COURT FILE NUMBER Q.B. _____ of 2015

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON

PLAINTIFF GOLDEN OPPORTUNITIES FUND INC.

DEFENDANTS PHENOMENOME DISCOVERIES INC.

IN THE MATTER OF THE RECEIVERSHIP OF PHENOMENOME DISCOVERIES INC.

AFFIDAVIT OF GAVIN PRESTON

I, **GAVIN PRESTON**, of the City of Saskatoon, in the Province of Saskatchewn, Investment Manager and Chartered Financial Analyst Charterholder, **MAKE OATH AND SAY AS FOLLOWS THAT:**

1. I am an Investment Manager employed to provide investment management services to the Applicant, Golden Opportunities Fund Inc. ("**GOFI**") in regard to the investment by GOFI in Phenomenome Discoveries Inc. ("**PDI**"), such that I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be on information and belief, and where so stated, I believe the same to be true.

Background to GOFI

2. GOFI was founded in 1999 as Saskatchewan's first provincial labour-sponsored venture capital fund. GOFI invests in Saskatchewan companies with the objective of maximizing return to its shareholders by investing in a broad range of sectors and stages of development, including innovative local companies in the life sciences sector. The general objective of GOFI is to realize long-term capital appreciation of its investments in eligible businesses and eligible business entities.

3. Since its inception, GOFI has invested in a diverse portfolio of approximately 100 different Saskatchewan business enterprises. Today, GOFI manages a portfolio comprising investments which it has made in approximately 53 Saskatchewan business enterprises.

Background to PDI

4. PDI is a Saskatchewan human health research company that develops technology to investigate how diseases arise, to identify persons most likely to develop diseases and to design therapies to treat the causes of disease. PDI uses its patented metabolomics technology platform, based on Fourier Transform Ion Cyclotron Resonance Mass Spectrometry, to conduct biochemistry research focused on the discovery of serum metabolite biomarkers in cancer and neurodegenerative disease. The business units of PDI validate these discoveries and develop commercial products with diagnostic, therapeutic and health monitoring applications.

5. PDI was established in 2000. It carries on business from leased premises in the Innovation Place Research Park on the Campus of the University of Saskatchewan, which leased premises bear the civic address of 207-407 Downey Road, Saskatoon, Saskatchewan (the "**Premises**").

6. The President and Chief Executive Officer (the "**CEO**") of PDI is Mr. Dayan Goodenowe ("**Mr. Goodenowe**"). Prior to November 9, 2015, the Chief Financial Officer (the "**CFO**") and the Chief Operating Officer (the "**COO**") of PDI was Mr. John Hyshka ("**Mr. Hyshka**").

7. Attached and marked as Exhibit "A" to this Affidavit is a true copy of an Information Services Corporation Saskatchewan Corporate Registry Profile Report for PDI with a currency date of October 29, 2015.

Equity Investments in PDI by GOFI

8. On March 18, 2002, GOFI made its first investment in PDI by acquiring a convertible debenture on the assets of PDI in exchange for an investment of One Million ($1,000,000.00) Dollars (the "**2002 Debenture**"). GOFI received interest of $399,321 and principal payments of $300,000 on this Convertible Debenture from the date of investment to October 31, 2006. On October 31, 2006, GOFI converted the remaining $700,000 principal of the 2002 Debenture into 59,932 Class B Common Shares of PDI at $11.68 per share.

9. GOFI made additional equity investments in PDI:

    a) by subscribing for 25,000 Class B Common Shares of PDI for $292,000 (or $11.68 per share) on May 7, 2004;

b) by subscribing for 56,172 Class A Common Shares for $857,185 (or $15.26 per share) on June 20, 2005;

c) by subscribing for 19,486 Class A Common Shares for $446,229 (or $22.90 per share) on October 31, 2006;

d) by subscribing for 15,500 Class A Common Shares for $850,020 (or $54.84 per share) on July 23, 2007;

e) by subscribing for 5,167 Class B Common Shares for $283,358 (or $54.84 per share) on July 14, 2009;

f) by subscribing for 2,286 shares Class A Common Shares for $160,020 (or $70.00 per share) on August 31, 2011; and

g) by subscribing for 18,750 Special Preferred Shares (the "**Special Preferred Shares**") and 37,500 Class A Common Share Purchase Warrants (the "**Warrants**") for $1,500,000 or $80.00 per Preferred Share on July 9, 2012.

10. On June 30, 2015, the Special Preferred Shares were redeemed and the Warrants were cancelled.

11. The current equity investments by GOFI in PDI comprise 93,444 Class A Common Shares, (acquired at a cost of $2,301,054) and 90,099 Class B Common Shares (acquired at a cost of $1,287,758.00), for a total cost of $3,588,812.00.

12. In total, GOFI owns approximately 9.62% of the equity in PDI (on a fully diluted basis).

Debt Financing Advanced To PDI by GOFI

13. By means of a Debenture made as of the 29th day of March, 2010 (the "**2010 Debenture**"), GOFI advanced to PDI a loan in the original principal amount of Eight Hundred and Thirty-Three Thousand ($833,000.00) Dollars (the "**Loan**").

14. GOFI holds security in respect of the Loan in the form of a security interest in all of the undertaking, property and assets of the Debtor described in section 3.1 of the 2010 Debenture (the "**GOFI Security**").

15. Attached and marked as Exhibit "B" to this Affidavit is a true copy of the 2010 Debenture.

PDI Working Capital Deficit in 2015

16. For its fiscal year ending March 31, 2014, PDI reported revenue of $403,550 and a net loss of $5.0 million.

17. For its fiscal year ending March 31, 2015, PDI reported revenue of approximately $1.0 million and a net loss of $7.3 million.

18. On March 31, 2015, PDI:

    a) had a working capital deficit of $16.4 million;

    b) carried current liabilities comprising the 2010 Debenture owed by it to GOFI (for $1,027,267), a promissory note issued by PDI to its landlord, Saskatchewan Opportunities Corporation ("**SOCO**") for $1,532,517, Special Preferred Shares for $8,183,308, and a loan advanced to PDI by Yolbolsum Canada Inc. ("**YBCI**") for $1,915,367; and

    c) reported approximately $1.0 million in cash.

19. In order to address its working capital deficit, in July of 2015, PDI sold "Revenue Interests" related to two packages of PDI assets to Med-Life Discoveries LP for Ten Million ($10,000,000.00) Dollars (the "**Med-Life Transaction**"). Each Revenue Interest is defined as all sales, royalties, or licensing fees stemming from certain assets or complete or partial sales of the assets themselves.

20. GOFI invested $5,000,000 in Med-Life Discoveries LP. In addition to the $5,000,000 invested in Med-Life Discoveries LP by GOFI, Med-Life Discoveries LP raised an additional $2,500,000 from each of Concord Centres Inc. and PIC Investment Group Inc. and used this $10,000,000 to complete the Med-Life Transaction with PDI.

21. The $10,000,000 proceeds of the Med-Life Transaction was used by PDI:

    a) to redeem the Special Preferred Shares (in the amount of $8,708,205); and

    b) the remaining amount of $1,291,795 was used to provide working capital to fund a Merger and Acquisition process to be pursued by PDI.

Standstill Letter From GOFI in Favour of PDI

22. The Loan secured by the 2010 Debenture had a maturity date of March 12, 2015. PDI did not repay the Loan on March 12, 2015. As a result, the Loan matured and became payable in full by PDI to GOFI.

23. Unpaid interest has compounded annually and continues to accrue on the Loan secured by the 2010 Debenture. The 2010 Debenture is no longer convertible into common shares of PDI because the conversion rights expired at maturity.

24. By means of a letter dated June 8, 2015 from GOFI to PDI (the "**Standstill Letter**"), GOFI agreed with PDI that, subject to a certain qualification more particularly described below in paragraph 25 hereof (the "**Standstill Qualification**"), GOFI would not make demand pursuant to the 2010 Debenture prior to March 29, 2016. The Standstill Letter comprises Exhibit "D" to the November 20 Goodenowe Affidavit (as defined below in paragraph 53 hereof).

25. The second sentence of the second paragraph in the Standstill Letter contained the Standstill Qualification which read as follows:

> Notwithstanding the foregoing it is understood by PDI that GOF reserves the right to make demand on the Debenture if GOF determines that PDI has become bankrupt or insolvent or has committed an act of bankruptcy or insolvency that jeopardizes GOF's position under the debenture.

Insolvency of PDI

26. Attached and marked collectively as Exhibit "C" to this Affidavit are true copies of the unaudited Consolidated Financial Statements of PDI for the six months ended September 30, 2015 and the unaudited Separate Financial Statements of PDI for the seven months ended October 31, 2015.

27. I have determined from my review of Exhibit "C" to this Affidavit, and I believe it to be true, that:

a) the cash on hand inside PDI was $562,100 as at October 31, 2015;

b) the actual operating expenses of PDI in October of 2015 had amounted to $372,009 (including $212,312 for salaries and benefits);

c) the actual revenues earned by PDI in October of 2015 were $1,584; and

d) assuming that PDI experienced approximately the same actual operating expenses (of $372,009) and actual revenues ($1,584) in November of 2015 as it had experienced in October of 2015, then PDI would be expected to have cash on hand of less than $200,000 on November 30, 2015, with the result that PDI would not be expected to have the cash required to meet its payroll obligations for December of 2015.

28. I have been informed by Mr. Hyshka, and I believe it to be true, that PDI is substantially in arrears on payments to its patent lawyers, the law firm of Gowlings LLP (to the extent of approximately $500,000), such that maintenance of the registrations pertaining to its intellectual property may potentially be in jeopardy.

29. By reason of the facts and matters described in the three immediately preceding paragraphs and Exhibit "C" hereto, GOFI has determined that PDI is insolvent and that PDI has committed acts of bankruptcy under section 43 of the *Bankruptcy and Insolvency Act* (the "BIA") by ceasing to meet its liabilities generally as they come due, including (without limitation) by reason of PDI:

e) failing to pay arrears of rent on the Premises to its landlord, SOCO, in amounts exceeding One Million, Five Hundred Thousand ($1,500,000.00) Dollars;

f) being unable to meet monthly payroll obligations to its employees; and

g) ceasing to pay its accounts payable to its trade creditors in accordance with ordinary course terms of payment to such trade creditors (including, without limitation, its patent lawyers, Gowlings LLP, to whom PDI owes approximately $500,000).

Demand By GOFI on PDI Under The 2010 Debenture

30. On November 10, 2015, by reason of the fact that PDI had become insolvent and had committed acts of bankruptcy by ceasing to meet its liabilities generally as they become due, GOFI determined that the Standstill Qualification had been engaged, with the result that the Standstill Letter no longer applied and GOFI had the right to demand payment from PDI under the 2010 Debenture.

31. By means of a letter from its legal counsel, the law firm of MacPherson Leslie & Tyerman LLP ("**MLT**"), dated November 10, 2015 and served on PDI on that same date (the "**November 10 GOFI Demand Letter**"), GOFI demanded that, on or before November 20, 2015, PDI repay the total aggregate amount of indebtedness owing by PDI to GOFI

under the Loan and the 2010 Debenture, namely: $1,096,552.16 (the **"Indebtedness"**), comprising principal of $833,000.00 and interest of $263,552.16. GOFI also thereby served upon PDI a Notice of Intention To Enforce Security under section 244(1) of the BIA. Attached and marked collectively as Exhibit "D" to this Affidavit are true copies of the November 10 GOFI Demand Letter, together with the Notice of Intention to Enforce Security under section 244(1) of the BIA described in this paragraph.

32. By letter dated November 13, 2015 (the "**November 13, 2015 SHTB Letter**") from Robert Thornton, Q.C. ("**Mr. Thornton**") of the law firm of Stevenson Hood Thornton Beaubier LLP ("**SHTB**"), PDI responded to the November 10 GOFI Demand Letter by stating the following:

> It is the position of PDI that allegations made in the demand letter dated November 10, 2015 from your firm on behalf of GOFI are inaccurate. PDI is not insolvent nor has it committed an act of bankruptcy under Section 43 of the *Bankruptcy and Insolvency Act* ("BIA") by allegedly ceasing to meet its liabilities generally as they become due. In particular:
>
> (a) Satisfactory arrangements have been made by PDI with SOCO concerning the rent on its business premises;
>
> (b) PDI has met its monthly payroll obligations to its employees; and
>
> (c) PDI has not ceased to pay its accounts payable to its creditors in accordance with terms of payment with such trade creditors.
>
> PDI is in the process of arranging for financing, which will pay out in full all indebtedness owing by PDI to GOFI.
>
> Accordingly, PDI requests that in order that such financing can be completed, that GOFI take no legal remedies to collect the indebtedness owing by PDI to GOFI.

33. Attached and marked as Exhibit "E" to this Affidavit is a true copy of the November 13, 2015 SHTB Letter.

34. By letter dated November 17, 2015, GOFI, by its counsel, responded as follows to the November 13, 2015 SHTB Letter:

> Thank you for your letter of November 13, 2015.
>
> Your letter indicates that PDI is in the process of arranging financing. In order to demonstrate that PDI is pursuing a meaningful effort to obtain financing, kindly provide us with a copy of the applicable term sheet, memorandum of understanding or other documentary evidence which establishes that PDI is in the process of "arranging for financing".

Your letter suggests that PDI is not insolvent.

In that regard, GOFI hereby requests the following information from PDI pursuant to the rights of GOFI to request same under Articles 4.2(i), 4.2(n)(ii), 4.2(n)(iii) and 4.2(n)(v) of the Debenture between GOFI and PDI made as of the 29th day of March, 2010 (as amended) (copy enclosed) (the "Debenture"), namely:

1. The attached financial statement of PDI for the six months ended September 30, 2015 indicates that PDI has budgeted monthly operating expenses of $461,946. As at September 30, 2015, PDI had cash on hand of $1,008,496.00. In these circumstances, how does PDI intend to fund its operations beyond November 30, 2015?

2. The September 30, 2015 balance sheet of PDI indicates that PDI has assets of $4,744,039 against liabilities of $20,584,157. In the face of evidence that the value of its liabilities is over four times the value of its assets, how is it that PDI suggests that it is not insolvent?

3. The balance sheet of PDI lists accounts payable and accrued liabilities of $1,161,557 (as at September 30, 2015). Kindly provide us with a list of the accounts payable of PDI categorized by aging and date payable (e.g. 30 days old, 60 days, +90 days old).

4. We are informed that PDI owes approximately $470,000 to its intellectual property legal counsel, the law firm of Gowlings LLP, plus ongoing maintenance fees. Can you confirm that these figures are accurate and provide us with a copy of the applicable invoice(s) and other documents setting out terms of payment between PDI and Gowlings LLP?

GOFI requests that it be provided with this information on or before Friday, November 20, 2015. Given the apparent financial difficulty of PDI and the challenges that PDI faces in making payroll, this matter is highly time-sensitive.

GOFI reminds PDI that failure by PDI to provide this information to GOFI promptly will constitute an event of default under Article 7.1(b) the Debenture.

Your letter requests that GOFI provide confirmation that it is prepared to refrain from taking legal remedies against PDI.

GOFI is not prepared to refrain from taking legal remedies against PDI. Given the precarious financial position of PDI, GOFI reserves all of its rights and remedies against PDI. The November 10, 2015 demand letter and section 244 BIA Notice remain "live" documents in full force and effect.

35. Attached and marked as Exhibit "F" to this Affidavit is a true copy of the letter dated November 17, 2015 from counsel for GOFI described in the immediately preceding paragraph.

36. Neither GOFI nor its counsel have received a response to the November 17, 2015 letter from counsel for GOFI to counsel to PDI described in the immediately preceding two paragraphs.

Recent Termination of Senior Management of PDI By Mr. Goodenowe

37. John Hyshka ("**Mr. Hyshka**") is a long-time senior management employee of PDI who has worked for PDI since its early days. Most recently, Mr. Hyshka served as the Chief Financial Officer (the "**CFO**") and the Chief Operating Officer (the "**COO**") of PDI. He is also a significant shareholder of PDI and (until recently) was a member of the board of directors of PDI.

38. Mr. Hyshka has been instrumental in attracting equity investment to PDI. In many respects, he is regarded as the "public face" of PDI in the Saskatoon business community.

39. Attached and marked as Exhibit "G" to this Affidavit is a true copy of an article entitled "Phenomenome's Journey: An Interview With John Hyshka" published in the September, 2013 edition of *The Scene* (an Innovation Place newsmagazine). I have determined from my review of this article, and I believe it to be true:

a) that Mr. Hyshka described himself in this article as a "co-founder" of PDI along with Mr. Goodenowe;

b) that Mr. Hyshka indicated in this article that Mr. Goodenowe was responsible for developing the scientific infrastructure of PDI, while Mr. Hyshka was in charge of developing the business infrastructure of PDI, including raising the finances and looking after the corporate side, including the accounting and legal infrastructure;

c) that Mr. Hyshka stated in this article, in regard to Mr. Goodenowe and himself: "In short, he's the science side and I'm the business side"; and

d) that Mr. Hyshka stated in this article that he and Mr. Goodenowe started PDI together in 2000 and based PDI at Innovation Place in Saskatoon.

40. Attached and marked as Exhibit "H" to this Affidavit is a true copy of an Executive Profile for Mr. Hyshka from *Bloomberg Businessweek* which reads as follows:

> Mr. John M. Hyshka serves as Chief Financial Officer and Chief Operating Officer at Phenomenome Discoveries Inc. Mr. Hyshka launched Phenomenome Discoveries Inc and has successfully raised over $5 million in equity and debt financing. He has 17 years of economic business development and venture capital experience. For several years, he served as a Director of Economic Development for the Saskatoon Regional Economic Development Authority. Mr. Hyshka was responsible for all economic development programs for the region and for promoting Saskatoon internationally. He serves as the Chairman and Director at AG-West Biotech Inc. and Defyrus Inc. He serves as Director of

Saskatchewan Power Corp. Mr. Hyshka served as a director of Business Development Bank of Canada since June 28, 2005. He also served as a Director of Saskatchewan Government Growth Fund Management Corporation. Mr. Hyshka holds Bachelor of Commerce degree from the University of Saskatchewan.

41. I have been informed by Mr. Hyshka, and I believe it to be true, that Mr. Goodenowe terminated the employment of Mr. Hyshka as CFO and COO at PDI on November 9, 2015.

42. So far as I am aware, the board of directors of PDI was not consulted by Mr. Goodenowe prior to Mr. Goodenowe terminating the employment of Mr. Hyshka as CFO and COO of PDI, nor was it asked to authorize or approve of such termination.

43. So far as I am aware, PDI has not replaced Mr. Hyshka as its CFO and COO since Mr. Goodenowe terminated the employment of Mr. Hyshka on November 9, 2015.

44. GOFI is gravely concerned about the loss by PDI of its CFO and COO. GOFI is quite concerned about the impact that such a significant loss of senior management talent and experience will have on the ability of PDI to function and to restructure its business and financial affairs during a time when PDI faces very significant financial difficulty.

45. The law firm of McDougall Gauley LLP has served as long-time external corporate counsel to PDI. Mr. David McKeague, Q.C. of McDougall Gauley LLP ("**Mr. McKeague**") was the senior lawyer at that firm that provided advice to PDI. I have been informed by Jeffrey M. Lee, Q.C. of MLT ("**Mr. Lee**"), and I believe it to be true, that Mr. McKeague informed Mr. Lee on or about November 18, 2015 that, subsequent to the termination of the employment of Mr. Hyshka as CFO and COO of PDI, PDI terminated the long-time engagement of McDougall Gauley LLP as external corporate counsel to PDI.

46. Until recently, Christine Johnson ("**Ms. Johnson**") was employed by PDI as its in-house legal counsel. I have been informed by Mr. Hyshka, and I believe it to be true, that Ms. Johnson had left work at PDI and was on stress leave as a result of the stress involved in working under the supervision of Mr. Goodenowe.

47. Tamara Harasen ("**Ms. Harasen**") was hired as in-house legal counsel at PDI as a replacement for other in-house legal counsel who was away on maternity leave. I was informed by Mr. Hyshka, and I believe it to be true, that Mr. Goodenowe terminated the employment of Ms. Harasen as in-house legal counsel to PDI.

