

January 9, 2020

To: The Creditors of 1032951 B.C. Ltd. formerly Quark Venture Inc. (the “Company”)

Attached please find a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, filed by the Company on January 8, 2020. As Licensed Insolvency Trustee (the “Trustee”), we would like to take this opportunity to address some issues and perhaps answer some questions that you may have.

The Company has not filed for bankruptcy nor is the Company in receivership. The Notice of Intention to Make a Proposal creates a stay of proceedings and allows the Company a period of thirty days to prepare and file a Proposal to their creditors. During this thirty-day period, the Trustee will be monitoring the affairs of the Company, assisting the Company in preparing the Proposal and preparing a report to creditors.

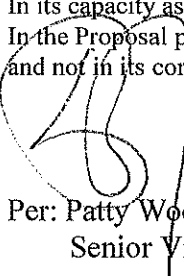
At this time, you do not need to file a Proof of Claim or report any discrepancies concerning the amount reported as owing to you by the Company. All creditors will have the opportunity to vote on the Proposal in person or by voting letter at the creditors’ meeting held approximately three weeks after the Proposal is filed.

If you have any questions or need further clarification, please contact the writer at the Trustee’s office at (604) 637-1535.

Yours truly,

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
In the Proposal proceedings of 1032951 B.C. Ltd.
and not in its corporate or personal capacity



Per: Patty Wood, CPA, CGA, CIRP, LIT
Senior Vice President

Encl.



Industry Canada
**Office of the Superintendent
of Bankruptcy Canada**

Industrie Canada
**Bureau du surintendant
des faillites Canada**

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2603047
Estate No. 11-2603047

In the Matter of the Notice of Intention to make a
proposal of:

1032951 B.C. Ltd.
Insolvent Person
MNP LTD / MNP LTÉE
Licensed Insolvency Trustee

Date of the Notice of Intention: January 08, 2020

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: January 09, 2020, 13:44

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

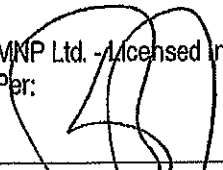
- Proposal Consent -
In the matter of the proposal of
1032951 B.C. Ltd.
of the City of Vancouver, in the Province of British Columbia

To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of 1032951 B.C. Ltd..

Dated at the City of Vancouver in the Province of British Columbia, this 8th day of January 2020.

MNP Ltd. - Licensed Insolvency Trustee
Per:



Patty Wood - Licensed Insolvency Trustee
Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
Phone: (604) 639-0001 Fax: (604) 904-8628

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No.

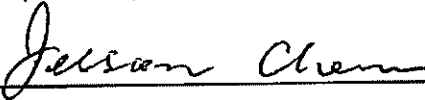
- FORM 33 -
Notice of intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
1032951 B.C. Ltd.
of the City of Vancouver, in the Province of British Columbia

Take notice that:

1. I, 1032951 B.C. Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. MNP Ltd. of Suite 1600, MNP Tower, 1021 West Hastings Street, Vancouver, BC, V6E 0C3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 8th day of January 2020.



1032951 B.C. Ltd.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

Creditor List

In the matter of the proposal of
1032951 B.C. Ltd.
of the City of Vancouver, in the Province of British Columbia

| Creditor Type | Name | Attention | Address | Claim \$ |
|----------------------|--|----------------------------|---|-------------------------|
| Secured | Jesson International Investment (Canada) Ltd. | Ritchie Clark/Anthony Zhou | c/o Bridgehouse Law LLP, Attn: Ritchie Clark/Anthony Zhou, 900 - 900 West Hastings Street Vancouver BC V6C 1E5 | 1,807,999.58 |
| | Jesson International Investment (Canada) Ltd. and 1049019 B.C. Financial Business Ltd. | Ritchie Clark/Anthony Zhou | c/o Bridgehouse Law LLP, Attn: Ritchie Clark/Anthony Zhou, 900 - 900 West Hastings Street Vancouver BC V6C 1E5 | 15,069,287.10 |
| Unsecured | CRA - Tax - Pacific | | GST Surrey National Verification and Collection Centre 9755 King George Blvd Surrey BC V3T 5E1 | 43,269.56 |
| | Global Drug Commercialization Center Inc. | | 2500 - 1075 West Georgia Street Vancouver BC V6E 3C9 | 390,536.93 |
| | Jesson Chen | | 2500 - 1075 West Georgia Street Vancouver BC V6E 3C9 | 8,317.62 |
| | MSI Methylation Sciences Inc. | Tim Louman-Gardiner | c/o Farris LLP, Attn: Tim Louman-Gardiner, PO Box 10026 Pacific Centre South, 25th Floor - 700 West Georgia Street Vancouver BC V7Y 1B3 tlg@farris.com | 26,200,000.00 |
| | Quark Venture Limited Partnership | | 2500 - 1075 West Georgia Street Vancouver BC V6E 3C9 | 3,348,668.11 |
| Total Claims: | | | | \$ 46,868,078.90 |

