

IN THE MATTER OF THE BANKRUPTCY OF  
IMAGIA CANEXIA HEALTH INC.

OF THE CITY OF VANCOUVER  
IN THE PROVINCE OF BRITISH COLUMBIA

TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION

September 6, 2023

**BACKGROUND**

1. Imagia Canexia Health Inc. (“**ICHI**” or the “**Company**”), a privately held company, was incorporated in the province of British Columbia on or around February 1, 2022 and has a registered office in Vancouver, British Columbia.
2. The Company was formed out of a merger between Imagia Cybernetics Inc. (“**Imagia**”), and Canexia Health Inc. (“**CHI**”) in February 2022. Imagia specializes in artificial intelligence and healthcare while CHI operates a genomics-based cancer treatment testing facility with the combined goal of improving patient diagnosis and expanding treatment options early in disease management.
3. Imagia and its subsidiary, Imagia Healthcare Inc. (collectively, the “**Imagia Entities**”), based in Montreal, Quebec, were placed in receivership in early August 2023 on application by Investissement Quebec. Raymond Chabot Grant Thornton (the “**Receiver**”) was appointed as Receiver of the Imagia Entities.

## CAUSES OF INSOLVENCY

4. Since the commencement of commercial operations, the Company has struggled to achieve profitability and despite its efforts, was unable to raise sufficient funding to address its liquidity requirements. As a result of the Company's ongoing liquidity issues, the appointment of the Receiver over the Imagia Entities further deteriorated the Company's ability to raise capital. The Company explored various strategic alternatives but ultimately was unable to avoid an assignment in bankruptcy.
5. On August 14, 2023, ICHI ceased operations and on August 21, 2023, ICHI filed an assignment in bankruptcy pursuant to section 49 of the *Bankruptcy and Insolvency Act* (the "**BIA**") with the Office of the Superintendent of Bankruptcy and FTI Consulting Canada Inc. was appointed as Trustee (the "**Trustee**"), subject to the affirmation or substitution thereof at the First Meeting of Creditors.
6. CHI was also assigned into bankruptcy on August 21, 2023.

## APPOINTMENT OF A TRUSTEE IN BANKRUPTCY

7. Subsequent to its appointment, the Trustee performed the following in respect of its duties as required under the BIA:
  - a) inquired as to the whereabouts of the Company's books and records which were maintained by a related company, and now under the control of the Receiver. The Receiver has been cooperative in providing the Trustee with access to information to assist with the administration of the estate;
  - b) notified the Company's bank to cease any further withdrawals from its operating account;

- c) inquired as to the status of any physical assets or premises belonging to the Company and was advised that there was none; and
- d) attended to the various statutory notice requirements.

#### **SECTION A – Summary of Assets**

- 8. The Company's assets primarily relate to cash and intercompany receivables and investments. Due to the uncertainty on recoveries from related parties amidst the ongoing insolvency proceedings, the estimated recoveries have been estimated at nil.

#### **SECTION B**

##### **Conservatory and protective measures**

- 9. There is no property requiring conservatory or protective measures other than the cash remaining in the bank account.

#### **SECTION C – Legal proceedings**

- 10. The Trustee has not commenced any legal proceedings and is not aware of any proceedings commenced against the estate.

#### **SECTION D – Provable claims**

- 11. As at the date of this report, the Trustee has received 3 proofs of claim from unsecured creditors totalling approximately \$215,000.

## **SECTION E – Secured creditors and trust claims**

12. As at the date of this report, the Trustee has not received any secured claims. However, the Trustee is aware of a potential secured claim from PacBridge Partners II Investment Co. Ltd. (“**PacBridge**”).
13. The Trustee has not retained independent legal counsel at this stage pending the evaluation of any secured claims received and the determination of recoveries that may be subject to security held by the secured party.

## **SECTION F – Anticipated realization and projected distribution**

14. The Trustee is currently unable to provide an estimated realization and projected distribution to creditors as realizations from the intercompany assets are contingent on the realization efforts in the ongoing bankruptcy and receivership proceedings of the Company’s Canadian subsidiaries.

## **SECTION G – Preferences and transfers at undervalue**

15. The Trustee is currently undertaking a review of the Company’s books and records with respect to transfers at undervalue or fraudulent preferences as defined in the BIA.
16. As at the date of this report, the Trustee is not aware of any transactions that may be considered a preference or transfer at undervalue.

## **SECTION H – Third party deposit and guarantees**

17. The fees and expense of the Trustee have been guaranteed by PacBridge pursuant to an agreement dated August 17, 2023 (the “**Guarantee**”). The Guarantee covers the bankruptcies of CHI and ICHI and is limited to \$50,000.

18. PacBridge has also loaned the Trustee \$35,000 in order to fund initial bankruptcy activities and conservatory measures of the CHI and ICHI estates with the understanding that the Trustee shall repay the advance to PacBridge upon receipt of sufficient funds by the Trustee from the Company's assets.

**SECTION I – Other Matters**

19. There are no other matters.

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**FTI Consulting Canada Inc.**  
Solely in its capacity as Trustee  
in the Bankruptcy of  
Imagia Canexia Health Inc.  
and not in its personal capacity

Per:



Mike Clark, LIT  
Senior Director