Erratic Conduct of Mr. Goodenowe Harmful To PDI

48. GOFI has recently become aware of several instances of erratic and unpredictable conduct of Mr. Goodenowe in his capacity as President and CEO of PDI (as more particularly described below in this Affidavit) which:

a) has destabilized PDI;

b) has the potential to undermine morale among PDI employees; and

c) has the potential to impair and to cause permanent harm to the business reputation and credibility of PDI.

49. On or about November 11, 2015, GOFI (in its capacity as a shareholder of PDI) received a three-page Memorandum on PDI stationery dated November 11, 2015 from Mr. Goodenowe, President and CEO of PDI, entitled "Re: Plot to defraud shareholders" (the "**November 11, 2015 Memorandum**"). Attached and marked as Exhibit "I" to this Affidavit is a true copy of the November 11, 2015 Memorandum.

50. In the November 11, 2015 Memorandum, Mr. Goodenowe makes the following allegations and statements:

a) "In the last 2 months, Mr. Hyshka's behavior has become very aggressive and erratic. He and the two departments that report to him (legal and finance) have become very evasive and secretive with both myself and other departments including the HR department. He and both departments have also become blatantly insubordinate. PDI is currently in the middle of delicate negotiations with a company in which Golden Opportunities (Doug Banzet) is a major shareholder. John Hyshka and Doug Banzet have both been pressuring me to illegally embezzle assets out of PDI for this company, which I will not do".

....

b) "Prior to leaving on my last business trip, I informed our IT department to start backing up all of Mr. Hyshka's e-mails and to have them ready for me when I returned from my trip. I returned to Saskatoon late last Saturday (November 7th). The following day (Sunday November 8th), I met with our IT person at PDI, who provided me with all of Mr. Hyshka's e-mails. What I discovered was shocking and disgusting. Mr. Hyshka along with three other shareholders, Golden Opportunities Fund (Doug Banzet) and Dynex Capital/Tancho (Peter Blaney, Barry Markowsky) are currently plotting to force PDI into bankruptcy".

c) "Mr. Hyshka has fraudulently manufactured emails supposedly coming from me to him. In those emails, he attempts to frame me for embezzlement and/or other illegal activities. I have irrefutable evidence that these emails are fake. He used some sort of foreign Russian website to accomplish this. How extensive this fraud is, I do not yet know. A full investigation is needed. First thing Monday morning (November 9th) I instructed our IT person to back-up all of the e-mails for all of the persons in his department. After an initial review of those emails, more

shocking information was revealed. On this same day (Monday), I took this information to outside legal counsel for review. After review of the evidence, it was determined that John Hyshka could be fired with cause. On that same day, Mr. Hyshka was fired with cause".

....

d) "The fact that these loans are being called in right now by Golden before the board meeting takes place is very transparent. I can only surmise that the Sun, Moon, and Stars have been promised to Hyshka for his dirty deeds. It is extraordinarily clear that the only intent of these players is to destroy this company by any and all means possible up to and including criminal behavior".

.....

e) "These children are literally dying while they are waiting for us to get our drug to them. These greedy, soulless bastards, John Hyshka, Doug Banzet, Peter Blaney, and Barry Markowsky are ALL fully aware of this. These children are not a line item on a spreadsheet. This is very real. The thought of having to contact the parents of these children to inform them that this life saving drug will not come to pass for these reasons, kills me. This is truly a matter of life or death".

f) "This level of greed and callous disregard for life is simply incomprehensible to me. There are not enough words to describe to all of you just how angry and disgusted I am by all of this or the depth of my loathing. I want this technology. I want it for the love of my life, Katarina. I want it for myself. I want it for my family, my friends, and all of the wonderful and dedicated employees that I have had the privilege to work with. These people, some of which have been here for more than 10 years, do not even have a stock option plan. I want it for you and all of our loved ones. I imagine that all of you feel exactly the same way that I do."

51. GOFI is extremely concerned that Mr. Goodenowe has taken steps to circulate the November 11, 2015 Memorandum to shareholders of PDI. In addition to the other conduct of Mr. Goodenowe described in this Affidavit, these bizarre allegations contained in the November 11, 2015 Memorandum are sufficiently outrageous as to discredit PDI.

52. GOFI is gravely concerned that the value of PDI will be negatively impacted if Mr. Goodenowe continues to remain in charge of the business and financial affairs of PDI. By reason of the bizarre, outrageous and erratic conduct of Mr. Goodenowe described in this Affidavit, GOFI is concerned that the likely outcome of the continued involvement of Mr. Goodenowe as President and CEO of PDI is that:

a) PDI will lose its remaining credibility in the market and the business and investment community;

b) PDI will be required to continue to operate without a CFO, COO, in-house legal counsel and much of its former senior management team;

c) PDI will continue to operate in a dysfunctional fashion, with low employee morale and the potential to lose additional key employees;

d) PDI will be unable to fund its payroll obligations for the month of December of 2015;

e) PDI will be unable to meet its obligations to its patent lawyers, the law firm of Gowlings LLP, with the result that the maintenance of the intellectual property rights of PDI which are among its most valuable assets, will be jeopardized,

f) the board of directors of PDI will continue to receive inadequate or no information from the President and CEO of PDI on key business and financial issues affecting PDI (as more particularly described below in paragraphs 53 to 55 hereof); and

g) PDI will be unable to fund its ongoing business operations and will be required to cease business, thereby jeopardizing the value of its assets (including the GOFI Security).

Unauthorized Application By Mr. Goodenowe For Relief Under The CCAA On Behalf of PDI

53. At 11:45 am on Friday, November 20, 2015, there was delivered to the offices of MLT by SHTB a package of materials (the "**PDI CCAA Application Materials**") in support of a proposed application by PDI to the Court of Queen's Bench For Saskatchewan (the "**Court**") for relief under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Among the PDI CCAA Application Materials was an Affidavit of Mr. Goodenowe sworn on November 20, 2015 (the "**November 20 Goodenowe Affidavit**").

54. I have reviewed the PDI CCAA Application Materials in order to determine whether they contain any form of resolution of the directors of PDI authorizing PDI to make an application to the Court for relief under the CCAA. So far as I have been able to determine, the PDI CCAA Application Materials contain no such resolution of the board of directors of PDI authorizing PDI to make an application to Court for relief under the CCAA.

55. I have made inquiries of a member of the board of directors of PDI as to whether or not the board of directors of PDI authorized, approved or even knew of the actions of Mr. Goodenowe in swearing the November 20 Goodenowe Affidavit and in causing PDI to file the PDI CCAA Application Materials with the Court seeking relief under the CCAA. As a

result of the response that I received to this inquiry from a member of the board of directors of PDI, I have been informed, and I believe it to be true, that:

a) the board of directors of PDI has provided no authorization or approval to Mr. Goodenowe to swear the November 20 Goodenowe Affidavit or to cause PDI to file the PDI CCAA Application Materials with the Court seeking relief under the CCAA; and

b) the board of directors of PDI has not even been informed by Mr. Goodenowe of Mr. Goodenowe's actions in swearing the November 20 Goodenowe Affidavit and in causing PDI to file the PDI CCAA Application Materials with the Court seeking relief under the CCAA.

56. Attached and marked collectively as Exhibit "J" to this Affidavit are true copies of sections 2, 3 and 11.02 of the CCAA.

57. I have determined from my review of Exhibit "J" to this Affidavit, and I believe it to be true:

a) that in order to be eligible to apply for a stay of proceedings under the CCAA, a company must be a "debtor company"; and

b) that in order to qualify as a "debtor company", a company must either:

i. be bankrupt or insolvent,

ii. have committed an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* or be deemed insolvent within the meaning of the *Winding-up and Restructuring Act*, whether or not proceedings in respect of the company have been taken under either of those Acts,

iii. have made an authorized assignment in bankruptcy, or have had a bankruptcy order against it, under the *Bankruptcy and Insolvency Act*, or

iv. be in the course of being wound up under the *Winding-up and Restructuring Act* because it is insolvent.

58. I have determined from my review of Exhibit "J" to this Affidavit and from my review of the PDI CCAA Application Materials, and I believe it to be true, that in filing the PDI CCAA Application Materials with the Court, PDI has now publicly admitted that it is bankrupt or insolvent or that it has committed an act of bankruptcy within the meaning of the BIA, such that PDI no longer stands by statements to the contrary contained in the November 13, 2015 SHTB Letter (Exhibit "E" hereto) and there no longer exists any controversy

over the fact that PDI is either bankrupt or insolvent or has committed an act of bankruptcy within the meaning of the BIA.

Alleged Clinical Trial of RCDP Drug

59. In paragraphs 9 and 42 of the November 20 Goodenowe Affidavit, Mr. Goodenowe swears that PDI has developed a drug for the treatment of a life-threatening pediatric disease known as Rhizomelic Chondrodysplasia Punctata ("**RCDP**").

60. Mr. Goodenowe further swears in paragraph 42 of the November 20 Goodenowe Affidavit that "The clinic trial for this life-saving drug is going on right now in the laboratory of PDI. It is crucial that the clinical trial and other work by PDI in developing this life-saving drug continue without interruption".

61. By reason of the facts and matters described below in paragraphs 62 to 65 and Exhibit "K" to this Affidavit, it is apparent that these statements in paragraphs 9 and 42 of the November 20 Goodenowe Affidavit that "the clinical trial for this life-saving drug is going on right now in the laboratory of PDI" are misleading and inaccurate.

62. Attached and marked as Exhibit "K" to this Affidavit is a true copy of a newspaper article entitled "Flicker of Hope for Children With Rare and Devastating Disease" which was published in the September 6, 2015 edition of *The New York Times*.

63. The newspaper article comprising Exhibit "K" to this Affidavit describes certain chemical compounds developed by PDI that might restore a crucial missing ingredient in the bodies of children with RCDP: plasmalogens, a type of fatty acid found in cell membranes.

64. Mr. Goodenowe is quoted in the newspaper article comprising Exhibit "K" to this Affidavit as follows in regard to the process required to be followed by PDI to conduct a clinical trial for the RCDP drug:

> The drug — a combination of three synthetic plasmalogen precursors — is in the final stages of preclinical testing, Dr. Goodenowe said. The company plans to file an Investigational New Drug Application with the Food and Drug Administration next year, outlining how it would test the drug on the children and what outcomes it would seek. It is also seeking approval to test one of the plasmalogen precursors on Alzheimer's disease patients.
>
> Dr. Goodenowe believes that the RCDP trial will be relatively inexpensive, perhaps $5 million, and that the money is within reach. If the Food and Drug Administration allows the trial to move forward, he hopes to work with a larger

company with expertise in drugs for rare medical conditions, which would bring the drug to market if the trial succeeded. [Emphasis added]

65. I have determined from my review of Exhibit "K" to this Affidavit, and from my work in reviewing and analyzing PDI on behalf of GOFI, that PDI intends to file an Investigational New Drug Application (an "**IND**") for its proposed RCDP drug with the U.S. Food and Drug Administration (the "**FDA**") in 2016. If the FDA approves the IND submitted by PDI, then (and only then) can a clinical trial proceed for the life-saving RCDP drug. The cost of the clinic trial for this life-saving RCDP drug was estimated by Mr. Goodenowe in the newspaper article comprising Exhibit "K" to this Affidavit at "perhaps $5 million". It is apparent that PDI lacks the resources required to carry out the proposed clinical trial for the life-saving RCDP drug (which proposed clinical trial has not even been applied for to the FDA by PDI, much less approved by the FDA).

Proposed Receivership of PDI

66. In the sixteen years in which it has been involved as an investor and lender to Saskatchewan business enterprises, GOFI has never before initiated an application to the Court for an Order appointing a receiver of one of its investee companies. The decision by GOFI to do so in this case was not made lightly by GOFI, and was only arrived at after careful consideration of all alternatives. Having considered all of the alternatives, GOFI is strongly of the view that an Order of the Court appointing a receiver of PDI under section 243 of the BIA carries the best prospects to preserve the "enterprise value" of PDI as a going concern, to preserve the value of the assets of PDI generally (including the GOFI Security) and to preserve the prospects for PDI's technology to be developed, approved and brought to market for use by individuals who could benefit from it.

67. GOFI has identified Mr. Deryck Helkaa of FTI Consulting of Calgary, Alberta as a highly qualified insolvency professional who would be suitable to be appointed by the Court as receiver of PDI. Attached and marked as Exhibit "L" to this Affidavit is a true copy of Mr. Helkaa's *curriculum vitae*.

68. Attached and marked as Exhibit "M" to this Affidavit is a true copy of the Amended and Restated Unanimous Shareholder Agreement pertaining to PDI.

69. As a significant shareholder and creditor of PDI, GOFI is committed to make all reasonable efforts to pursue and implement a course of action which will permit PDI to continue its business operations, to preserve its "going concern" enterprise value and to preserve the value of its assets (including the GOFI Security). To that end, if the Court is

prepared to make an Order appointing FTI Consulting as receiver of PDI, then GOFI is prepared to give reasonable consideration to extending further financial support to PDI by advancing to the court-appointed receiver of PDI the funding required to permit PDI to continue operations (by way of additional loans from GOFI to the receiver of PDI secured by a Receiver's Borrowings Charge).

The Appointment of a Receiver is Necessary for the Preservation of The Value of the Assets of PDI and For The Protection of The Interests of all Stakeholders

70. As a result of the numerous previous and recent defaults and breaches by PDI under the direction of Mr. Goodenowe, and as a result of the erratic conduct of Mr. Goodenowe described in this Affidavit, GOFI has completely lost confidence in the ability of PDI to restructure its business and financial affairs. PDI is insolvent and is unable to meet its payroll obligations or to fund its ongoing business operations. Moreover, the pattern of conduct of Mr. Goodenowe gives rise to significant risks and uncertainty in regard to the preservation of the value of the assets of PDI (including the GOFI Security).

71. By reason of the foregoing facts and matters, GOFI has good reason to believe that both the GOFI Security and the interests of all stakeholders of PDI (including GOFI) are in jeopardy, such that an Order appointing a receiver is necessary for the protection of the GOFI Security, the preservation of the value of the assets of PDI and the protection of the general interests of all stakeholders of PDI (including GOFI).

72. I make this Affidavit in support of an application by GOFI for an Order appointing FTI Consulting Inc. as receiver of the property, assets and undertaking of PDI, all as more particularly described in the Originating Application of PDI.

SWORN BEFORE ME at the City of Saskatoon, in the Province of Saskatchewan, this 23rd day of November, 2015.

A Commissioner For Oaths in and for the Province of Saskatchewan.
My appointment expires: Sept. 30, 2016.
~~OR, Being a Solicitor.~~

GAVIN PRESTON

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

Name of firm:	MacPherson Leslie & Tyerman LLP
Lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Paul Olfert
Address of firm:	1500, 410 22nd Street E, Saskatoon SK S7K 5T6
Telephone number:	306.975.7100
Fax number:	306.975.7145
Email address:	jmlee@mlt.com / mrussell@mlt.com
File No:	60117.1

Saskatchewan

Information Services Corporation

Corporate Registry

Profile Report

Entity No: 101015930
Entity Name: PHENOMENOME DISCOVERIES INC.

As of: 29-Oct-2015

Entity Name: PHENOMENOME DISCOVERIES INC.

Entity Number: 101015930

Status as of Profile date: Active

Entity Type:	BUSINESS CORPORATION
Entity Sub Type:	SASKATCHEWAN CORPORATION
Incorporation Date:	19-Dec-2000
Home Jurisdiction:	SASKATCHEWAN
Annual Return/Renewal Date:	31-Jan-2016
Nature of Business:	BIOTECHNOLOGY (FILED UNANIMOUS SHAREHOLDER AGREEMENT AUGUST 11, 2003)(AMENDED JULY 23, 2007)(AMENDED JULY 9, 2012)

Registered Office:

Name:	PHENOMENOME DISCOVERIES INC.
Address:	204 - 407 DOWNEY RD.
City/Province:	SASKATOON, SK
Country/Postal Code:	CANADA, S7N4L8
Attention:	LEGAL DEPARTMENT

Mailing Address:

Name:	PHENOMENOME DISCOVERIES INC.
Address:	204 - 407 DOWNEY RD.
City/Province:	SASKATOON, SK
Country/Postal Code:	CANADA, S7N4L8

Allowable Number of Directors: **Min: 1 Max: 15**

Director/Officer /Shareholder Information:

Dir Became:	22-Jul-2002		
Name:	BANZET, DOUGLAS	Director:	YES
Address:	202 BONLI CRES.		
City/Province:	SASKATOON, SK		
Country/Postal Code:	CANADA, S7N4A1		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	06-Aug-2014
Dir Ceased:	30-Sep-2015
Name:	BHALLA, AMAR
Address:	SUITE 500, 245 CARLAW AVE
City/Province:	TORONTO, ON
Country/Postal Code:	CANADA, M4M2S1
Resident Canadian:	YES

Director/Officer /Shareholder Information:

Dir Became:	24-Sep-2015

Director:

THIS IS EXHIBIT "A" referred to in the Affidavit of Gavin Preston
SWORN before me at Saskatoon
this 23 **day of** November **20** 15

A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30 2016.
- OR - Being a Solicitor

Name:	BLANEY, PETER	Director:	YES
Address:	150 WILLIAM STREET		
City/Province:	KINGSTON, ON		
Country/Postal Code:	CANADA, K7L2C9		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	30-Sep-2015		
Name:	DAVIDSON, BLAIR	Director:	YES
Address:	410 22ND STREET EAST #1200		
City/Province:	SASKATOON, SK		
Country/Postal Code:	CANADA, S7K5T6		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	29-Sep-2014		
Name:	HRUDKA, CHRISTINE	Director:	YES
Address:	711 CANDLE COURT		
City/Province:	SASKATOON, SK		
Country/Postal Code:	CANADA, S7H0W6		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	26-Sep-2012		
Name:	MARKOWSKY, BARRY	Director:	YES
Address:	4211 MILLCROFT PARK DRIVE #2		
City/Province:	BURLINGTON, ON		
Country/Postal Code:	CANADA, L7H3Y9		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	30-Sep-2013		
Name:	OGILVIE, CINDY	Director:	YES
Address:	400-2400 COLLEGE AVENUE		
City/Province:	REGINA, SK		
Country/Postal Code:	CANADA, S4P1C8		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	24-Sep-2015		
Name:	ROBERTSON, GEORGE	Director:	YES
Address:	190 CRESTHAVEN DRIVE		
City/Province:	HALIFAX, NS		
Country/Postal Code:	CANADA, B3M4B4		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	23-Aug-2006		
Name:	RYAN, JOHN L.	Director:	YES
Address:	26 WEST BELLS MILL ROAD		
City/Province:	PHILADELPHIA, PA		
Country/Postal Code:	UNITED STATES, 19118		
Resident Canadian:	NO		

Director/Officer /Shareholder Information:

Dir Became:	20-Feb-2015		
Name:	YAKATAN, SETH	Director:	YES
Address:	245 - 33RD STREET		
City/Province:	HERMOSA BEACH, CA		
Country/Postal Code:	UNITED STATES, 90254		
Resident Canadian:	NO		

Director/Officer /Shareholder Information:

Dir Became:	15-Feb-2001

Name:	GOODENOWE, DAYAN	Director:	YES
Address:	204-407 DOWNEY ROAD	Officer Position:	PRESIDENT & CEO
City/Province:	SASKATOON, SK		
Country/Postal Code:	CANADA, S7N4L8		
Resident Canadian:	YES		

Director/Officer /Shareholder Information:

Dir Became:	15-Feb-2001		
Name:	HYSHKA, JOHN	Director:	YES
Address:	941 UNIVERSITY DRIVE	Officer Position:	CFO & COO & CORPORATE SECRETARY
City/Province:	SASKATOON, SK	Shareholder:	YES
Country/Postal Code:	CANADA, S7N0K2		
Resident Canadian:	YES		
		Class Name:	A COM
		Shares Held:	154972.00
		Class Name:	B COM
		Shares Held:	2500.00
		Class Name:	SPE PRE
		Shares Held:	525.00