Chen

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
1032951 B.C. LTD.**

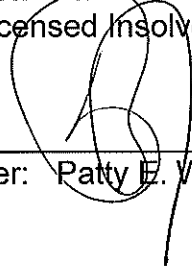
NOTICE OF STAY OF PROCEEDINGS

TAKE NOTICE THAT 1032951 B.C. Ltd. filed with the undersigned a Notice of Intention to file a Proposal pursuant to Section 50.4 of the *Bankruptcy and Insolvency Act*, AND THAT, pursuant to Section 69 of the *Bankruptcy and Insolvency Act*, upon the filing of such a Notice, no creditor shall have any remedy against the debtor or his property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy until the filing of a Proposal under Section 62(1) or the bankruptcy of the insolvent person. The applicable portions of Section 69 are attached.

THEREFORE, should you have a claim provable in bankruptcy against 1032951 B.C. Ltd. you should not commence or continue any action, execution, or other proceedings for the recovery of such claim except by leave of the Court.

DATED at Vancouver, British Columbia this 9th day of January, 2020.

MNP Ltd.
Licensed Insolvency Trustee

Per:  _____
Patty E. Wood, CPA, CGA, CIRP

Excerpt from Bankruptcy and Insolvency Act - Section 69

Stay of Proceedings page 1 of 3

Stay of Proceedings

Stay of proceedings -- notice of intention

69. (1) Subject to subsections (2) and (3) and sections 69.4 and 69.5, on the filing of a notice of intention under section 50.4 by an insolvent person,

- (a) no creditor has any remedy against the insolvent person or the insolvent person's property, or shall commence or continue any action, execution or other proceedings, for the recovery of a claim provable in bankruptcy,
- (b) no provision of a security agreement between the insolvent person and a secured creditor that provides, in substance, that on
 - (i) the insolvent person's insolvency,
 - (ii) the default by the insolvent person of an obligation under the security agreement, or
 - (iii) the filing by the insolvent person of a notice of intention under section 50.4,the insolvent person ceases to have such rights to use or deal with assets secured under the agreement as he would otherwise have, has any force or effect,
- (c) Her Majesty in right of Canada may not exercise Her rights under
 - (i) subsection 224(1.2) of the *Income Tax Act*, or
 - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that (A) refers to subsection 224(1.2) of the *Income Tax Act*, and (B) provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts,in respect of the insolvent person where the insolvent person is a tax debtor under that subsection or provision, and
- (d) Her Majesty in right of a province may not exercise her rights under any provision of provincial legislation in respect of the insolvent person where the insolvent person is a debtor under the provincial legislation and the provision has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*, or
 - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection,until the filing of a proposal under subsection 62(1) in respect of the insolvent person or the bankruptcy of the insolvent person.

Limitation

(2) The stays provided by subsection (1) do not apply

- (a) to prevent a secured creditor who took possession of secured assets of the insolvent person for the purpose of realization before the notice of intention under section 50.4 was filed from dealing with those assets;
- (b) to prevent a secured creditor who gave notice of intention under subsection 244(1) to enforce that creditor's security against the insolvent person more than ten days before the notice of intention under section 50.4 was filed, from enforcing that security, unless the secured creditor consents to the stay; or
- (c) to prevent a secured creditor who gave notice of intention under subsection 244(1) to enforce that creditor's security from enforcing the security if the insolvent person has, under subsection 244(2), consented to the enforcement action.

Limitation

(3) A stay provided by paragraph (1)(c) or (d) does not apply, or terminates, in respect of Her Majesty in right of Canada and every province if

- (a) the insolvent person defaults on payment of any amount that becomes due to Her Majesty after the filing of the notice of intention and could be subject to a demand under
 - (i) subsection 224(1.2) of the *Income Tax Act*,
 - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, or
 - (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum(A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*, or
- (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection; or
- (b) any other creditor is or becomes entitled to realize a security on any property that could be claimed by Her Majesty in exercising Her rights under
 - (i) subsection 224(1.2) of the *Income Tax Act*,
 - (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, or

Excerpt from Bankruptcy and Insolvency Act - Section 69 Stay of Proceedings page 2 of 3

- (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
- (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*, or
- (B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.
- R.S., 1985, c. B-3, s. 69; 1992, c. 27, s. 36; 1997, c. 12, s. 62; 2000, c. 30, s. 145.

