) the Vendor has done no act or thing, nor has he omitted to do any act or thing by which the title or right or interest of the Vendor in the Property may be cancelled, terminated or in any way diminished.
- 7. Oncolytics represents and warrants that it has the corporate capacity to enter into and execute this Agreement and that it has taken the necessary steps to authorize the execution and completion of this Agreement and all documents related to this Agreement.
 - 8. The representations and warranties of Oncolytics and the Vendor shall survive closing of the transaction contemplated herein and for a period of five (5) years.
 - 9. The Vendor agrees to indemnify the Purchaser from any liability, claim, loss or damage of any sort including legal costs as a solicitor and his own client on a full indemnity basis, which result from any breach of the representations and warranties above.
 - 10. In order to give effect to the transaction herein provided and to establish the proceeds of disposition to the Vendor and the cost to Oncolytics for the Property, the Parties covenant to jointly elect under subsection 85(1) of the Act so as to effect the transfer of the Property from the Vendor to Oncolytics at the agreed amount with the result that the transfer will be effected without giving rise for the account of the Vendor to any tax liability therein unless the Vendor and Oncolytics agree to an amount for the Property which would create a tax liability to the Vendor (the "Elected Amount").
 - 11. The Vendor covenants to cause the filing of the prescribed form election for this transaction within the time referred to in subsection 85(6) of the Act to give effect to the joint election which the Parties have agreed to make under paragraph 10.

12. Provided, that if the Elected Amount should be determined at any time by:

- (a) a tribunal or court of competent jurisdiction; or
- (b) agreement with or successful re-assessment by the Department of National Revenue, Taxation; or
- (c) agreement between the Vendor and Oncolytics;

to be other than the amount so elected for the Property, that amount so elected shall be adjusted by increasing or decreasing it in accordance with such determination and such adjusted amount will be effected for all purposes from the date hereof. Any adjustment contemplated herein shall be deemed to take place as of the date of this Agreement and any increase or decrease in the value of the shares issued to the Vendor pursuant to paragraph 4 above shall correspond to the increase or decrease of fair market value as ultimately determined.

13. The Parties to this Agreement mutually covenant to cause all necessary steps to be taken and to do all such acts and things and execute such documents as are necessary to give full effect to and carry out their respective obligations under this Agreement and to cause the due and valid transfer of ownership of the Property from the Vendor to Oncolytics including, without limitation, all steps necessary to execute acknowledge and deliver all deeds, documents, election forms, applications, consents, transfers, assignments or novations that may be necessitated by or as a result of this Agreement.
14. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and replaces, cancels and supersedes all other agreements between the Parties with respect hereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory except as expressly stipulated in this Agreement respecting the purchase and sale of the Property.
15. Time shall be of the essence in all matters pertaining to this Agreement.
16. The Vendor acknowledges that the transfer of the Property does not constitute a gift to or a benefit for any person or any other shareholder of Oncolytics.
17. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, assigns and successors.
18. Wherever the singular or masculine is used, the same shall be construed as meaning the plural or the feminine (or neuter in a case not involving an individual), wherever the context so requires.

19. This Agreement shall be interpreted and construed in accordance with the laws of the Province of Alberta.
20. This Agreement may be executed and transmitted via facsimile in two or more counterparts, each of which will be deemed to be an original and all of which will constitute one agreement.

Michael Blouff
Witness

Patrick Lee
Patrick Wing Kwong Lee

ONCOLYTICS BIOTECH INC.

Per: Patrick Lee
Patrick Wing Kwong Lee, President

Per: Matthew Coffey
Matthew Clayton Coffey, Secretary