Director/Officer/Shareholder Information:

Name:	UPDATED SHAREHOLDERS LIST ON FILE AS OF DECEMBER 16, 2013	Director:	NO
Address:			
City/Province:	, SK	Shareholder:	YES
Country/Postal Code:	CANADA,		
		Class Name:	A COM
		Shares Held:	1587357.00
		Class Name:	B COM
		Shares Held:	162516.00
		Class Name:	SPE PRE
		Shares Held:	56780.00

Share Structure:

Class	Voting Rights	Authorized Number	Issued Number
A COM	YES	UNLIMITED	1742329.00
B COM	NO	UNLIMITED	165016.00
SPE PRE	NO	UNLIMITED	57305.00
Total Number of Shares issued:			**1964650.00**

General Information:

Licensed with Consumer Protection Branch: NO

Places of Business in Saskatchewan:

Address:	204 - 407 DOWNEY ROAD
City:	SASKATOON
Postal Code:	S7N4L8

Name History:

Previous Name:	101015930 SASKATCHEWAN LTD.
Date of Change:	15-Mar-2001

Event History:

Event	Date
INCORPORATION	19-Dec-2000

NOTICE OF DIRECTORS	16-Feb-2001
NAME CHANGE	15-Mar-2001
GENERAL INFORMATION	15-Mar-2001
NOTICE OF DIRECTORS	03-Jan-2002
ANNUAL RETURN	31-Jan-2002
AMENDMENT	12-Feb-2002
FILED UNANIMOUS SHAREHOLDER AGREEMENT	01-Apr-2002
NOTICE OF REGISTERED OFFICE	06-May-2002
NOTICE OF DIRECTORS	06-Aug-2002
ANNUAL RETURN	20-Jan-2003
TERMINATE UNANIMOUS SHAREHOLDER AGREEMENT	11-Aug-2003
FILED UNANIMOUS SHAREHOLDER AGREEMENT	11-Aug-2003
NOTICE OF DIRECTORS	11-Sep-2003
ANNUAL RETURN	09-Jan-2004
GENERAL INFORMATION	09-Mar-2004
ANNUAL RETURN	17-Dec-2004
ANNUAL RETURN	16-Dec-2005
NOTICE OF DIRECTORS	07-Sep-2006
ANNUAL RETURN	20-Dec-2006
AMENDMENT	24-Jul-2007
NOTICE OF DIRECTORS	03-Oct-2007
ANNUAL RETURN	17-Jan-2008
ANNUAL RETURN	12-Jan-2009
NOTICE OF DIRECTORS	30-Jul-2009
NOTICE OF DIRECTORS	19-Oct-2009
NOTICE OF DIRECTORS	19-Oct-2009
ANNUAL RETURN (Filed on the Web)	06-Jan-2010
CHANGE DIRECTORS ADDRESS	12-Feb-2010
CHANGE DIRECTORS ADDRESS	23-Feb-2010
ERROR CORRECTION	19-Apr-2010
NOTICE OF DIRECTORS (Filed on the Web)	18-Oct-2010
NOTICE OF DIRECTORS (Filed on the Web)	18-Oct-2010
CHANGE SHAREHOLDERS (Filed on the Web)	18-Oct-2010
NOTICE OF DIRECTORS (Filed on the Web)	04-Nov-2010
NOTICE OF DIRECTORS (Filed on the Web)	08-Dec-2010
COURT ORDER/AFFIDAVIT	17-Dec-2010
ANNUAL RETURN (Filed on the Web)	24-Jan-2011
MANAGEMENT PROXY CIRCULAR	11-Apr-2011
AMENDMENT	20-May-2011
NOTICE OF DIRECTORS (Filed on the Web)	02-Aug-2011
NOTICE OF DIRECTORS (Filed on the Web)	10-Aug-2011
CHANGE SHAREHOLDERS (Filed on the Web)	10-Aug-2011
MANAGEMENT PROXY CIRCULAR	07-Sep-2011
NOTICE OF DIRECTORS	30-Sep-2011
NOTICE OF DIRECTORS	14-Nov-2011
ANNUAL RETURN (Filed on the Web)	25-Jan-2012
AMENDMENT	20-Apr-2012
MANAGEMENT PROXY CIRCULAR	20-Apr-2012
AMEND UNANIMOUS SHAREHOLDERS AGREEMENT	16-Aug-2012
MANAGEMENT PROXY CIRCULAR	05-Sep-2012
NOTICE OF DIRECTORS (Filed on the Web)	27-Sep-2012
NOTICE OF DIRECTORS	02-Oct-2012
ERROR CORRECTION	24-Oct-2012
ANNUAL RETURN	09-Jan-2013
MANAGEMENT PROXY CIRCULAR	19-Mar-2013
ERROR CORRECTION	26-Mar-2013
NOTICE OF DIRECTORS (Filed on the Web)	16-Apr-2013

MANAGEMENT PROXY CIRCULAR	12-Sep-2013
MANAGEMENT PROXY CIRCULAR	23-Sep-2013
ANNUAL RETURN (Filed on the Web)	16-Dec-2013
CHANGE SHAREHOLDERS	16-Dec-2013
NOTICE OF DIRECTORS (Filed on the Web)	22-Jul-2014
NOTICE OF DIRECTORS (Filed on the Web)	11-Aug-2014
MANAGEMENT PROXY CIRCULAR	12-Sep-2014
NOTICE OF DIRECTORS (Filed on the Web)	29-Sep-2014
NOTICE OF DIRECTORS (Filed on the Web)	01-Oct-2014
ANNUAL RETURN (Filed on the Web)	17-Dec-2014
NOTICE OF DIRECTORS (Filed on the Web)	23-Feb-2015
NOTICE OF DIRECTORS (Filed on the Web)	05-May-2015
NOTICE OF DIRECTORS (Filed on the Web)	14-May-2015
NOTICE OF DIRECTORS (Filed on the Web)	15-Jun-2015
NOTICE OF DIRECTORS (Filed on the Web)	16-Jul-2015
NOTICE OF DIRECTORS (Filed on the Web)	28-Aug-2015
MANAGEMENT PROXY CIRCULAR	14-Sep-2015
NOTICE OF DIRECTORS (Filed on the Web)	17-Sep-2015
NOTICE OF DIRECTORS (Filed on the Web)	01-Oct-2015

P	C	V

THIS DEBENTURE is made as of the 29th day of March, 2010.

ISSUED TO:

GOLDEN OPPORTUNITIES FUND INC., a corporation incorporated under the laws of the Province of Saskatchewan, (the "Lender")

ISSUED BY:

PHENOMENOME DISCOVERIES INC., a corporation incorporated under the laws of the Province of Saskatchewan, (the "Borrower")

THIS IS EXHIBIT "B" referred to in the Affidavit of Gavin Preston SWORN before me at Saskatoon this 23 day of November 20 15

A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016.
- OR - Being a Solicitor

DEBENTURE

RECITALS:

A. The Lender has agreed to lend to the Borrower the sum of $833,000.00 the Borrower, which sum (together with all other obligations now or hereafter owing by the Borrower to the Lender) is to be secured pursuant to the provisions of this Debenture;

B. It is a requirement of the Lender that the Borrower grant security to the Lender to secure payment, performance and satisfaction of all present and future obligations of the Borrower;

NOW, THEREFORE, in consideration of the mutual promises contained herein and the Lender advancing all or any portion of the Principal Sum (as herein defined), the Borrower agrees with the Lender as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions:

In this Debenture:

(a) "***Accessions***" means Goods that are installed in or affixed to other Goods;

(b) "***Account***" means any monetary obligation not evidenced by Chattel Paper, an Instrument or a Security, whether or not it has been earned by performance;

(c) "***Business Day***" means any day, other than Saturday, Sunday or any statutory

holiday in the Province of Saskatchewan;

(d) "***Chattel Paper***" means one or more than one writing that evidences both a monetary obligation and a security interest in or a lease of specific Goods or a security interest in specific Goods and Accessions;

(e) "***Class A Shares***" means the Class A Shares in the capital stock of the Borrower as such shares exist on the close of business on the Effective Date; provided that in the event of a change, subdivision, reclassification or consolidation thereof, or successive, changes, subdivisions, reclassifications or consolidations, then subject to adjustments, if any, having been made in accordance herewith, ***"Class A Shares"*** shall thereafter mean the shares resulting from any such change, subdivision, reclassification, or consolidation;

(f) "***Collateral***" means all of the undertaking, property and assets of the Borrower described in Section 3.1 subject to, or intended to be subject to, the Security Interest, and any reference to "Collateral" shall be deemed to be a reference to "Collateral" or any part of the "Collateral", except where otherwise specifically provided;

(g) ***"Common Shares"*** means the Class A Shares, the Class B Shares and the Class C Shares in the capital stock of the Borrower as such shares exist on the close of business on the Effective Date; provided that in the event of a change, subdivision, reclassification or consolidation thereof, or successive, changes, subdivisions, reclassifications or consolidations, then subject to adjustments, if any, having been made in accordance herewith, ***"Common Shares"*** shall thereafter mean the shares resulting from any such change, subdivision, reclassification, or consolidation;

(h) ***"Conversion Date"*** means the date on which this Debenture and the Conversion Notice are received by the Borrower and, in the event the Debenture and Conversion Notice are received on different dates, then the Conversion Date is the later of the two dates;

(i) ***"Conversion Notice"*** has the meaning ascribed thereto in subsection 5.3(a) hereof;

(j) ***"Conversion Price"*** has the meaning ascribed thereto in Section 5.2 hereof;

(k) "***Document of Title***" means any writing that purports to be issued by or addressed to a bailee and purports to cover such Goods in the bailee's possession as are identified or fungible portions of an identified mass, and that in the ordinary course of business is treated as establishing that the person in possession of it is entitled to receive, hold and dispose of the document and the Goods it covers;

(l) "***Effective Date***" means the day on which the Principal Sum, or any portion thereof, is first advanced to the Borrower or its solicitors;

(m) "***Equipment***" means Goods that are not Inventory or Goods that are not used or acquired for use primarily for personal, family or household purposes;

(n) "***Event of Default***" has the meaning attributed to such term in Section 7.1;

(o) "***Goods***" means tangible personal property other than Chattel Paper, Documents of Title, Instruments, Money and Securities, and includes fixtures, growing crops, the unborn young of animals, timber to be cut and minerals and hydrocarbons to be extracted;

(p) ***"IFRS"*** means the International Financial Reporting Standards;

(q) "***Instrument***" means:

(i) a bill, note or cheque within the meaning of the ***Bills of Exchange Act*** (Canada) or any other writing that evidences a right to the payment of Money and is of a type that in the ordinary course of business is transferred by delivery with any necessary endorsement or assignment; or

(ii) a letter of credit and an advice of credit, if the letter or advice states that it must be surrendered upon claiming payment;

but does not include a writing that constitutes part of a Chattel Paper, a Document of Title or a Security;

(r) "***Intangible***" means all personal property, including choses in action, that is not Goods, Chattel Paper, Documents of Title, Instruments, Money or Securities;

(s) "***Intellectual Property***" means:

(i) The Borrower's name and all business names, trade names, domain names, registered and unregistered trade-marks, service marks and applications therefore currently used or owned by the Borrower;

(ii) All patents, patent applications, and all extensions, reissues, divisionals, continuations, continuations-in-part, and re-examinations thereto, and all inventions and discoveries whether or not patentable currently owned or used by the Borrower in the conduct of its business;

(iii) All copyrights in both published works and unpublished works currently owned or used by the Borrower in the conduct of its business;

(iv) All rights in data, whether or not registerable, of the Borrower;

(v) All inventions, plans, formulae, methodologies, designs, research data, trade secrets, confidential information, and technology, records, proprietary know-how, drawings, notes, laboratory books and protocols, computer software and documentation, algorithms, sourcecode or

procedures relating to or otherwise comprising Intellectual Property, whether or not in the possession, power and control of the Borrower;

(vi) The right to take action for an infringement of any of these rights;

(vii) Future developments, improvements and refinements to existing Intellectual Property; and

(viii) Any rights of which the Borrower is a licensee or licensor relating to or otherwise comprising Intellectual Property.

(t) "***Inventory***" means Goods that are held by a person for sale or lease or that have been leased or that are to be furnished or have been furnished under a contract of service, or that are raw materials, work in process or materials used or consumed in a business or profession;

(u) "***Lien***" means any mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance including, without limitation, any agreement to give any of the foregoing, or any conditional sale or other title retention agreement;

(v) ***"Maturity Date"*** means the fifth (5th) anniversary of the Effective Date;

(w) "***Money***" means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada or by a foreign government as part of its currency;

(x) "***Obligations Secured***" has the meaning attributed to such term in Section 3.1;

(y) ***"Officers' Certificate"*** means a certificate signed in the name of the Borrower by any two of the chief executive officer, the chief financial officer, the president or a vice-president of the Borrower;

(z) "***PPSA***" means ***The Personal Property Security Act, 1993*** (Saskatchewan), as amended from time to time, and any Act substituted therefor and amendments thereto;

(aa) "***Principal Sum***" means the sum of $833,000.00 lent or to be lent by the Lender to the Borrower;

(bb) "***Proceeds***" means identifiable or traceable personal property in any form derived directly or indirectly from any dealing with property or the proceeds from such property, and includes any insurance payments or other payments representing indemnity or compensation for loss of or damage to the property or proceeds from such property;

(cc) "***Purchase-Money Security Interest***" means:

(i) a Lien taken or reserved in Collateral to secure payment of all or part of its purchase price; or

(ii) a Lien taken by a person who gives value for the purpose of enabling the Borrower to acquire rights in or to Collateral to the extent that the value is applied to acquire the rights;

but does not include a transaction of sale by, and lease back to, the seller;

(dd) "***Receiver***" has the meaning attributed to such term in subsection 8.1(a);

(ee) ***"Securities Accounts"*** means all of the securities accounts including credit balances, securities entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts;

(ff) ***"Security"*** means a share, stock, warrant, bond, debenture, debenture stock or the like issued by a body corporate or other person that is:

(i) in a form recognized in the area in which it is issued or dealt with as evidencing a share, participation, or other interest in property or in an enterprise, or that evidences an obligation of the issuer; and

(ii) of a type which, in the ordinary course of business, is transferred by delivery with necessary endorsement, assignment and registration in the books of the issuer or agent for the issuer or compliance with the restrictions on transfers;

(gg) ***"Security Interest"*** means the mortgages, charges and security interests granted or created by Section 3.1 of this Agreement; and

(hh) ***"USA"*** means the unanimous shareholders' agreement amongst the shareholders of the Borrower made effective the 23rd day of July, 2007.

1.2 Headings:

The inclusion of headings in this Debenture is for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

1.3 Reference to Articles and Sections:

Whenever in this Debenture a particular Article, Section or other portion thereof is referred to, then, unless otherwise indicated, such reference pertains to the particular Article, Section or portion thereof contained herein.

1.4 Gender and Number:

In this Debenture, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders and the body corporate (as the context may require).

1.1 Time of Essence:

Time shall be of the essence for the purposes of this Debenture.

1.6 Currency:

All dollar figures stipulated in this Debenture, and all payments required to be made hereunder, shall be in Canadian dollars unless otherwise indicated.

1.7 Time for Performance:

If something provided for in this Debenture is to be done or performed on a certain day which, in the circumstances, happens to fall on what is not a Business Day, then the performance or doing of that thing shall be done or performed on the immediately following Business Day.

ARTICLE 1
REPAYMENT OF PRINCIPAL SUM AND INTEREST

2.1 Promise to Pay:

For value received, the Borrower hereby promises and agrees to pay to the Lender the Principal Sum, together with interest thereon, in accordance with the terms and conditions set forth in this Debenture.

2.2 Computation and Payment of Interest:

The following provisions shall govern the computation and payment of interest:

(a) the Principal Sum outstanding from time to time shall bear interest, from and after the Effective Date, at a rate equal to eleven (11%) percent per annum (both before and after maturity, default and judgment), such interest to be calculated annually, in arrears, and payable in accordance with the provisions of Section 2.3 hereof;

(b) interest on unpaid interest shall be calculated and paid by the Borrower at the same rate and in the same manner as interest accruing on the Principal Sum.

2.3 Repayment of Principal Sum and Interest:

Subject to the provisions of this Debenture, the Principal Sum, together with interest thereon, shall become due and payable as follows:

Number of Payments	Payment Amount	Payment Frequency	Payments Start	Payments End	Total
1	$91,630.00	Once	March 29, 2011	March 29, 2011	$91,630.00

47	$21,430.78	Monthly	April 29, 2011	February 29, 2015	$1,007,246.66
1	$15,141.76	Once	March 29, 2015	March 29, 2015	$15,141.76
TOTAL					$1,114,018.42

2.4 Procedure for Payments on Account of Principal Sum and Interest:

In respect of all payments on account of Principal Sum and interest hereunder, as the same become due, the Borrower shall cause the same to be paid by means of a pre-authorized electronic transfer of funds, directly from the Borrowers' account to the Lenders' account, prior to the close of business on each date on which such payments on account of principal and interest become due.

2.5 Renewal:

Any agreement for renewal or extension of the term for payment of the Principal Sum or other moneys secured by this Debenture need not be registered but shall be effective and binding on the Borrower and on any subsequent mortgagee of, or party interested in, the Collateral or any part of the Collateral, and shall take priority as against any assignee or subsequent mortgagee or other party when executed and such renewal shall not release or affect any agreement in this Debenture or collateral to this Debenture.

ARTICLE 2
GENERAL GRANT OF SECURITY

3.1 Grant of Security:

To secure payment of the Principal Sum and all interest thereon and the payment, performance and satisfaction of all obligations of the Borrower owed to the Lender pursuant to this Debenture (all of the foregoing being collectively herein referred to as the "Obligations Secured") the Borrower, subject to Sections 3.2 and 3.3 this Debenture, hereby grants to the Lender a continuing security interest in:

(a) the Fourier Transform Ion Cyclotron Resonance Mass Spectrometer Vacuum Cart (the "FTMS Vacuum Cart") and the CTC Analytics HTC PAL Injection System (the "Autosampler") described in Schedule "A" attached hereto (as such schedule may be amended or supplemented from time to time), in priority to any other charges on, or claims to, the FTMS Vacuum Cart or Autosampler granted by the Borrower; and

(b) all of the Borrowers' right, title and interest in and to all undertaking and present and after-acquired personal property of whatever nature or kind and wherever situated, **but not including:**

(i) Intellectual Property;

(ii) Securities; or

(iii) Securities Accounts; and

(c) all Proceeds (including Proceeds of Proceeds) of any of the property described in this Section 3.1;

including, without limitation, a Purchase-Money Security Interest in each of the FTMS Vacuum Cart and the Autosampler and in the other Collateral where applicable.

3.2 Exception for Last Day of Leases:

The Security Interest granted by this Debenture does not and shall not extend to, and the Collateral shall not include, the last day of the term of any lease or sub-lease, oral or written, now held or which may in the future be acquired by the Borrower, but upon the sale of the leasehold interest or any part of the leasehold interest, the Borrower shall stand possessed of such last day in trust to assign the leasehold interest as the Lender shall direct.

3.3 Exception for Contractual Rights:

The Security Interest granted by this Debenture does not and shall not extend to, and the Collateral shall not include, any agreement, right, franchise, license or permit (the "Contractual Rights") to which the Borrower is a party or of which the Borrower has the benefit, to the extent that the creation of the Security Interest in such Contractual Rights would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Borrower shall hold its interest in such Contractual Rights in trust for the Lender and shall assign such Contractual Rights to the Lender immediately upon obtaining the consent of the other party to the Contractual Rights. The Borrower agrees that it shall, upon the request of the Lender, use all commercially reasonable efforts to obtain any consent required to permit any contractual rights to be subjected to the Security Interest.