Stay of proceedings -- Division I proposals

- 69.1 (1)** Subject to subsections (2) to (6) and sections 69.4 and 69.5, on the filing of a proposal under subsection 62(1) in respect of an insolvent person,
- (a) no creditor has any remedy against the insolvent person or the insolvent person's property, or shall commence or continue any action, execution or other proceedings, for the recovery of a claim provable in bankruptcy, until the trustee has been discharged or the insolvent person becomes bankrupt;
- (b) no provision of a security agreement between the insolvent person and a secured creditor that provides, in substance, that on
- (i) the insolvent person's insolvency,
- (ii) the default by the insolvent person of an obligation under the security agreement, or
- (iii) the filing of a notice of intention under section 50.4 or of a proposal under subsection 62(1) in respect of the insolvent person,
- the insolvent person ceases to have such rights to use or deal with assets secured under the agreement as the insolvent person would otherwise have, has any force or effect until the trustee has been discharged or the insolvent person becomes bankrupt;
- (c) Her Majesty in right of Canada may not exercise Her rights under subsection 224(1.2) of the *Income Tax Act* or any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, in respect of the insolvent person where the insolvent person is a tax debtor under that subsection or provision, until
- (i) the trustee has been discharged,
- (ii) six months have elapsed following court approval of the proposal, or
- (iii) the insolvent person becomes bankrupt; and
- (d) Her Majesty in right of a province may not exercise Her rights under any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
- (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*, or
- (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection,
- in respect of the insolvent person where the insolvent person is a debtor under the provincial legislation, until
- (iii) the trustee has been discharged,
- (iv) six months have elapsed following court approval of the proposal, or
- (v) the insolvent person becomes bankrupt.

Limitation

- (2) The stays provided by subsection (1) do not apply
- (a) to prevent a secured creditor who took possession of secured assets of the insolvent person for the purpose of realization before the proposal was filed from dealing with those assets;
- (b) unless the secured creditor otherwise agrees, to prevent a secured creditor who gave notice of intention under subsection 244(1) to enforce that creditor's security against the insolvent person more than ten days before
- (i) a notice of intention was filed in respect of the insolvent person under section 50.4, or
- (ii) the proposal was filed, if no notice of intention under section 50.4 was filed
- from enforcing that security; or
- (c) to prevent a secured creditor who gave notice of intention under subsection 244(1) to enforce that creditor's security from enforcing the security if the insolvent person has, under subsection 244(2), consented to the enforcement action.

Limitation

- (3) A stay provided by paragraph (1)(c) or (d) does not apply, or terminates, in respect of Her Majesty in right of Canada and every province if
- (a) the insolvent person defaults on payment of any amount that becomes due to Her Majesty after the filing of the proposal and could be subject to a demand under
- (i) subsection 224(1.2) of the *Income Tax Act*,
- (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, or
- (iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum
- (A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in

Excerpt from Bankruptcy and Insolvency Act - Section 69

Stay of Proceedings page 3 of 3

nature to the income tax imposed on individuals under the *Income Tax Act*, or
(B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection; or

(b) any other creditor is or becomes entitled to realize a security on any property that could be claimed by Her Majesty in exercising Her rights under

(i) subsection 224(1.2) of the *Income Tax Act*,

(ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts, or

(iii) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum

(A) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*, or

(B) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

Limitation

(4) If, by virtue of subsection 69(3), the stay provided by paragraph 69(1)(c) or (d) does not apply or terminates, the stay provided by paragraph (1)(c) or (d) of this section does not apply.

Secured creditors to whom proposal not made

(5) Subject to sections 79 and 127 to 135 and subsection 248(1), the filing of a proposal under subsection 62(1) does not prevent a secured creditor to whom the proposal has not been made in respect of a particular security from realizing or otherwise dealing with that security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed.

Where secured creditors vote against proposal

(6) Subject to sections 79 and 127 to 135 and subsection 248(1), where secured creditors holding a particular class of secured claim vote for the refusal of a proposal, a secured creditor holding a secured claim of that class may henceforth realize or otherwise deal with his security in the same manner as he would have been entitled to realize or deal with it if this section had not been passed.
1992, c. 27, s. 36; 1994, c. 26, s. 8(E); 1997, c. 12, s. 63; 2000, c. 30, s. 146.