3.4 Attachment:

The attachment of the Security Interest has not been postponed and the Security Interest shall attach to any particular Collateral as soon as the Borrower has rights in such Collateral. In addition the Borrower acknowledges that

(a) value has been given;

(b) it has rights in the Collateral (other than after-acquired Collateral); and

(c) it has received a copy of this agreement.

ARTICLE 4
REPRESENTATIONS, COVENANTS AND OBLIGATIONS OF THE BORROWER

4.1 Representations and Warranties:

The Borrower represents and warrants, and so long as this Debenture remains in effect the Borrower shall be deemed continuously to represent and warrant:

(a) that the Borrower is duly created, organized and a validly subsisting corporation under the laws of the Province of Saskatchewan and it has the necessary corporate power and authority to own its properties and assets, to carry on the business now carried on by it and is duly qualified to do business in Saskatchewan and is conducting its business in compliance with all applicable laws, rules and regulations;

(b) that the Borrower has the necessary corporate power and capacity to grant the Security Interest, to create, execute, issue and deliver this Debenture;

(c) that the Borrower has duly and validly authorized, by all necessary corporate action:

(i) the borrowing of money from the Lender; and

(ii) the creation, execution, issuance and delivery of this Debenture, as well as the performance of the covenants and obligations set forth herein;

(d) that this Debenture and the Security Interest granted by the Borrower are valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms;

(e) that except for the USA, a copy of which has been provided to the Lender, there are no unanimous shareholder or other agreements which restrict, in whole or in part, the powers of the directors of the Borrower to manage or supervise the business and affairs of the Borrower or which restrict or govern the holding or disposition of shares or other securities in the Borrower;

(f) that the entering into of this Debenture, and the performance by the Borrower of its obligations hereunder does not and will not:

(i) contravene, breach or result in any default under the articles, by-laws or other organizational documents of the Borrower;

(ii) contravene, breach or result in any default under any mortgage, lease, agreement or other legally binding instrument, license, permit or law to which the Borrower is a party or by which the Borrower or any of its properties or assets may be bound; or

(iii) result in or permit the acceleration of the maturity of any indebtedness,

liability or obligation of the Borrower under any mortgage, lease, agreement or other legally binding instrument of or affecting the Borrower;

(g) that, except as disclosed in Schedule "B" hereto, no authorization, consent or approval of, or filing with or notice to, any person is required by the Borrower in connection with the execution, delivery or performance of this Debenture or the Security Interest granted by the Borrower;

(h) that, except as disclosed in writing to the Lender, there is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure; investigation or enquiry by any government body; or any similar matter or proceeding (collectively the "proceedings") against or involving the Borrower (whether in progress or threatened) which, if determined adversely to the Borrower would materially adversely affect its business, property, financial condition or prospects or its ability to perform any of the provisions of this Debenture; no event has occurred which might give rise to any proceedings and there is no judgement, decree, injunction, rule, award or order of any governmental body outstanding against the Borrower, which has or may have a material adverse effect on its business, property, financial condition or prospects;

(i) that the Borrower does not have or use a French form of name or combined English and French form of name;

(j) that the Borrower owns its property and assets free and clear of any Liens, save and except any Liens in favour of the Lender and any Liens which are subordinate to the Security Interest granted hereby;

(k) that the Borrower is not a party to or bound by any agreement of guarantee of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person, corporation or organization;

(l) that the Borrower has no outstanding shareholder loans or any other loans owing to any party;

(m) that all balance sheets, earnings statements and other financial data, which have been furnished to the Lender, prior to the execution hereof in connection with this Debenture have been prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis and fairly present the financial condition and the results of the operations of the Borrower, and all other information, certificates, schedules, reports and other papers and data furnished by the Borrower are, or will be at the time they are so furnished, accurate and complete in all material respects;

(n) that all balance sheets, earnings statements and other financial data, which may hereafter be furnished to the Lender in connection with this Debenture will be prepared in accordance with Canadian generally accepted accounting principles or

IFRS applied on a consistent basis and will fairly present the financial condition and the results of the operations of the Borrower;

(o) that there has been no material adverse change in the Borrower's position, whether financial or otherwise, from that indicated pursuant to the most recent financial statements delivered by the Borrower to the Lender and since the date thereof the Borrower has not incurred any liabilities or obligations except those incurred in the routine, day to day, course of business;

(p) that:

(i) all the use and condition of the assets and undertaking of the Borrower have been and are in compliance, in all material respects, with all environmental laws and there are no outstanding proceedings pending or threatened in connection with any environmental matters against it;

(ii) there is no contaminant or waste on, in, or at, the Borrower's premises or real property which is not permitted to be present thereon pursuant to environmental laws; and

(iii) the Borrower has not contaminated its premises or the real property or any other person's land or caused or permitted any contaminant to be discharged on or into another person's land or in the water or air, except as permitted by environmental laws;

(q) that the Borrower is not aware of any fact which has not been previously disclosed to the Lender in writing (other than facts or matters relating to the industry as a whole) which might adversely affect its business, operations, investments, property or prospects, or its ability to observe and perform its obligations under this Debenture;

(r) that the Borrower has no information or knowledge of any facts relating to the business and affairs of the Borrower which, if known to the Lender, might reasonably be expected to deter the Lender from completing the transactions herein contemplated;

(s) that the Borrower is in good standing under and holds all necessary permits, licenses, authorizations and other approvals to undertake and carry on its business;

(t) that the Borrower is not in default of any requirement of *The Securities Act, 1988* (Saskatchewan), any regulations under the said Act, any related regulatory instrument or any decision of the Saskatchewan Financial Services Commission, Securities Division;

(u) that the Borrower has fully complied with, or will fully comply with, all legal and regulatory requirements (including, without limitation, compliance with all applicable securities laws) to lawfully permit the issuance of the Debenture which, for further certainty, shall include, without limitation, the preparation and filing

(with the applicable securities regulatory authorities within the time required for such filings) of all such documents as may be required so as to comply, in all respects, with *The Securities Act, 1988* (Saskatchewan) or any related regulatory instrument in order to permit the issuance, to the Lender, of the Debenture;

(v) that Section 11.10 sets out the Borrower's chief executive office. Such chief executive office has been located at such address for the sixty (60) days immediately preceding the date of this agreement. Section 11.10 also sets out the address at which the books and records of the Borrower are located, the address at which senior management of the Borrower are located and conduct their deliberations and make their decisions with respect to the business of the Borrower and the address from which the invoices and accounts of the Borrower are issued. The Borrower will not change the location of any of these items, people or addresses without providing at least thirty (30) days' prior written notice to the Lender. The Collateral, to the extent not delivered to the Lender pursuant to this agreement, has been kept for the sixty (60) days immediately preceding the date of this agreement and will be kept at those locations listed in Section 11.10, and the Borrower will not remove the Collateral from such location, without providing at least thirty (30) days prior written notice to the Lender.

(w) that all information previously provided to the Lender by the Borrower is accurate in all respects; and

(x) that the representations contained herein do not contain untrue statements of material fact or omit to state any material fact necessary to make any such statements or representations not misleading in relation to the Borrower, its properties, business and affairs.

4.2 General Agreement:

The Borrower agrees that:

(a) it shall pay or satisfy all of its obligations to the Lender when due under this Debenture or any other instrument or document giving rise to such obligations;

(b) it shall use the Principal Sum solely for the purchase of the FTMS Vacuum Cart and the Autosampler (or such other purposes as may otherwise be approved in writing by the Lender) and provide evidence as to the use to which such funds are put as may be reasonably requested by the Lender from time to time;

(c) it shall carry on and continuously conduct the Borrower's business in an efficient manner and, without restriction, shall pay all taxes, rates, levies, assessments and other charges of every kind which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable, pay all monies and observe all covenants contained in any leases or agreements under which the Borrower holds any property, and maintain and keep in repair its buildings, machinery and equipment in accordance with good business practices;

(d) it shall maintain its corporate existence, shall carry on and conduct its business in a proper and efficient manner so as to protect and preserve the Collateral, shall maintain the Security Interest hereby created as a valid and effective security at all times so long as any Obligations Secured remain outstanding and shall keep, in accordance with generally accepted accounting principles or IFRS, as applicable from time to time, proper books of account for its business and accurate and complete records concerning the Collateral;

(e) it shall keep the Collateral in good order and repair and shall not use the Collateral in violation of the provisions of this Debenture or any other agreement between the Borrower and the Lender relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, bylaw, rule, regulation or ordinance;

(f) it shall prevent any Collateral, except Inventory sold or leased as permitted by this Debenture, from being or becoming an Accession to property not covered by this Debenture;

(g) it shall insure, and keep insured, the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct (or failing such direction, as a prudent person would), with loss payable to the Lender and the Borrower as their respective interests may appear in the form approved by the Lender, and the Borrower shall pay all premiums in respect of such insurance;

(h) it shall maintain business interruption insurance, in amounts consistent with prudent business practice in the Borrower's industry;

(i) it shall keep proper books of account in which complete and correct entries of all dealings and transactions in relation to its operations will be made and the Borrower will allow the Lender, or its representatives or agents, to inspect such books at all reasonable times;

(j) it shall comply with all municipal, provincial and federal law applicable to the Borrower and its operations;

(k) it shall keep in good standing, in all applicable jurisdictions, all licenses, approvals, consents and authorizations necessary to enable the Borrower to carry on its business in a proper and efficient manner in accordance with normal industry standards;

(l) it shall, in the event of damage to or loss of the FTMS Vacuum Cart, the Autosampler or both of them from any cause, the risk of which is herein assumed by the Borrower, with best efforts and due diligence, repair the FTMS Vacuum Cart, the Autosampler, or both of them, as the case may be, out of the proceeds of any insurance thereon or at the expense of the Borrower, unless otherwise agreed to between the Lender and the Borrower; provided, however, that such damage shall not terminate this Debenture or entitle the Borrower to any abatement or reduction of any payment of the Principal Sum, interest or other charges payable

hereunder, and provided further that if the Borrower and Lender agree that the Borrower shall not be required to repair or replace the FTMS Vacuum Cart or the Autosampler, then there shall be deemed to have occurred an Event of Default as defined in Section 7.1 hereof and the Principal Sum, interest and other charges payable hereunder shall be forthwith paid to the Lender out of the proceeds of any insurance policies received by the Borrower;

(m) provided that the Lender has not previously been notified pursuant to the terms of the USA or otherwise, it shall notify the Lender promptly of:

(i) any material change in the information contained in this Debenture or in the Schedules to this Debenture relating to the Borrower, its business or the Collateral;

(ii) the details of any significant acquisition of Collateral;

(iii) any material loss of or damage to the Collateral;

(iv) any default by any person in payment or other performance of its obligations with respect to the Collateral; and

(v) the return to or repossession by any person of any Collateral;

(n) it shall deliver to the Lender from time to time promptly upon request:

(i) any Documents of Title, and Chattel Paper constituting, representing or relating to the Collateral;

(ii) all statements of accounts, bills, invoices and books of account relating to Accounts and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral (or any of it) for the purpose of inspecting, auditing or copying the same;

(iii) all financial statements prepared by or for the Borrower regarding its business;

(iv) all policies and certificates of insurance relating to the Collateral; and

(v) such information concerning the Collateral, the Borrower and its business and affairs as the Lender may reasonably request;

(o) it shall not change its name without giving at least thirty (30) days prior written notice to the Lender of the new name and the date upon which such change of name is to take effect;

(p) it shall do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules to this Debenture) as may be reasonably requested by the Lender or with respect to the Collateral in order to give effect to this Debenture;

(q) it shall promptly notify the Lender in writing in the event that any litigation, action, suit, claim or other proceeding is commenced or, to the knowledge of any officer or director of the Borrower, is threatened against the Borrower, and shall provide details of the same to the Lender, provided that the Lender has not previously been notified of same pursuant to the terms of the USA or otherwise;

(r) it shall not pay any principals' or any shareholders' loans, pay dividends, make any other withdrawals of capital or incur any indebtedness, except as expressly provided for herein or in the Loan Agreement, without the Lender's prior written consent;

(s) it shall promptly notify the Lender in writing of any material adverse change in the business of the Borrower, financial, regulatory, or otherwise, provided that the Lender has not previously been notified of same pursuant to the terms of the USA or otherwise; and

(t) it shall provide the Lender with annual audited consolidated financial statements of the Borrower within 90 days of the Borrower's fiscal year-end, provided that the Lender has not previously received such statements pursuant to the terms of the USA or otherwise.

4.3 Restrictions on Dealings with Collateral:

Except as provided in Section 4.4, the Borrower agrees that it shall not, without the prior consent in writing of the Lender:

(a) sell, assign, transfer, exchange, lease, consign or otherwise dispose of all or any part of the Collateral;

(b) commingle any of the Collateral with any other Goods of the Borrower;

(c) move or transfer the Collateral from its present location; and

(d) create, assume or suffer to exist any Lien upon the Collateral ranking or purporting to rank in priority to or *pari passu* with the Security Interest.

4.4 Permitted Dealings with Collateral:

The Borrower may at any time, without the consent of the Lender:

(a) sell, assign, transfer, exchange, lease, consign or otherwise dispose of Inventory in the ordinary course of the Borrower's business;

(b) sell or otherwise dispose of such part of its Equipment which is no longer necessary or useful in connection with the Borrowers' business or which has become worn out or obsolete or unsuitable for the purpose for which the Equipment was intended; and

(c) subject to Section 6.1, collect Accounts in the ordinary course of the Borrower's

business.

4.5 Verification of Collateral:

The Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Borrower agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where the Collateral may be located and to all premises occupied by the Borrower.

4.6 Further Assurances:

The Borrower shall at its own expense do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, pledges, charges, assignments, security agreements, hypothecs, and assurances (including instruments supplementary or ancillary to this Debenture) and such financing statements as the Lender may from time to time request to better assure and perfect its security on the Collateral or any part of the Collateral including, without limitation, specifically mortgaging, pledging, charging, assigning and hypothecating in favour of the Lender the right, title and interest of the Borrower in all property and assets subject to, or intended to be subject to, the mortgages, charges and the Security Interest created by Section 3.1 which the Borrower shall hereafter acquire.

4.6 Dealings with Others:

The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with the Borrower, debtors of the Borrower, sureties and other persons and with the Collateral and other security as the Lender sees fit, without prejudice to the liability of the Borrower to the Lender or the rights, powers and remedies of the Lender under this Debenture.

4.7 No Prejudice:

Nothing contained herein, nor any act or omission of the Lender with respect to the Security Interest created shall in any way prejudice or affect the rights, remedies or powers of the Lender with respect to the Security Interest created hereby or any other security at any time held by the Lender.

4.8 Expenses:

The Borrower shall pay to the Lender, on demand, all of the Lender's reasonable costs, charges and expenses (including, without limitation, legal fees on a solicitor and his own client basis and Receiver's fees) in connection with the preparation, registration or amendment of this Debenture, the perfection or preservation of the Security Interest, the enforcement by any means of any of the provisions of this Debenture or the exercise of any rights, powers or remedies under this Debenture including, without limitation, all such costs, charges and expenses in connection with taking possession of the Collateral, carrying on the Borrower's business, collecting the Borrower's accounts and taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral, together with interest on such costs, charges and

expenses from the dates incurred to the date of payment at the rate of eleven (11%) percent per annum. All such costs, charges and expenses as referred to in this Section shall be added to and form part of the Obligations Secured.

ARTICLE 5
CONVERSION OF THE DEBENTURE

5.1 Conversion Privilege:

Subject to and upon compliance with the provisions and conditions of this Article 5, the Lender shall have the right, at the Lender's option, on or before the Maturity Date, to convert the whole or any part of the Principal Sum, together with all accrued and unpaid interest thereon, into fully paid and non-assessable Class A Shares at the Conversion Price as adjusted pursuant hereto.

5.2 Conversion Price:

The Conversion Price (the "Conversion Price"), subject to adjustment in accordance with the provisions of this Article, shall be Sixty Three ($63.00) Dollars per Class A Share.

5.3 Manner of Exercise of Right to Convert:

(a) The Lender desiring to convert this Debenture, in whole or in part, into Class A Shares shall deliver to the Borrower, or to the Borrower's solicitors, in trust, on or prior to the Maturity Date, a conversion notice in substantially the form of that notice attached to this Debenture as Exhibit "A" (the "Conversion Notice"), duly executed by the Borrower.

(b) The delivery of the Conversion Notice shall be deemed to constitute a contract between the Lender and the Borrower whereby:

(i) the Lender subscribes for the number of Class A Shares which it is entitled to receive on such conversion;

(ii) the Lender releases the Borrower of liability with respect to the portion of the Principal Sum and accrued but unpaid interest being converted upon the issuance of the Class A Shares in the course of the conversion; and

(iii) the Borrower agrees that the aforesaid release of liability constitutes full payment of the subscription price for the Class A Shares issuable upon such conversion.

(c) As promptly as practical after the Conversion Date, the Borrower shall issue or cause to be issued and deliver or cause to be delivered to the Lender a certificate or certificates for the number of Class A Shares properly deliverable to the Lender having consideration for the amount of Principal Sum and accrued but unpaid interest being converted and provisions shall be made in respect of any fraction of

a share as provided for in Section 5.4. Such conversion shall be deemed to have been effective immediately prior to the close of business on the Conversion Date and the Lender shall be deemed to have become, on the Conversion Date, the holder of the Class A Shares represented by the certificates received by the Lender.

(d) The Lender, upon delivery of the Conversion Notice in accordance with this Section, shall be entitled to receive payment of all accrued and unpaid interest in respect thereof for the period up to the date immediately preceding the Conversion Date, unless such interest has also been converted. The Class A Shares issued to the Lender upon conversion shall only be entitled to dividends declared in favour of holders of record of the Class A Shares on and after the Conversion Date from which date the Class A Shares issued to the Lender will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable shares in the capital stock of the Borrower.

(e) For greater certainty, the Lender, following delivery of the Conversion Notice in accordance with this Section, shall be entitled to exercise conversion rights with respect to the amount of any accrued and unpaid interest which has not been paid when provided for herein, provided always that the provisions of this Section apply, *mutatis mutandis*, with respect to the exercise of such right of conversion.

5.4 No Fractional Shares:

Notwithstanding anything herein contained, the Borrower shall in no case be required to issue fractional Class A Shares upon the conversion of this Debenture. If any fractional interest in a Class A Share would, except for the provisions of this Section, be deliverable upon the conversion of this Debenture (together with any accrued but unpaid interest), the Borrower shall round-up such fractional interest to the next whole Class A Share and shall deliver the same to the Lender together with the rest of the Class A Shares deliverable to the Lender upon conversion.

5.5 Conversion Price Adjustment:

The Conversion Price and the number of Class A Shares deliverable upon the conversion of the Principal Sum and any accrued but unpaid interest will be subject to adjustment in the events and in the manner following:

(a) Changes to Issued Capital:

If and whenever at any time prior to the Maturity Date the Borrower:

(i) subdivides or redivides its outstanding Common Shares into a greater number of Common Shares;

(ii) reduces, combines or consolidates the outstanding Common Shares into a smaller number of Common Shares; or

(iii) issues Common Shares or securities exchangeable for or convertible into Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend (other than the issue of Common Shares to holders of Common Shares pursuant to the exercise of options to receive dividends in the form of Common Shares in lieu of dividends paid in the ordinary course on the Common Shares);

(any of such events being called a "Share Reorganization"), the Conversion Price in effect immediately after the effective date of such subdivision or reduction in the case of subsection 5.5(a)(i) or 5.5(a)(ii) and the record date in the case of subsection 5.5(a)(iii) of such Share Reorganization will be adjusted by multiplying the Conversion Price by a fraction, the numerator of which is the number of Common Shares outstanding on such date before giving effect to such Share Reorganization and the denominator of which is the total number of Common Shares outstanding immediately after such effective or record date, including in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such effective or record date. Such adjustment will be made successively whenever any event referred to in this Section 5.5 occurs. Any such issue of Common Shares by way of stock dividend will be deemed to have been made on the record date for the stock dividend for the purpose of calculating the number of outstanding Common Shares under subsection 5.5(b).

(b) Distribution:

If and whenever at any time prior to the Maturity Date the Borrower fixes a record date for the making of a distribution to all or substantially all of the holders of Common Shares of:

(i) shares of any class other than Common Shares distributed to holders of Common Shares pursuant to their exercise of options to receive dividends in the form of such shares in lieu of dividends paid in the ordinary course on the Common Shares (other than a Share Reorganization described in subsection 5.5(a));

(ii) rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares (other than rights, options or warrants described in subsection 5.2(b));

(iii) evidences of its indebtedness; or

(iv) assets (excluding dividends paid in the ordinary course);

then, in each case (other than the circumstances set forth in subsection 5.5(c) hereof), the Conversion Price will be adjusted immediately after such record date

so that it equals the price determined by multiplying the Conversion Price by a fraction, of which the numerator is the total number of Common Shares outstanding on such record date multiplied by the Conversion Price, less the fair market value on a per share basis (as determined in good faith by the board of directors of the Borrower, which determination will, in the absence of manifest error, be conclusive) of such Common Shares or rights or warrants or evidences of indebtedness or assets, if any, so distributed to the holders of Common Shares, and of which the denominator is the total number of Common Shares outstanding on such record date multiplied by the Conversion Price. Any Common Shares owned by or held for the account of the Borrower will be deemed not to be outstanding for the purpose of any such computation. Such adjustment will be made successively whenever such record date is fixed. To the extent that such distribution is not so made, the Conversion Price will be readjusted to the Conversion Price which would then have been in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon such Common Shares or rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be. In subsection 5.5(b)(iv), the term "dividends paid in the ordinary course" will include the value of any securities or other property or assets distributed in lieu of cash dividends paid in the ordinary course at the option of the holders of Common Shares.

(c) Reorganization:

If and whenever at any time prior to the Maturity Date there is a reclassification or change of outstanding Common Shares (other than a change as a result of a subdivision or consolidation as described above) or a consolidation, merger, reorganization or amalgamation of the Borrower with or into any other body corporate other than an amalgamation or merger in which the Borrower is the continuing corporation and which does not result in any reclassification or change, other than as aforesaid, of the Common Shares, or in case of any sale, transfer or other disposition of all or substantially all of the assets of the Borrower, the Borrower or the corporation formed by such amalgamation or the corporation into which the Borrower shall have been merged or the corporation which shall have acquired such assets, as the case may be, shall execute and deliver to the Lender, if requested by the Lender, a supplemental debenture providing that the Lender shall have the right thereafter (until the expiration of the conversion right of this Debenture) to convert the Debenture into the kind and amount of shares and other securities and property receivable upon such reclassification, change, amalgamation, merger, sale, transfer or other disposition. Such supplemental debenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for herein. The above provisions of this subsection shall similarly apply to successive reclassifications, changes, amalgamations, mergers, sales, transfers or other dispositions.

(d) Restriction on Adjustment:

No adjustments of the Conversion Price shall be made pursuant to subsection

5.5(a)(iii) or pursuant to subsection 5.5(b) above if the Lender is permitted to participate in such issuance by way of stock dividend or in the issue of such options, rights or warrants or such distribution, as the case may be, as though and to the same extent as if it had converted this Debenture into Class A Shares prior to the record date for such issuance by way of stock dividend or the issue of such options, rights or warrants or such distribution, as the case may be.

(e) Deferred Issuance of Class A Shares:

In any case in which this Article shall require that an adjustment shall become effective immediately after a record date for an event, the Borrower may defer, until the occurrence of such event, issuing to the Lender who has converted this Debenture (or a portion hereof) after such record date and before the occurrence of such event the additional Class A Shares issuable upon such conversion by reason of the adjustment required by such event over and above the Class A Shares issuable upon such conversion before giving effect to such adjustment. In such an event, however, the Borrower shall deliver to the Lender an appropriate instrument evidencing the Lender's rights to receive such additional Class A Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Class A Shares declared in favour of holders of record of Class A Shares on and after the Conversion Date or such later date as such holder would, but for the provisions of this subsection, have become the holder of record of such additional Class A Shares.

(f) Adjustments Cumulative:

The adjustments provided for in this Section 5.5 are cumulative and shall apply to successive dividends, distributions, subdivisions, consolidations, issues or other events resulting in any adjustment under the provisions of this Section; provided that, notwithstanding any other provisions of this Section, no adjustment in the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least one percent in such price; provided further, however, that any adjustments which by reason of this subsection are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

5.6 **Other Adjustments:**

In case the Borrower shall take any action, other than action described in Section 5.5, affecting the Common Shares which, in the opinion of the Board of Directors of the Borrower acting reasonably, would materially affect the rights of the Lender, the Conversion Price and/or the number of Class A Shares deliverable upon conversion of the Principal Sum and any accrued but unpaid interest will be adjusted by action of the Board of Directors in such manner and at such time as they may determine in their sole discretion to be equitable in the circumstances. Failure of the Board of Directors to make such an adjustment shall be conclusive evidence that the Board of Directors have determined that it is equitable to make no adjustment in the circumstances.

5.7 Certificate As To Adjustment:

The Borrower shall from time to time immediately after the occurrence of any event which requires an adjustment in the Conversion Price as provided in this Article, deliver an Officers' Certificate to the Lender specifying the nature of the event requiring the adjustment and the amount of the adjustment thereby necessitated and setting forth in reasonable detail the method of calculation of the adjustment and the facts upon which such calculation is based. The facts sets forth in the Officers' Certificate, including the amount of the adjustment therein specified, shall be verified by an opinion of the Borrower's auditors and, when so verified, shall be conclusive and binding on all parties in interest. The Borrower shall forthwith give notice, in the manner specified in Section 11.10 hereof, of such adjustment to the Lender, which notice shall specify the conversion price after such adjustment and the event requiring such adjustment.

5.8 Notice Of Change:

In case at any time:

(a) the Borrower shall declare on its Common Shares any dividend payable in shares of the Borrower (other than a stock dividend to the holders of Common Shares who exercise an option to receive in the ordinary course equivalent dividends in Common Shares in lieu of receiving cash dividends) or make any other distribution on its Common Shares (other than a cash dividend);

(b) the Borrower shall offer for subscription *pro rata* to the holders of its Common Shares any additional shares of any class or securities convertible into or exchangeable for Common Shares or shall issue any other options, rights or warrants to all other holders;

(c) there shall be any capital reorganization or reclassification of the Common Shares of the Borrower, or a consolidation, amalgamation or merger of the Borrower with or into another entity or entities, or a sale, lease, abandonment, transfer or other disposition of all or substantially all its assets; or

(d) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Borrower;

then, in any one or more of the said cases, the Borrower shall give notice in the manner specified in Section 11.10 hereof of the action proposed to be taken and the date on which (a) the books of the Borrower shall close or a record shall be taken for such dividend, distribution or subscription rights or other options, rights or warrants, or (b) such reorganization, reclassification, consolidation, amalgamation, merger, disposition, dissolution, liquidation or winding up shall take place, as the case may be, provided that the Borrower shall only be required to specify in such notice such particulars of such action as shall have been fixed and determined at the date on which such notice is given. Such notice shall also specify the date as of which the holders of Common Shares of record shall participate in such dividend, distribution, subscription rights or other options, rights or warrants, or shall be entitled to exchange their Common Shares for securities or other property deliverable upon such reorganization, reclassification, consolidation, amalgamation, merger, disposition, dissolution, liquidation or winding up, as the case may be.

Such written notice shall be given, with respect to the actions described in subsections (a) and (b) above not less than fifteen (15) days, and with respect to the actions described in subsections (c) and (d) above, not less than thirty (30) days, in each case prior to the record date or the date on which the Borrower's transfer books are to be closed with respect thereto.

5.9 Borrower To Reserve Shares:

The Borrower shall, at all times while any Principal Sum or accrued but unpaid interest remains outstanding, reserve, conditionally allot and keep available out of its authorized and unissued Class A Shares, for the purpose of issuing upon conversion of this Debenture, such number of Class A Shares as shall from time to time be sufficient to effect the conversion of all or any portion of the Principal Sum and all accrued but unpaid interest outstanding. The Borrower covenants that all Class A Shares which shall be issued on conversion of this Debenture shall be duly and validly issued as fully paid and non-assessable shares.

ARTICLE 6
COLLECTION OF DEBTS

6.1 Collection of Debts:

Before or after the occurrence of an Event of Default, the Lender may give notice of the Security Interest to any person obligated to pay any debt or liability constituting Collateral (the "Account Debtor(s)") and may also direct such Account Debtor(s) to make all payments on account of any such debt or liability to the Lender. The Borrower acknowledges that any payments received by the Borrower from such Account Debtor(s), whether before or after notification of the Security Interest to such Account Debtor(s) and whether before or after the occurrence of an Event of Default, shall be received and held by the Borrower in trust, or as agent in the Province of Quebec, for the Lender and shall be turned over to the Lender upon request. The Borrower hereby authorizes the Lender:

(a) to contact any Account Debtor to verify the existence of an Account and its status;

(b) to notify and direct any Account Debtor to make payment directly to the Lender and to receive such payments and apply them in satisfaction of any Obligations Secured;

(c) after providing notice to the Borrower, to settle, adjust or compromise any dispute with respect to any debt or liability constituting Collateral;

(d) to endorse, on behalf of the Borrower, all Instruments made payable to the Borrower;

(e) to make claim for, to negotiate settlement of claims for, to receive payment for, and to execute any document, draft, check, release or instrument in connection with loss, theft or damage of Collateral covered by any insurance policy;

(f) to take physical possession of the Borrower's records pertaining to the Collateral; and

(g) to receive and open mail addressed to the Borrower;

and the Borrower hereby irrevocably appoints the Lender as the Borrower's agent and attorney, with full power of substitution, in the name and on behalf of the Borrower to do all things herein authorized.

ARTICLE 7
EVENTS OF DEFAULT

7.1 Events of Default:

The occurrence of any of the following events shall constitute an "Event of Default":

(a) the Borrower defaults in payment when due of any instalment on account of the Principal Sum or interest pursuant to this Debenture or any other Obligations Secured and such default continues unremedied for a period of thirty (30) days after notice of such default is given by the Lender to the Borrower;

(b) the Borrower defaults in the performance of, or breaches in any respect, any of the terms or conditions contained in this Debenture or any other agreement between the Borrower and the Lender regardless of whether any such agreement is now existing or hereinafter comes into existence, and such default continues unremedied for a period of thirty (30) days after notice of such default is given by the Lender to the Borrower;

(c) any representation or warranty of the Borrower contained in this Debenture or any other agreement between the Borrower and the Lender shall be found to be false or incorrect or lacking in any material facts so as to make it materially misleading as at the time made or given;

(d) any financial statement or certificate furnished by the Borrower to the Lender shall be incorrect or incomplete in any material respect when made or furnished;

(e) the failure of the Borrower to use any funds advanced to it by the Lender in accordance with the terms of this Debenture;;

(f) the Borrower admits its inability to pay its debts generally as they become due or otherwise acknowledges its insolvency;

(g) except to the extent permitted by the Lender in writing, the Borrower institutes any proceeding or takes any action or executes any agreement to authorize its participation in or commencement of any proceeding:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding-up, reorganization, arrangement,

protection, relief or composition of it or any of its property or debts, or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any application under the ***Companies' Creditors Arrangement Act*** (Canada) or the ***Bankruptcy and Insolvency Act*** (Canada) or any reorganization, arrangement or compromise of debt under the laws of the jurisdiction of the Borrower); or

(iii) seeking appointment of a receiver, trustee, agent, custodian or other similar official for it or for any substantial part of its properties and assets or for any part of the Collateral;

(h) any proceeding is commenced against or affecting the Borrower:

(i) seeking to adjudicate the Borrower a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding-up, reorganization, arrangement, protection, relief or composition of the Borrower, or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, any reorganization, arrangement or compromise of debt under the laws of the jurisdiction of the Borrower); or

(iii) seeking appointment of a receiver, trustee, agent, custodian or other similar official for the Borrower or for any substantial part of its properties and assets or for any part of the Collateral;

and such proceeding is not being contested in good faith by appropriate proceedings or, if so contested, remains outstanding, undismissed and unstayed for more than thirty (30) days from the institution of such first mentioned proceeding, provided, however, that notwithstanding the fact that such thirty (30) day period shall not have elapsed, an Event of Default shall be deemed to have occurred if such proceeding remains outstanding and, after the date of commencement of such proceeding, the Borrower does not satisfy a payroll obligation;

(i) any creditor of the Borrower or any other person shall appoint a receiver, trustee or similar official for any substantial part of the Borrower's properties and assets or for any part of the Collateral, and such appointment is not being contested in good faith by appropriate proceedings or, if so contested, such appointment continues for more than thirty (30) days from the date of such appointment, provided, however, that notwithstanding the fact that such thirty (30) day period shall not have elapsed, an Event of Default shall be deemed to have occurred if such appointment remains outstanding and, after the date such appointment is made, the Borrower does not satisfy a payroll obligation;

(j) any execution, distress or other enforcement process, whether by court order or

otherwise, becomes enforceable against any property of the Borrower and such proceeding is not being contested in good faith by appropriate proceedings or, if so contested, remains outstanding, undismissed and unstayed for more than thirty (30) days from the institution of such first mentioned proceeding, provided, however, that notwithstanding the fact that such thirty (30) day period shall not have elapsed, an Event of Default shall be deemed to have occurred if such proceeding remains outstanding and, after the date of commencement of such proceeding, the Borrower does not satisfy a payroll obligation;

(k) the Borrower ceases or threatens to cease to carry on business;

(l) the Borrower is in default of any of the terms or conditions under any instrument or agreement between the Borrower and a creditor of the Borrower;

(m) if effective management or control of the Borrower changes following the Effective Date hereof in a manner other than as set out in Schedule "C" hereto, whether directly or indirectly, by any sale, encumbrance, issuance or disposition of shares in the capital stock of the Borrower or otherwise;

(n) the Lender shall not have a first priority perfected security interest in any of the Collateral; or

(o) the Lender, in good faith, believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the Obligations Secured is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy.

7.2 Acceleration:

Upon the occurrence of an Event of Default, all moneys owing in respect of the Obligations Secured shall, at the option of the Lender, become immediately due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived by the Borrower, and all of the rights and remedies conferred by this Debenture, including those in respect of the Collateral and enforcement of the Security Interest as well as those in respect of any and all additional and collateral security, shall become immediately enforceable.

ARTICLE 8
REMEDIES

8.1 Remedies:

Upon the occurrence of an Event of Default, the Lender shall have and may exercise the following rights, powers and remedies:

(a) to appoint, by instrument executed by the Lender, any person (whether an officer or employee of the Lender) to be an agent or a receiver, manager or receiver and

manager (the "Receiver") of the Collateral and to remove any Receiver so appointed and to appoint another if the Lender so desires; it being agreed that any Receiver appointed pursuant to the provisions of this Debenture shall have all of the powers of the Lender under this Debenture and, in addition, shall have the power to carry on the business of the Borrower;

(b) to enter into any building, structure or works that form part of the Collateral or enter onto any premises where the Collateral may be located, and the Lender may render inoperable the whole or any part of the Collateral consisting of equipment;

(c) to take possession of all or any part of the Collateral with power to exclude the Borrower, its agents and its servants from the Collateral;

(d) to carry on, manage and conduct the business operations of the Borrower;

(e) to preserve, protect and maintain the Collateral and make such repairs, replacements and additions of the Collateral as the Lender shall deem advisable;

(f) to receive all rents, payments, incomes and profits of any kind whatsoever payable to the Borrower in respect of any of the Collateral;

(g) to pay all taxes, liens, encumbrances and other charges ranking in priority to the charge created by this Debenture;

(h) to pay all wages, salaries and commissions of employees of the Borrower;

(i) to enjoy and exercise all powers necessary or incidental to the performance of all rights, powers and remedies provided for in this Debenture including, without limitation, the power to purchase on credit, the power to borrow in the Borrower's name or in the name of the Receiver and to advance its own money to the Borrower at such rates of interest as it may deem reasonable, provided that the Receiver shall borrow money only with the prior consent of the Lender, and to grant security interests in the Collateral in priority to the Security Interest created by this Debenture, as security for the money so borrowed;

(j) to sell, lease or dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise and on any terms so long as every aspect of the disposition is commercially reasonable, including, without limitation, terms that provide time for payment of credit; provided that:

(i) the Lender or the Receiver will not be required to sell, lease or dispose of the Collateral, but may peaceably and quietly take, hold, use, occupy, possess and enjoy the Collateral without molestation, eviction, hindrance or interruption by the Borrower or any other person or persons whomsoever for such period of time as is commercially reasonable;

(ii) the Lender or the Receiver may convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral so sold and for such purpose

the Lender or the Receiver may execute such transfers of land, bills of sale and other conveyances as may be required; and

(iii) subject to Section 7.1, the Borrower will be entitled to be credited with the actual proceeds of any such sale, lease or other disposition only when such proceeds are received by the Lender or the Receiver in cash;

(k) to foreclose the Borrower's equity of redemption in any real property subject to the Security Interest;

(l) to take any steps or proceedings of any kind permitted by law or in equity or otherwise to enforce payment of the Obligations Secured or performance of any other covenant or obligation of the Borrower contained in this Debenture and to enjoy and exercise all of the rights and remedies of a secured party under the PPSA or of a mortgagee under ***The Land Titles Act, 2000*** (Saskatchewan) as the case may be, or under similar legislation from time to time in force where any part of the Collateral may be located;

(m) to dispose of all or any part of the Collateral in the condition in which it was on the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;

(n) to sell or otherwise dispose of any part of the Collateral without giving any notice whatsoever where:

(i) the Collateral is perishable;

(ii) the Lender or the Receiver believes on reasonable grounds that the Collateral will decline rapidly in value;

(iii) the Collateral is of a type customarily sold on a recognized market;

(iv) the cost of care and storage of the Collateral is disproportionately large relative to its value;

(v) every person entitled by law to receive a notice of disposition consents in writing to the immediate disposition of the Collateral; or

(vi) the Receiver disposes of the Collateral in the course of the Borrower's business;

(o) to commence, continue or defend proceedings in any court of competent jurisdiction in the name of the Lender, the Receiver or the Borrower for the purpose of exercising any of the rights, powers and remedies set out in this Section 8.1, including the institution of proceedings for the appointment of a receiver, manager or receiver and manager of the Collateral;

(p) to apply to any court or courts of competent jurisdiction for the appointment of

one or more Receivers of the Collateral, with such powers as the court or courts making such appointment or appointments shall confer including, without limitation, all or any of the rights, powers and remedies set forth in this Section 8.1;

(q) at the sole option of the Lender, provided notice is given to the Borrower in the manner required by the PPSA and to any other person to whom the PPSA requires notice be given, to elect to retain all or any part of the Collateral in satisfaction of the Obligations Secured; and

(r) any rights, powers and remedies authorized or permitted under the PPSA or otherwise by law or equity.

8.2 **Receivership:**

Upon the appointment of any Receiver or Receivers from time to time, the following provisions shall apply:

(a) such Receiver shall, subject to the terms of the instrument or court order appointing such Receiver, be vested with all of the rights, powers and remedies and discretions of the Lender set forth in Section 8.1;

(b) the Lender may from time to time fix the remuneration of every such Receiver, who shall be entitled to deduct the same out of the receipts derived from or comprising part of the Collateral or the proceeds of the Collateral;

(c) every Receiver shall be deemed to be the agent of the Borrower and not of the Lender for the purposes of:

(i) carrying on and managing the business and affairs of the Borrower; and

(ii) establishing liability for all of the acts or omissions of the Receiver while acting as such and the Lender shall not be in any way responsible for any acts or omissions on the part of any such Receiver, its officers, employees and agents;

provided, without restricting the generality of the foregoing, the Borrower irrevocably authorizes the Lender to give instructions to the Receiver relating to the performance of its powers and discretions set out in this Debenture.

(d) the appointment of every such Receiver by the Lender, or anything which may be done by any such Receiver, or the removal of any such Receiver, or the termination of any such receivership shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Collateral or any part of the Collateral;

(e) no such Receiver shall be liable to the Borrower to account for monies, other than monies actually received by such Receiver in respect of the Collateral, and a

Receiver shall apply such monies so received in the manner provided in Section 9.1;

(f) the Lender may at any time and from time to time terminate any such receivership by notice in writing executed by the Lender to any such Receiver;

(g) where a Receiver has been appointed and possession of the Collateral or any part thereof has been taken, all powers, functions, rights and privileges of each of the directors and officers of the Borrower with respect to such Collateral, business and undertaking of the Borrower shall cease except where the Lender gives its prior written consent to their continuance, and only to the extent permitted by that consent.

8.3 Reasonable Notice:

Where under any rule of law or equity the Borrower is entitled to a period of reasonable notice before:

(a) a demand for payment under this Debenture (whether by reason of default or otherwise) must be satisfied by the Borrower; or

(b) any remedy may be taken under this Debenture;

that period of notice shall not in any event or under any circumstance exceed three (3) Business Days, but this clause shall not be construed as requiring a minimum of three (3) Business Days notice where a lesser period of notice would otherwise be permissible by law or equity by reason of the circumstances of the Borrower, the condition of the Collateral, or otherwise.

8.4 Payment of Prior Claims:

If the Lender is at any time required to make a payment to defeat or honour the priority or possible priority of a mortgage, pledge, charge, assignment, security interest, hypothec, lien or other encumbrance on or in respect of all or any part of the Collateral, any such payment or payments and the costs, charges and expenses of the Lender in connection therewith (including legal fees on a solicitor and his own client basis) shall be payable by the Borrower on demand.

8.5 Effect of Taking Remedies:

(a) The exercise by the Lender of any of the powers or remedies contained in this Debenture shall not render the Lender a mortgagee in possession, and the Lender shall not be responsible or liable, otherwise than as a mortgagee, for any debts contracted by it, for damages to persons or property, or for salaries or non-fulfilment of contract during any period where a manager or Receiver appointed by the Lender shall manage the business of the Borrower or any part of the Collateral.

(b) The Lender shall not be liable to account as mortgagee in possession for anything except actual receipts nor shall it be liable for any loss or realization or for any

default or omissions for which a mortgagee in possession might be liable.

(c) Neither the taking of judgment nor the exercise of a power of seizure or sale shall:

(i) extinguish the liability of the Borrower to pay the money secured or to perform any other obligations under this Debenture; or

(ii) operate as a merger of any covenant or other obligation contained in this Debenture;

nor shall the acceptance of any payment or other security constitute or create a novation.

8.6 Remedies Not Exclusive:

All rights, powers and remedies of the Lender under this Debenture may be exercised separately or in combination and shall be in addition to, and not in substitution for, any other security now or which may in the future be held by the Lender and any other rights, powers and remedies of the Lender however created or arising. No single or partial exercise by the Lender of any of the rights, powers and remedies under this Debenture or under any other security now or which may in the future be held by the Lender shall preclude any other and further exercise of any other right, power or remedy pursuant to this Debenture or any other security or at law, in equity or otherwise. The Lender shall at all times have the right to proceed against the Collateral or any other security in such order and in such manner as it shall determine without waiving any rights, powers or remedies which the Lender may have with respect to this Debenture or any other security or at law, in equity or otherwise. No delay or omission by the Lender in exercising any right, power or remedy under this Debenture or otherwise shall operate as a waiver of such right, power or remedy or of any other right, power or remedy.

8.7 Borrower Liable for Deficiency:

In the case of any judicial or other steps or proceedings to enforce the security created by this Debenture, and without limiting any right of the Lender to obtain judgment for any greater amount, the Borrower shall remain liable to the Lender for any deficiency in respect of repayment of the Obligations Secured after the proceeds of any sale, lease or disposition of the Collateral are received by the Lender.

8.8 Exclusion of Liability of Lender and Receiver:

Unless otherwise provided by law, the Lender shall not, nor shall any Receiver appointed by it, be liable for any failure to exercise its rights, powers or remedies arising under this Debenture or otherwise, including, without limitation, any failure to take possession of, collect, enforce, realize, sell, lease or otherwise dispose of, preserve or protect the Collateral, to carry on all or any part of the business of the Borrower relating to the Collateral or to take any steps or proceedings for any such purposes. Neither the Lender nor any Receiver appointed by it shall have any obligation to take any steps or proceedings to preserve rights against prior parties to or in respect of the Collateral, including, without limitation, any Instrument, Chattel Paper or Securities, whether or not in the Lender's or the Receiver's possession, and neither the Lender nor any

Receiver appointed by it shall be liable for failure to do so. Subject to the foregoing, the Lender shall use reasonable care in the custody and preservation of the Collateral in its possession.

ARTICLE 9
APPLICATION OF PROCEEDS

9.1 Application of Proceeds:

The Proceeds arising from the enforcement of the Security Interest as a result of the possession by the Lender or the Receiver of the Collateral or from any sale, lease or other disposition of, or realization of security on, the Collateral (except following acceptance of Collateral in satisfaction of the Obligations Secured) shall be applied by the Lender or the Receiver in the following order, except to the extent otherwise required by law:

(a) first, in payment of the Lender's reasonable costs, charges and expenses (including legal fees on a solicitor and his own client basis) incurred in the exercise of all or any of the rights, powers or remedies granted to it under this Debenture, and in payment of the reasonable remuneration of the Receiver, if any, and the reasonable costs, charges and expenses incurred by the Receiver, if any, in the exercise of all or any of the rights, powers or remedies granted under this Debenture;

(b) second, in payment of amounts paid by the Lender or the Receiver pursuant to paragraph 8.4;

(c) third, in payment of all money borrowed from or advanced by the Lender or the Receiver, if any, pursuant to the exercise of the rights, powers or remedies set out in this Debenture and any interest thereon;

(d) fourth, in payment of the remainder of the Obligations Secured in such order of application as the Lender may determine;

(e) fifth, subject to Sections 9.2 and 9.3, to any person who has a security interest in Collateral that is subordinate to that of the Lender and whose interest:

(i) was perfected by possession, the continuance of which was prevented by the Lender or the Receiver taking possession of Collateral; or

(ii) was, immediately before the sale, lease or other disposition by the Lender or the Receiver, perfected by registration;

(f) sixth, subject to Sections 9.2 and 9.3, to any other person with an interest in such Proceeds who has delivered a written notice to the Lender or the Receiver of the interest before the distribution of such Proceeds; and

(g) last, subject to Sections 9.2 and 9.3, to the Borrower or any other person who is

known by the Lender or the Receiver to be an owner of the Collateral.

9.2 Proof of Interest:

The Lender or the Receiver may require any person mentioned in subsections 9.1(e), 9.1(f) or 9.1(g) to furnish proof of that person's interest, and unless the proof is furnished within ten days after demand by the Lender or the Receiver, the Lender or the Receiver need not pay over any portion of the Proceeds referred to in such clauses to such person.

9.3 Payment Into Court:

Where there is a question as to who is entitled to receive payment under subsections 9.1(e), 9.1(f) and 9.1(g), the Lender or the Receiver may pay the Proceeds referred to in such subsections into court.

9.4 Moneys Actually Received:

The Borrower shall be entitled to be credited only with the actual Proceeds arising from the possession, sale, lease or other disposition of, or realization of security on, the Collateral when received by the Lender or the Receiver and such actual Proceeds shall mean all amounts received in cash by the Lender or the Receiver upon such possession, sale, lease or other disposition of, or realization of security on, the Collateral.

ARTICLE 10
TRANSFER OF DEBENTURE

10.1 Debenture Transferable:

Subject to Section 11.11 hereof, this Debenture is transferable by the Lender provided such transfer is effected in accordance with applicable laws.

10.2 Record to be Kept:

The Borrower shall cause to be kept, at the principal office of the Borrower, a register or other formal record in which shall be entered the name and address of the holder of this Debenture, and the particulars of this Debenture and particulars of all transfers of this Debenture.

ARTICLE 11
GENERAL

11.1 Releases:

The Lender may in its discretion release any part of the Collateral or any other security either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing the Borrower from (i) the Obligations Secured or any part thereof, (ii) any other part of the Collateral or any other security, or (iii) any of the covenants contained in this Debenture. Each and every portion into which the Collateral is or may hereafter be divided shall

remain charged with the Obligations Secured. No person shall have the right to require the Obligations Secured to be apportioned.

11.2 Power of Attorney:

The Borrower hereby appoints the Lender or any Receiver as the Borrower's attorney, with full power of substitution, in the name and on behalf of the Borrower to do all such acts and things and to execute and deliver all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents and financing statements as the Borrower has agreed to execute, deliver and do (as applicable) or as may be required by the Lender or any Receiver to give effect to this Debenture or in the exercise of any rights, powers or remedies hereby conferred on the Lender, and generally to use the name of the Borrower in the exercise of all or any of the rights, powers or remedies hereby conferred on the Lender. This appointment is coupled with an interest in the Collateral and shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Borrower or for any other reason.

11.3 Waiver:

The Borrower hereby agrees with the Lender that:

(a) ***The Land Contract (Actions) Act*** (Saskatchewan) shall have no application to any action, as defined in ***The Land Contract (Actions) Act***, with respect to this Debenture; and

(b) ***The Limitation of Civil Rights Act*** (Saskatchewan) shall have no application to:

(i) this Debenture;

(ii) any mortgage, charge or other security for the payment of money made, given or created by this Debenture;

(iii) any agreement or instrument renewing or extending or collateral to this Debenture or renewing or extending or collateral to any mortgage, charge or other security referred to or mentioned in clause (ii) of this subparagraph (b); or

(iv) the rights, powers or remedies of the Lender under this Debenture or under any mortgage, charge or other security, agreement or instrument referred to or mentioned in clauses (ii), (iii) or (iv) of this subparagraph (b); and

(c) The Borrower hereby waives the right to receive a copy of any Financing Statement, Financing Change Statement or any other notice filed in connection with this Debenture, or any other statement issued by any registry that confirms the registration of a Financing Statement, Financing Change Statement or other notice relating to this Debenture.

11.4 Dealings with Others:

The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, make settlements, grant releases and discharges and otherwise deal with the Borrower, debtors of the Borrower, sureties and other persons and with Collateral and other security as the Lender sees fit, without prejudice to the liability of the Borrower to the Lender or the rights, powers and remedies of the Lender under this Debenture.

11.5 No Obligation to Advance:

Nothing in this Debenture shall in any way obligate the Lender to advance any funds, or otherwise make or continue to make any credit available, to the Borrower.

11.6 Perfection of Security:

The Borrower authorizes the Lender to file such financing statements and other documents and do such acts, matters and things as the Lender may consider appropriate to perfect and continue the Security Interest, to protect and preserve the interest of the Lender in the Collateral and to realize upon the Security Interest.

11.7 Discharge:

The Security Interest created by this Debenture shall remain in full force and effect until the Obligations Secured by this Debenture have been fully satisfied and the Lender has executed any necessary discharges of this Debenture and such discharges have been fully registered.

11.8 Lender's Right to Internal Allocation:

It is understood and agreed by the parties hereto that the Lender maintains the right to internally allocate any amounts due under this Debenture and/or any Class A Shares issued pursuant to this Debenture between its various share classes in its full and absolute discretion.

11.9 Survival of Representations and Warranties:

All covenants, agreements, representations and warranties of the Borrower made in this Debenture or in any certificate or other document delivered by the Borrower to the Lender in connection with the loan advanced (or to be advanced), shall be deemed to have been relied upon by the Lender and, notwithstanding any investigation previously made or which may in the future be made by the Lender, shall survive the execution and delivery of this Debenture until all Obligations Secured have been fully satisfied.

11.10 Communication:

Any notice or other communication, including a demand or a direction, required or permitted to be given under this Debenture shall be in writing and shall be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand delivery as set forth below. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during or within three Business Days prior to a general discontinuance of postal service

shall be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand, shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to a senior employee of the addressee at such address with responsibility for matters to which the information relates. Notice of change of address shall also be governed by this Section. In the event of a general discontinuance of postal service, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with the foregoing. Notice and other communications shall be addressed as follows:

If to the Lender:

Golden Opportunities Fund Inc.
1300, 410 – 22nd Street East
Saskatoon, Saskatchewan
S7K 5T6

Attention: Chief Financial Officer
Telecopier: (306) 652-8186

If to the Borrower:

Phenomenome Discoveries Inc.
204 – 407 Downey Road
Saskatoon, Saskatchewan
S7N 4L8

Attention: Chief Financial and Operating Officer
Telecopier: (306) 244-6730

Notwithstanding the preceding, if the PPSA requires that a notice or other communication be given in a specified manner, then any such notice or communication shall be given in such manner.

11.11 Successors and Assigns:

This Debenture shall be binding on the Borrower and its successors and shall enure to the benefit of the Lender and its successors and assigns. This Debenture is not assignable by the Borrower. Subject only to compliance with applicable law, this Debenture shall be assignable by the Lender free of any set-off, counterclaim or equities between the Borrower and the Lender, and the Borrower shall not assert against an assignee of the Lender any claim or defense that the Borrower has against the Lender. Provided, however, that the Lender may not assign this Debenture to any customer or competitor of the Borrower without the Borrower's prior written consent, which consent shall not be unreasonably withheld.

11.12 Invalidity of Provisions:

Each of the provisions contained in this Debenture is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Debenture.

11.13 Amendment, Waiver:

No amendment or waiver of this Debenture shall be binding unless executed in writing by the party to be bound by the amendment or waiver. No waiver of any provision of this Debenture shall constitute a waiver of any other provision nor shall any waiver of any provision of this Debenture constitute a continuing waiver unless otherwise expressly provided.

11.14 Governing Law, Attornment:

This Debenture shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Saskatchewan.

11.15 Further Assurances:

The Borrower shall from time to time forthwith on the Lender's request do, make, and execute all such further assignments, documents, acts, matters and things as may be required by the Lender with respect to this Debenture or any part hereof or thereof or as may be required to give effect to this Debenture and any other agreements to which it relates.

11.16 Copy of Debenture:

The Borrower hereby acknowledges receipt of a copy of this Debenture.

IN WITNESS WHEREOF the Borrower has executed this Debenture as of the day and year first above written.

(Seal)

PHENOMENOME DISCOVERIES INC.

Per: _____

GOLDEN OPPORTUNITIES FUND INC.

Per: _____

DOUG BARTLET
CFO & DIRECTOR

SCHEDULE "A"

SPECIFICALLY DESCRIBED GOODS

One (1) Apex Qe Fourier Transform Ion Cyclotron Resonance Mass Spectrometer Vacuum Cart, serial number 12465-96/1

One (1) G4270-CTC Analytics HTC PAL Injection System

SCHEDULE "B"

REQUIRED CONSENTS

1. Consent of Yol Bolsum Canada Inc. to the granting of the conversion rights, as required by the unanimous shareholder agreement among the shareholders of the Borrower, dated July 23, 2007.

2. Waiver of each shareholder of the Borrower to the granting of the conversion rights, as required by the unanimous shareholder agreement dated July 23, 2007, among the shareholders of the Borrower.

CONSENT

WHEREAS:

1. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in Phenomenome Discoveries Inc. (the Corporation") pursuant to the terms of correspondence dated February 11, 2010 made by the Lender to the Borrower and accepted by the Borrower, and the Corporation is issuing a debenture as security for such indebtedness (the "Debenture").

2. It is a term of the Debenture that GOF may, at its option, convert all or any part of the indebtedness into Class A Shares of the Corporation, at a conversion price of $63.00 per share (the "Conversion Rights").

3. It is a condition of section 3.07 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that the Corporation shall not issue any shares in the capital stock of the Corporation without the consent of the undersigned.

NOW THEREFORE the undersigned hereby consents to:

1. The issuance to GOF of the Conversion Rights; and

2. The issuance of Class A Shares in the capital stock of the Corporation to GOF pursuant to the Conversion Rights, as and when such rights are exercised by GOF, and subject to increase or decrease in accordance with the provisions of the Debenture.

SIGNED AND DELIVERED the 24 day of March, 2010, by a duly authorized signing officer of Yol Bolsum Canada Inc.

YOL BOLSUM CANADA INC.

Per: DBG

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 11 day of March, 2010.

TANCHO CAPITAL LIMITED PARTNERSHIP

Per: _____

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 24th day of March, 2010.

Peter Innes

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 23rd day of March, 2010.

John Hyshka

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 17 day of March, 2010.

YOL BOLSUM CANADA INC.

Per: DBG

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 15 day of March, 2010.

DYNEX CAPITAL LIMITED PARTNERSHIP

Per: _____

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 15th day of March, 2010.

GOLDEN OPPORTUNITIES FUND INC.

Per: _____
CFO + DIRECTOR

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 11 day of March, 2010.

AG-WEST BIOTECH, INC.

Per: _____

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 11th day of March, 2010.

CIC ASSET MANAGEMENT INC.

Per: Rae Hawreluk

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 10th day of March, 2010.

Frank Holm

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 11 day of March, 2010.

PSN HOLDINGS INC.

Per: _____

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 15th day of March, 2010.

JANCY HOLDINGS LTD.

Per: _____

DAVE GRIFFIN
VICE PRESIDENT
JANCY HOLDINGS LTD.

WAIVER

WHEREAS:

1. The undersigned is a shareholder of Phenomenome Discoveries Inc. (the "Corporation").

2. Golden Opportunities Fund Inc. ("GOF") is investing $833,000.00 in the Corporation pursuant to the terms of a convertible debenture (the "Debenture").

3. It is a term of the of the Debenture that GOF may, at its option, covert all or any part of the indebtedness into Class A Shares of the Corporation.

4. It is a condition of section 3.10 of the unanimous shareholder agreement entered into among the shareholders of the Corporation, dated effective July 23, 2007 (the "Unanimous Shareholder Agreement") that where the board of directors for the Corporation proposes to issue additional shares to a person or corporation who is already a shareholder, such shares must first be offered proportionately to the other shareholders, unless such shareholders all waive such obligation in writing.

NOW THEREFORE the undersigned hereby waives its right under section 3.10(b) of the Unanimous Shareholder Agreement to receive an offer to purchase a proportionate number of Class A Shares of the Corporation with respect to the issuance contemplated above.

DATED the 25th day of March, 2010.

Murray Trapp

SCHEDULE "C"

PROPOSED REORGANIZATION

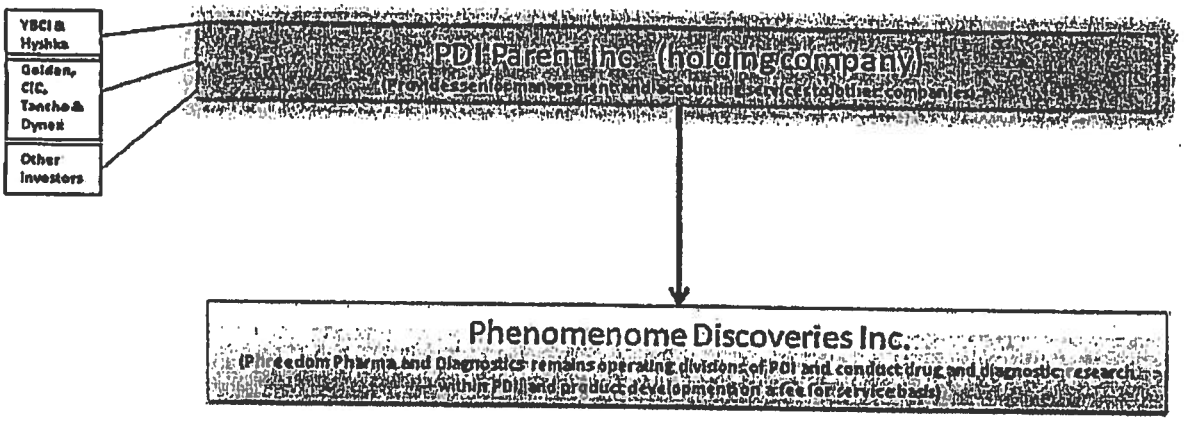

EXHIBIT "A"

CONVERSION NOTICE

TO: PHENOMENOME DISCOVERIES INC.

The undersigned holder of the within Debenture hereby irrevocably elects to convert such Debenture (or $_____ of the Principal Sum and accrued and unpaid interest thereon) into _____ Class A shares of Phenomenome Discoveries Inc. (the "Class A Shares") in accordance with the terms of such Debenture and directs that the Class A Shares (and a replacement Debenture in the case only a portion of the Principal Sum and accrued and unpaid interest thereon is so converted) be issued and delivered to the person indicated below.

The undersigned hereby reserves the right to allocate the Class A shares between its various share classes in its full and absolute discretion.

Dated: _____

GOLDEN OPPORTUNITIES FUND INC.

Per:_____

Registration – The certificate representing the Class A Shares shall be registered as follows:

Golden Opportunities Fund Inc.
1300, 410 – 22nd Street East
Saskatoon, Saskatchewan S7K 5T6

phenomenome discoveries

October 4, 2011

Golden Opportunities Fund Inc.
830, 410-22nd Street East
Saskatoon, SK S7K 5T6

Attention: Doug Banzet

Dear Sir:

Re: Amendment to Debenture made effective March 29, 2010 between Golden Opportunities Fund Inc. and Phenomenome Discoveries Inc. (the "Debenture")

Further to our recent discussions, we would like to confirm an amendment to paragraph 2.3 the Debenture. Paragraph 2.3 of the Debenture shall be deleted and replaced with the following:

2.3 Repayment of Principal Sum and Interest:

Subject to the provisions of this Debenture, the Principal Sum, together with interest thereon, shall become due and payable as follows:

Payment Date	Payment Amount
March 29, 2011	$91,630 (interest only)
March 29, 2012	$91,630 (interest only)
March 29, 2013	$91,630 (interest only)
March 29, 2014	$91,630 (interest only)
March 29, 2015	$924,630 (principal and interest)

All other terms of the Debenture will continue to apply, except as amended by this letter.

Please indicate your acceptance of this amendment by signing the enclosed duplicate original letter where indicated and returning one copy to us.

Yours truly,

PHENOMENOME DISCOVERIES INC.

Per: _____
John Hyshka
Chief Financial and Operating Officer

Golden Opportunities Fund Inc. accepts the above amendment to the Debenture, this 4th day of October, 2011.

Per: _____

PHENOMENOME DISCOVERIES INC.
CONSOLIDATED FINANCIAL STATEMENTS
6 MONTHS ENDED SEPTEMBER 30, 2015

THIS IS EXHIBIT " C " referred to in
the Affidavit of Gavin Preston
SWORN before me at Saskatoon
this 23 day of November 20 15

A COMMISSIONER FOR OATHS for
Saskatchewan
My Commission expires Sept. 30, 2016.
- OR - Being a Solicitor

PHENOMENOME DISCOVERIES INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2015

		Actual	Prior Month
Assets			
Current Assets			
Cash		$ 1,008,496	$ 1,374,191
Accounts receivable		35,569	79,875
Investment tax credits receivable		408,001	340,001
Prepaid expenses		149,060	167,059
		1,601,126	**1,961,126**
Property and equipment	(Note 1)	795,595	808,276
Intangible assets	(Note 2)	2,347,318	2,356,665
		$ 4,744,039	**$ 5,126,067**
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		$ 1,161,557	$ 1,214,133
Deferred revenue		12,924,050	12,945,617
Deferred tax liability		1,200,000	1,200,000
Current portion of Golden Opportunities debenture		1,083,716	1,074,462
YBCI Loan		2,617,816	2,541,569
Current portion SOCO promissory note		1,592,920	1,582,765
		20,580,059	**20,558,546**
Lease inducements		4,098	4,390
		20,584,157	**20,562,936**
Shareholders' Deficiency			
Share capital		30,029,810	30,029,810
Deficit		(45,869,928)	(45,466,679)
		(15,840,118)	**(15,436,869)**
		$ 4,744,039	**$ 5,126,067**

PHENOMENOME DISCOVERIES INC.
CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
MONTH ENDED SEPTEMBER 30, 2015

	Actual Month	Budget Month	Variance Month	Actual YTD
Revenue				
Licensing fees	$ 5,000	$ -	$ 5,000	$ 10,000
Lab services agreement	7,295	-	7,295	49,383
Dx kit sales	10,995	-	10,995	69,059
Medical lab testing	6,477	-	6,477	100,013
	29,767	**-**	**29,767**	**228,455**
Expenses				
Advertising and promotion	2,244	10,000	(7,756)	9,236
Bank charges and interest	(2,372)	118	(2,490)	(2,011)
Board expenses	4,178	4,607	(429)	24,197
Consulting and license	19,123	20,083	(960)	140,133
Amortization	19,955	25,947	(5,992)	129,384
Insurance	2,467	4,167	(1,700)	18,579
Legal and accounting	2,315	15,750	(13,435)	59,833
Memberships and subscriptions	2,412	2,397	15	15,361
Office expenses	2,271	4,539	(2,268)	29,136
Recruiting and training	60	625	(565)	6,989
Rent	42,548	42,598	(50)	254,060
Repairs and maintenance	5,655	4,375	1,280	22,198
Revenue interest	6,300	11,000	(4,700)	18,087
Salaries and benefits	237,437	253,288	(15,851)	1,491,031
Sub-contracts	13,869	11,363	2,506	73,048
Supplies - scientific	17,595	36,091	(18,496)	93,993
Travel and conferences	25,058	12,500	12,558	80,455
Utilities	1,293	2,500	(1,207)	8,385
	402,408	**461,946**	**(59,538)**	**2,472,094**
Operating Income / (Loss)	**(372,641)**	**(461,946)**	**89,305**	**(2,243,639)**
Other Income (expenses)				
Refundable investment tax credits	68,000	-	68,000	408,000
Finance expense	(95,656)	(95,501)	(155)	(768,836)
Interest income	-	-	-	586
Loss on disposal of property and equipment	1,355	-	1,355	1,355
Writedown of intangible assets	(4,570)	-	(4,570)	(76,148)
Foreign exchange gain/(loss)	263	-	263	(1,850)
	(30,608)	**(95,501)**	**64,893**	**(436,893)**
Net Income (Loss)	**(403,249)**	**(557,447)**	**154,198**	**(2,680,532)**
Deficit, beginning of period	(45,466,679)	(45,610,352)	143,673	(43,189,396)
Deficit, end of period	$ (45,869,928)	$ (46,167,799)	$ 297,871	$ (45,869,928)

PHENOMENOME DISCOVERIES INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
MONTH ENDED SEPTEMBER 30, 2015

	Actual Month	Actual YTD
Operations		
Net Income (Loss)	$ (403,249)	$ (2,680,533)
Items not affecting cash		
Amortization	19,955	129,384
Finance expense	95,656	768,836
Net changes in non-cash		
Working capital items:		
Accounts receivable	44,306	64,487
ITC receivable	(68,000)	407,347
Prepaid expenses	17,999	73,284
Accounts payable and accrued liabilities	(52,576)	(157,159)
Deferred revenue	(21,567)	9,601,101
Lease inducement	(292)	(1,756)
	(367,768)	**8,204,991**
Investing		
Additions to property and equipment	(7,274)	(67,303)
Additions to intangible assets	9,347	276,387
	2,073	**209,084**
Financing		
YBCI Loan	-	300,000
Redemption of preferred shares	-	(8,708,205)
Net (decrease) increase in cash	**(365,695)**	**5,870**
Cash, beginning of period	1,374,191	1,002,626
Cash, end of period	$ **1,008,496**	$ **1,008,496**

PHENOMENOME DISCOVERIES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

1. Property and equipment

		Cost	Accumulated Amortization	Net Book Value
Computer Hardware	$	320,412	290,270	30,142
Furniture & Fixtures		120,061	100,330	19,731
Lab Equipment		3,857,838	3,129,278	728,560
Leasehold Improvements		965,458	961,361	4,098
Office Equipment		76,862	63,798	13,065
	$	**5,340,631**	**4,545,036**	**795,595**

2. Intangible assets

		Cost	Accumulated Amortization	Net Book Value
Computer Software	$	243,143	223,772	19,371
License fees		100,000	69,006	30,994
Patents		2,437,529	196,613	2,240,916
Trademarks		56,037	-	56,037
	$	**2,836,709**	**489,391**	**2,347,318**

PHENOMENOME DISCOVERIES INC.
SEPARATE FINANCIAL STATEMENTS (unaudited)
7 MONTHS ENDED OCTOBER 31, 2015

PHENOMENOME DISCOVERIES INC.
SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2015

		Actual	Prior Month
Assets			
Current Assets			
Cash		$ 562,199	$ 951,863
Accounts receivable		18,635	24,672
Investment tax credits receivable		476,001	408,001
Prepaid expenses		135,754	148,192
		1,192,589	**1,532,728**
Due from subsidiaries		4,201,116	4,204,493
Loan receivable from subsidiaries		1,816,000	1,816,000
Investment in subsidiaries		100	100
Property and equipment	(Note 2)	783,733	795,595
Intangible assets	(Note 3)	2,352,831	2,347,318
		$ 10,346,369	**$ 10,696,234**
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		$ 1,092,984	$ 1,152,758
Deferred revenue		12,364,183	12,349,260
Deferred tax liability		1,200,000	1,200,000
Current portion of Golden Opportunities debenture		1,093,278	1,083,716
YBCI Loan		2,696,351	2,617,816
Current portion SOCO promissory note		1,602,810	1,592,920
		20,049,606	**19,996,470**
Lease inducements		3,805	4,098
		20,053,411	**20,000,568**
Shareholders' Deficiency			
Share capital		30,029,810	30,029,810
Deficit		(39,736,852)	(39,334,144)
		(9,707,042)	**(9,304,334)**
		$ 10,346,369	**$ 10,696,234**

The accompanying notes are an integral part of these financial statements.

DBG

Chief Executive Officer

PHENOMENOME DISCOVERIES INC.
SEPARATE STATEMENT OF COMPREHENSIVE LOSS
MONTH ENDED OCTOBER 31, 2015

	Actual Month	Actual YTD
Revenue		
Licensing fees	$ -	$ 10,000
Lab services agreement	-	49,383
PLSI Dx kit sales	1,584	152,700
	1,584	212,083
Expenses		
Advertising and promotion	503	9,739
Bank charges and interest	259	1,944
Board expenses	1,747	25,944
Consulting and license	20,976	161,109
Amortization	21,804	151,188
Insurance	2,548	21,127
Legal and accounting	21,358	81,191
Memberships and subscriptions	7,973	23,334
Office expenses	2,656	31,792
Recruiting and training	218	7,207
Rent	42,290	294,249
Repairs and maintenance	2,731	24,929
Revenue interest	396	18,483
Salaries and benefits	212,312	1,562,568
Sub-contracts	14,981	85,581
Supplies - scientific	12,493	93,912
Travel and conferences	5,473	85,928
Utilities	1,291	9,676
	372,009	2,689,901
Operating Income / (Loss)	**(370,425)**	**(2,477,818)**
Other Income (expenses)		
Refundable investment tax credits	68,000	476,000
Finance expense	(97,987)	(866,823)
Interest income	-	586
Loss on disposal of property and equipment	(1,449)	(94)
Writedown of intangible assets	-	(76,148)
Foreign exchange gain/(loss)	(847)	(2,697)
	(32,283)	(469,176)
Net Income (Loss)	**(402,708)**	**(2,946,994)**
Deficit, beginning of period	(39,334,144)	(36,789,859)
Deficit, end of period	$ (39,736,852)	$ (39,736,853)

PHENOMENOME DISCOVERIES INC.
SEPARATE STATEMENT OF CASH FLOWS
MONTH ENDED OCTOBER 31, 2015

	Actual Month	Actual YTD
Operations		
Net Income (Loss)	$ (402,708)	$ (2,946,994)
Items not affecting cash		
Amortization	21,804	151,188
Finance expense	97,987	866,823
Net changes in non-cash		
Working capital items:		
Accounts receivable	6,037	37,875
ITC receivable	(68,000)	339,347
Prepaid expenses	12,438	85,284
Due from subsidiaries	3,377	(71,849)
Loan receivable from subsidiaries	-	(150,000)
Accounts payable and accrued liabilities	(59,774)	(209,155)
Deferred revenue	14,923	9,714,800
Lease inducement	(293)	(2,049)
	(374,209)	**7,815,270**
Investing		
Additions to property and equipment	(9,942)	(77,245)
Additions to intangible assets	(5,513)	270,874
	(15,455)	**193,629**
Financing		
YBCI Loan	-	300,000
Redemption of preferred shares	-	(8,708,205)
Net (decrease) increase in cash	**(389,664)**	**(399,306)**
Cash, beginning of period	951,863	961,505
Cash, end of period	$ **562,199**	$ **562,199**

PHENOMENOME DISCOVERIES INC.
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
OCTOBER 31, 2015

1. Separate financial statements

For the purpose of showing PDI as a standalone entity these financial statements are presented separate (non-consolidated) from the wholly owned subsidiary PLSI.

The separate financial statements are prepared only for the purpose of reporting in connection with Med-Life Discoveries LP contract.

The investment in the subsidiary PLSI is presented with the carrying amount and there is currently no available estimation regarding the fair market value.

2. Property and equipment

		Cost	Accumulated Amortization	Net Book Value
Computer Hardware	$	320,412	291,148	29,263
Furniture & Fixtures		120,061	100,695	19,366
Lab Equipment		3,842,782	3,124,305	718,477
Leasehold Improvements		965,458	961,653	3,805
Office Equipment		76,862	64,039	12,823
	$	**5,325,575**	**4,541,842**	**783,733**

3. Intangible assets

		Cost	Accumulated Amortization	Net Book Value
Computer Software	$	243,143	224,839	18,305
License fees		100,000	69,423	30,577
Patents		2,450,859	202,947	2,247,913
Trademarks		56,037	-	56,037
	$	**2,850,040**	**497,208**	**2,352,831**

MLT
Western Canada's Law Firm

MacPherson Leslie & Tyerman LLP
1500 - 410 22nd Street East
Saskatoon Saskatchewan
Canada S7K 5T6
T: (306) 975 7100
F: (306) 975 7145
www.mlt.com

November 10, 2015

THIS IS EXHIBIT "D" referred to in the Affidavit of Gavin Preston SWORN before me at Saskatoon this 23 day of November 20 15
A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30 2016.
- OR - Being a Solicitor

DELIVERED BY HAND

Phenomenome Discoveries Inc.
204 – 407 Downey Road
Saskatoon, SK S7N 4L8
Attention: John Hyshka, Chief Financial and Operating Officer

Dear Sir:

Re: Golden Opportunities Fund Inc. ("GOFI") v. Phenomenome Discoveries Inc. (the "Debtor")

We are solicitors for GOFI in regard to the above-captioned matter.

Enclosed for service upon the Debtor is a Notice of Intention to Enforce a Security pursuant to section 244(1) of the *Bankruptcy and Insolvency Act* (the "**BIA**").

By means of a Debenture made as of the 29th day of March, 2010 (the "**Debenture**"), GOFI advanced to the Debtor a loan in the original principal amount of $833,000.00.

GOFI holds security in respect of the obligations owed to it by the Debtor pursuant to the Debenture in the form of a security interest in all of the undertaking, property and assets of the Debtor described in section 3.1 of the Debenture.

As at November 10, 2015, the total aggregate amount of indebtedness owing by the Debtor to GOFI under the Debenture is $1,096,552.16 (the "**Indebtedness**"), particulars of which are as follows:

Principal	$833,000.00
Interest	$263,552.16
TOTAL	**$1,096,552.16**

The Debenture grants GOFI the right to demand repayment in full of indebtedness owed to it by the Debtor. GOFI hereby exercises this right to demand payment in full.

GOFI has determined that the Debtor is insolvent and that the Debtor has committed an act of bankruptcy under section 43 of the BIA by ceasing to meet its liabilities generally as they come due, including (without limitation) by reason of:

a) the Debtor failing to pay arrears of rent on its business premises to its landlord, SOCO, in amounts exceeding $1,500,000;

b) the Debtor being unable to meet monthly payroll obligations to its employees; and

c) the Debtor ceasing to pay its accounts payable to its trade creditors in accordance with ordinary course terms of payment to such trade creditors.

This letter constitutes formal demand by GOFI that the Debtor make payment in full to our office of the outstanding amount of the Indebtedness comprising $1,096,552.16 (plus additional interest accrued and legal fees incurred to the date of payment) **within ten days of the date of this letter** (i.e., on or before November 20, 2015), failing which GOFI will avail itself of the appropriate legal remedies to collect the Indebtedness from the Debtor (without further notice), including by enforcing its security as more particularly described in the enclosed Notice of Intention to Enforce a Security.

GOFI reserves the right to enforce its security sooner than ten days from now if it deems its security in any way to be endangered or in jeopardy.

This is a serious matter and we trust that the Debtor will give this matter its immediate attention.

Sincerely,

MacPherson Leslie & Tyerman LLP

Per:

Jeffrey M. Lee, Q.C.

cc Golden Opportunities Fund Inc.
Encl.

Form 86

Notice of Intention to Enforce A Security
(Rule 124)

TO: Phenomenome Discoveries Inc., an insolvent person

TAKE NOTICE THAT:

1. Golden Opportunities Fund Inc. ("**GOFI**"), a secured creditor, intends to enforce its security on the insolvent person's property described below:

   See attached Schedule "A"

2. The security that is to be enforced is a Debenture dated March 29, 2010 executed by Phenomenome Discoveries Inc. in favour of GOFI (the "**Debenture**").

3. The amount of indebtedness secured by the security as at November 10, 2015 is $1,096,552.16, plus accruing interest and legal fees from and after November 10, 2015 to the date of payment.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice unless the insolvent person consents to an earlier enforcement.

Dated at Saskatoon, Saskatchewan this 10th day of November, 2015.

Golden Opportunities Fund Inc.,
by its solicitors and agents,
MacPherson Leslie & Tyerman LLP

Per: _____
Jeffrey M. Lee, Q.C.

SCHEDULE "A"

1. All of the undertaking, property and assets of Phenomenome Discoveries Inc. described in Section 3.1 of the Debenture.

STEVENSON HOOD THORNTON BEAUBIER LLP
BARRISTERS AND SOLICITORS

William F.J. Hood, Q.C.
Beaty F. Beaubier, Q.C., TEP
Terry J. Zakreski, B.A., LL.B.♦
Janet L. Stevens, B.A., LL.B.
Karen M. Crellin, LL.B.
Kimberly D. Visram, B.A., LL.B.
Zeke E. Zimonick, B.Sc., J.D.
Gregory A. Kirzinger, B. Comm., J.D.
Britney A. Wangler, B.A., J.D.

Robert F. Thornton, Q.C.
Timothy W. Hodgson, LL.B.
William P. Langen, B.A., LL.B.
Michael J. Deobald, B. Comm., LL.B.
Amanda S.A. Doucette, B.A., LL.B.
Kirsten J. Remarchuk, B.Sc., M.Sc., J.D.
Michael R. Scharfstein, B.Comm., J.D.
Faith Baron, B.A.(Hons), M.A., J.D.

Kenneth A. Stevenson, Q.C. ~ *Counsel*
♦ *Reg. Trademark Agent*

File No: *42,099.002*
Email: *rthornton@shtb-law.com*

November 13, 2015

Via Email

THIS IS EXHIBIT "E" referred to in the Affidavit of Gavin Preston SWORN before me at Saskatoon this 23 day of November 20 15
A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016.
~~- OR - Being a Solicitor~~

MacPherson Leslie & Tyerman LLP
1500 – 410 22nd Street East
Saskatoon, SK S7K 5T6

Attention: Jeffrey M. Lee, Q.C.

Dear Sir:

Re: Phenomenome Discoveries Inc. ("PDI") and Golden Opportunities Fund Inc. ("GOFI")

We act as solicitors for PDI in regard to the captioned matter.

It is the position of PDI that allegations made in the demand letter dated November 10, 2015 from your firm on behalf of GOFI are inaccurate. PDI is not insolvent nor has it committed an act of bankruptcy under Section 43 of the *Bankruptcy and Insolvency Act* ("BIA") by allegedly ceasing to meet its liabilities generally as they become due. In particular:

(a) Satisfactory arrangements have been made by PDI with SOCO concerning the rent on its business premises;
(b) PDI has met its monthly payroll obligations to its employees; and
(c) PDI has not ceased to pay its accounts payable to its creditors in accordance with terms of payment with such trade creditors.

PDI is in the process of arranging for financing, which will pay out in full all indebtedness owing by PDI to GOFI.

Accordingly, PDI requests that in order that such financing can be completed, that GOFI take no legal remedies to collect the indebtedness owing by PDI to GOFI.

PDI will keep GOFI informed of the developments in the arranging of such financing.

Severe detriment and loss will occur to PDI in the event that GOFI pursues legal remedies against PDI. Such action would also impair PDI's refinancing efforts.

Further, GOFI has security against assets of PDI which have a value well in excess of the indebtedness claimed by GOFI. GOFI is well-secured and there is no urgency or need for it to take any immediate action.

Since the financing being obtained by PDI will result in payment in full of all indebtedness of PDI to GOFI within a reasonable period of time without the incurring of costs by GOFI of pursuing legal remedies and without the severe detriment and loss to PDI that will result from GOFI pursuing such remedies, we trust that GOFI is agreeable to the request that it not take legal remedies. Please provide GOFI's confirmation that it is in agreement with this request.

Yours truly,

STEVENSON HOOD THORNTON BEAUBIER LLP

Per: 

Robert F. Thornton, Q.C.

/ds

S:\&CORPORATE\PHENOMENOME DISCOVERIES\GOLDEN OPPORTUNITIES FUND INC\CORRESPONDENCE\MLT-LEE-2015-11-13.DOCX

MLT
Western Canada's Law Firm

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Jeffrey M. Lee, Q.C.
Direct Line: (306) 975-7136
E-mail: JMLee@mlt.com

Assistant: Carmen R. Balzer
Legal Administrative Assistant
Direct Line: (306) 956-6956
E-mail: CBalzer@mlt.com

November 17, 2015

Via E-Mail: rthornton@shtb-law.com

Stevenson Hood Thornton Beaubier LLP
Barristers & Solicitors
500, 123 – 2nd Avenue South
Saskatoon, SK S7K 7E6

Attention: Mr. Robert F. Thornton, Q.C.

THIS IS EXHIBIT " F " referred to in the Affidavit of Gavin Preston SWORN before me at Saskatoon this 18 day of November 20 15
A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016.
- OR - Being a Solicitor

Dear Sir:

Re: Golden Opportunities Fund Inc. ("GOFI") v. Phenomenome Discoveries Inc. ("PDI")

Thank you for your letter of November 13, 2015.

Your letter indicates that PDI is in the process of arranging financing. In order to demonstrate that PDI is pursuing a meaningful effort to obtain financing, kindly provide us with a copy of the applicable term sheet, memorandum of understanding or other documentary evidence which establishes that PDI is in the process of "arranging for financing".

Your letter suggests that PDI is not insolvent.

In that regard, GOFI hereby requests the following information from PDI pursuant to the rights of GOFI to request same under Articles 4.2(i), 4.2(n)(ii), 4.2(n)(iii) and 4.2(n)(v) of the Debenture between GOFI and PDI made as of the 29th day of March, 2010 (as amended) (copy enclosed) (the "**Debenture**"), namely:

1. The attached financial statement of PDI for the six months ended September 30, 2015 indicates that PDI has budgeted monthly operating expenses of $461,946. As at September 30, 2015, PDI had cash on hand of $1,008,496.00. In these circumstances, how does PDI intend to fund its operations beyond November 30, 2015?

2. The September 30, 2015 balance sheet of PDI indicates that PDI has assets of $4,744,039 against liabilities of $20,584,157. In the face of evidence that the value of its liabilities is over four times the value of its assets, how is it that PDI suggests that it is not insolvent?

3. The balance sheet of PDI lists accounts payable and accrued liabilities of $1,161,557 (as at September 30, 2015). Kindly provide us with a list of the accounts payable of PDI categorized by aging and date payable (e.g. 30 days old, 60 days, +90 days old).

4. We are informed that PDI owes approximately $470,000 to its intellectual property legal counsel, the law firm of Gowlings LLP, plus ongoing maintenance fees. Can you confirm that these figures are accurate and provide us with a copy of the applicable invoice(s) and other documents setting out terms of payment between PDI and Gowlings LLP?

GOFI requests that it be provided with this information on or before Friday, November 20, 2015. Given the apparent financial difficulty of PDI and the challenges that PDI faces in making payroll, this matter is highly time-sensitive.

GOFI reminds PDI that failure by PDI to provide this information to GOFI promptly will constitute an event of default under Article 7.1(b) the Debenture.

Your letter requests that GOFI provide confirmation that it is prepared to refrain from taking legal remedies against PDI.

GOFI is not prepared to refrain from taking legal remedies against PDI. Given the precarious financial position of PDI, GOFI reserves all of its rights and remedies against PDI. The November 10, 2015 demand letter and section 244 BIA Notice remain "live" documents in full force and effect.

Yours truly,

MacPherson Leslie & Tyerman LLP

Per: Jeffrey M. Lee, Q.C.

JML:crb

Enclosures

cc: Golden Opportunities Fund Inc.

INNOVATION PLACE

THIS IS EXHIBIT "G" referred to in the Affidavit of Gavin Preston
SWORN before me at Saskatoon
this 23 day of November 20 15
A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016.
- OR - Being a Solicitor

the scene
news and happenings around the parks

home

(only) you can prevent dutch elm disease

spotlight on the wilson centre at innovation place

victoria cruziana at innovation place - part 2

victoria cruziana at innovation place - part 1

2015 award of innovation recipients honoured in saskatoon

2015 award of innovation recipients honoured in regina

archive

phenomenome's journey: an interview with john hyshka

Part 2 of 2

We sat down with John Hyshka, Chief Financial and Operating Officer of Phenomenome Discoveries Inc. to talk about the recently released COLOGIC® colon cancer test and the company's journey from research and development to international commercialization.

Phenomenome Discoveries, located at Innovation Place in Saskatoon, is a human health research company that uses patented biomarker discovery technology to identify diseases and health risks.

Thanks for speaking with us John. Let's start by clarifying your role at Phenomenome.

J: I am a co founder of Phenomenome Discoveries along with Dr. Dayan Goodenowe. Dayan is responsible for developing the scientific infrastructure and I am in charge of developing our business infrastructure. I raise the finances and look after the corporate side, including the accounting and legal infrastructure. In short, he's the science side and I'm the business side.

John Hyshka, CFO of Phenomenome Discoveries Inc.

How did Phenomenome come to be?

J: Dayan had developed a technology in the United States and was looking for investors to build a business. I partnered with Dayan because he was willing to put his own money into the venture. That was my acid test. Dayan said he'd sell his farm and put everything he had into this and I said, "Okay, I'll do the same." We started Phenomenome Discoveries together in 2000 and based the company at Innovation Place in Saskatoon.

Where did the focus on product development come from?

J: Product development was in the back of our minds from the beginning, but we didn't realize how powerful our technology was until we began using it for contract research projects. We'd go to conferences and industry events and found ourselves meeting people with access to biological samples of Alzheimer's, colon cancer and other diseases. They wanted to find out more about disease indicators and biomarker technology. That sent us into our own product development.

What are biomarkers and how do you use them?

J: Any type of biological marker that can be used as an indicator of disease is technically a biomarker. It's a wide definition. The difference between competitors and us is that we know what a particular molecule is, what it can be used for and what pathway it comes from. Many of our competitors just know there's this gene or protein that does something and they can't explain why.

You've recently released COLOGIC in Saskatchewan. Can you briefly describe how the colon cancer test works?

J: COLOGIC is a diagnostic tool, used for screening risk of colon cancer. We measure levels of a certain molecule. If those levels are at a low level, it's considered an early sign of colorectal cancer. While the particular molecule we've found is used by COLOGIC as an indicator of the cancer's presence, we also think it can have therapeutic advantages as well.

Therapeutic advantages?

J: Yes. The idea is similar to sailors who used to get scurvy. Eventually they realized that the illness was due to a lack of vitamin C. When sailors started taking steps to increase their vitamin C levels,

they stopped getting sick. If you can elevate levels of a particular molecule in your body, whether by supplement or other methods, you could help prevent a disease or delay its progression.

And that's your main goal then, to find the vitamin C equivalent?

J: Well we have found it, now it's just a question of validating it! (laughs) If everything goes well, we will have a compound on the market for Alzheimer's within three years.

How has the reception for COLOGIC been thus far?

J: Very good. From CML Healthcare's perspective (Phenomenome's Canadian distribution partner) it is the best launch they've ever had for a new test in Canada. It's currently available in Saskatchewan and Ontario and should be available across Canada this fall.

Your tests are about early detection. What is the importance of early detection in cancer?

J: In regards to any cancer, the earlier you detect it the higher the chances of survival. Being informed means you can take advantage of treatments that slow the progress of the disease. Some people like to think ahead about estate planning.

When we talk to clinicians there is interest in screening tests because it allows them to better direct a patient's care. If physicians had a filter that allowed them to see only the high risk patients, the health care process would become more efficient in its use of resources.

Like the way COLOGIC can target individuals who need colonoscopies?

J: Exactly.

Looking beyond COLOGIC, what is in store for the future of Phenomenome?

J: By the end of 2014, we plan to have pancreatic and ovarian cancer tests on the market. This is in addition to the diagnostic and therapeutic products for Alzheimer's. Over the next five years we plan to introduce 15 products.

What do these new products mean for Phenomenome and the fight against cancer?

J: Early detection of cancers will become extremely common and the treatment for cancers will be a lot more economical. In this way we can make Saskatchewan a model for the entire world to follow.

What are the greatest challenges in the commercialization process?

J: I would say the greatest challenge is being under resourced. There isn't a Canadian biotech company that has enough capital to take products commercial on their own, so you have to find the right partner. We were lucky to develop a relationship with CML Healthcare a few years ago and they've been able to develop our distribution network in Canada. Finding the right partners is key.

You talked about being based in Saskatchewan. Why here?

J: Dayan and I are both farm boys from Saskatchewan so we have roots here. We've found that the cancer agency, Ministry of Health and Innovation Place were all very supportive of us.

Innovation Place was willing to help finance our leaseholds and made us feel wanted here. There would have been advantages to being in the States like access to capital and closer relationships with big pharma, but overall I'm very happy that we've stayed here. I'm not sure we would still be in business if we hadn't.

For more information, visit the Phenomenone Discoveries website.

- September 2013

// neustar user match

November 23, 2015 1:01 PM ET

Company Overview of AG-West Biotech Inc.

Snapshot **People**

Overview **Board Members** **Committees**

Executive Profile

John M. Hyshka

Chairman, AG-West Biotech Inc

Age	Total Calculated Compensation
--	--

This person is connected to 3 Board Members in 3 different organizations across 3 different industries.

See Board Relationships

Background

Mr. John M. Hyshka serves as Chief Financial Officer and Chief Operating Officer at Phenomenome Discoveries Inc. Mr. Hyshka launched Phenomenome Discoveries Inc and has successfully raised over $5 million in equity and debt financing. He has 17 years of economic business development and venture capital experience. For several years, he served as a Director of Economic Development for the Saskatoon Regional Economic Development Authority. Mr. Hyshka was responsible for all economic development programs for the region and for promoting Saskatoon internationally. He serves as the Chairman and Director at AG-West Biotech Inc. and Defyrus Inc. He serves as a Director of Saskatchewan Power Corp. Mr. Hyshka served as a Director of Business Development Bank of Canada since June 28, 2005. He also served as a Director of Saskatchewan Government Growth Fund Management Corporation. Mr. Hyshka holds a Bachelor of Commerce degree from the University of Saskatchewan.

Collapse Detail

Corporate Headquarters

--
--, -- --

Canada

Phone: --
Fax: --

Annual Compensation

There is no Annual Compensation data available.

Stocks Options

There is no Stock Options data available.

Total Compensation

There is no Total Compensation data available.

Board Members Memberships

Director and Member of Environment, Occupational Health & Safety Committee
Saskatchewan Power Corp.

Chairman
AG-West Biotech Inc.

Chairman
Defyrus Inc.

Education

Bachelor's Degree
University of Saskatchewan

Other Affiliations

Business Development Bank of Canada
Saskatchewan Government Growth Fund Management Corporation
Saskatchewan Power Corp.
University of Saskatchewan
Saskatchewan Government Growth Fund Management Corporation
Defyrus Inc.

THIS IS EXHIBIT "H" referred to in the Affidavit of Gavin Preston SWORN before me at Saskatoon this 23 day of November 20 15

A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016.
- OR - Being a Solicitor

Request Profile Update

From Around the Web

phenomenome discoveries

THIS IS EXHIBIT "I" referred to in the Affidavit of Gavin Preston
SWORN before me at Saskatoon
this 23 day of December 20 15
A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30 2016.
- OR - Being a Solicitor

DATE: November 11, 2015

TO: PDI Shareholders

FROM: Dr. Dayan Goodenowe, President/CEO, Phenomenome Discoveries Inc.

RE: Plot to defraud shareholders

Dear Shareholders,
It is with a heavy heart that I write this letter to you. Since I do not know most of you very well, I think that it would be helpful if I provide you with a brief history of this company. I founded PDI in 2000 and I am the sole founder of PDI. I put up 100K to set up the company and then I invested over 100K more to cover the initial expenses. At that time, that was all the money I had in the world. My fiancée, Katarina named the company. Over the years, Katarina and I have invested over 3MM of our own money in this company. I hired Mr. Hyshka in 2001 to be the company's CFO/COO. His employment contract explicitly states that he reports and takes direction from me. As a bonus for raising the first round of financing, I gifted to Mr. Hyshka 150,000 shares. I felt that having him vested in the company would motivate him to act in the best interests of all shareholders. At some point Mr. Hyshka began referring to himself as my partner both within the community and in interviews. As CEO, it is my job to help my employees reach their maximum potential. It is because of this that I never corrected Mr. Hyshka or the record. At the time, I felt that if this was something that Mr. Hyshka needed to reach his maximum potential and job performance, then I was willing to give that to him. Further to that end, I matched my salary to his which is true to this date. I defended this position many times at board meetings. Mr. Hyshka likes to refer to me at the "science guy" and to himself as the "business guy". Not so. I can only dream of being merely the science guy. For every day that I have had do his job has been a day that I have not been able to conduct research, file patents, etc. This along with no financing, financing being blocked and all the other petty games and maneuvers being played out, has slowed the progress of this company significantly. Mr. Hyshka is not now nor has he ever been my partner on any level.

For many years I have felt that Mr. Hyshka was performing his job to the best of his abilities. As this company has progressed, Mr. Hyshka's ability to perform his job has declined dramatically such that he has been unable to arrange the necessary financing for PDI either due to incompetency or he has been intentionally not seeking the financing that this company needs.

This now leads us to the current events that are taking place and that I have recently uncovered.

In the last 2 months Mr. Hyshka's behavior has become very aggressive and erratic. He and the two departments that report to him (legal and finance) have become very evasive and secretive with both myself and other departments including the HR department. He and both departments have also become blatantly insubordinate. PDI is currently in the middle of delicate negotiations with a company in which Golden Opportunities (Doug Banzet) is a major shareholder. John Hyshka and Doug Banzet have both been pressuring me to illegally embezzle assets out of PDI for this company, which I will not do. Doug Banzet has even been using and is continuing to use extortion tactics by threatening to call Golden's loan with me. In addition,

Banzet has used his position as a director in PDI to obtain confidential PDI information and provide this information to the partners in his newly formed company. This misconduct is outrageous and is a blatant breach of his obligations as a director of PDI. Mr. Hyshka has also intentionally divulged sensitive confidential information to the opposing parties despite the fact that I gave him a very strong directive not to do so. He also used one of our lawyers to carry out this deed and pressured her to the point that she felt the need to take an indefinite medical leave the very next day. Prior to leaving on my last business trip, I informed our IT department to start backing up all of Mr. Hyshka's emails and to have them ready for me when I returned from my trip. I returned to Saskatoon late last Saturday (November 7th). The following day (Sunday November 8th), I met with our IT person at PDI, who provided me with all of Mr. Hyshka's emails. What I discovered was shocking and disgusting. Mr. Hyshka along with three other PDI shareholders,
Golden Opportunities Fund (Doug Banzet) and Dynex Capital/Tancho (Peter Blaney, Barry Markowsky) are currently plotting to force PDI into bankruptcy. Mr. Hyshka has fraudulently manufactured emails supposedly coming from me to him. In those emails, he attempts to frame me for embezzlement and/or other illegal activities. I have irrefutable evidence that these emails are fake. He used some sort of foreign Russian website to accomplish this. How extensive this fraud is, I do not yet know. A full investigation is needed. First thing Monday morning (November 9th) I instructed our IT person to back-up all of the emails for all of the persons in his department. After an initial review of those emails, more shocking information was revealed. On this same day (Monday), I took this information to outside legal counsel for review. After review of the evidence, it was determined that John Hyshka could be fired with cause. On that same day, Mr. Hyshka was fired with cause.

While I was on my last business trip, an emergency board meeting had been called. This board meeting was scheduled to occur the very next day (Tuesday November 10th). It appears that John Hyshka, Doug Banzet, Peter Blaney, and Barry Markowsky were going to propose a motion to shut down the company and terminate every single employee, including me. Mr. Hyshka also manipulated our director of finance to be an unwitting witness to this fraud and to help cover for this fraud. I have a written statement from this employee confirming this. Immediately after the termination letter was received by Mr. Hyshka, Peter Blaney cancelled the emergency board meeting.

The very next day, Tuesday, November 10th, Golden Opportunies Fund issued a demand notice for two separate loans. One to PDI for ~1.1MM and one for ~1.3MM to me (this is the very loan mentioned above that they were using to try to pressure me). In December, 2014 I took out a 1MM mortgage with Golden on my farm and transferred this money to PDI. I was forced to do this because Peter Blaney was blocking the financing arrangements that had been negotiated in late 2014. If I had not done this, PDI would have gone bankrupt in December 2014. They are attempting to do it again.

THERE IS NO REASON OR EXCUSE FOR PDI TO GO BANKRUPT. In the last two weeks I have managed to arrange, with the help of Christine Hrudka (one of my appointed board members) for pre-IPO financing. One company has already submitted a term sheet and I expect a second term sheet from a second company shortly. In addition, I have completed initial negotiations with a leading rare disease company who has indicated that they will have a term sheet for the co-development shortly. Hyshka, Banzet, Blaney, and Markowsky are all aware that I will be presenting financing options at the November 19th board meeting. The fact that these loans are being called in right now by Golden before the board meeting takes place is very transparent. I can only surmise that the Sun, Moon, and Stars have been promised to Hyshka for his dirty deeds. It is extraordinarily clear that the only intent of these players is to destroy this company by any and all means possible up to and including criminal behavior. If they are successful in doing this, most if not all of you will lose your investment and the life-saving technologies that Phenomenome is about to launch will be postponed for years if not forever.

I would now like to express to all of you my feelings and just how personal this is for me and probably all of you. Katarina just lost her mother several months ago to Alzheimer's Disease. She has lost almost every aunt and uncle to either Alzheimer's or cancer. I lost my mother to cancer and my grandmother to Alzheimer's as well. These are the very diseases that we can prevent, treat and cure. This is not some mythical or theoretical time in the future. This is NOW. Our Alzheimer's drug is currently being manufactured in Saskatoon and is scheduled to enter clinical trials here in Saskatchewan in the next 3-4 months!

Even more unconscionable and heart breaking is the deadly effect that these actions are going to have on children with a rare pediatric disease called Rhizomelic Chondrodysplasia Punctata (RCDP). Without going into extensive scientific explanation, our technology will save the lives of these children. The clinical trial for the life-saving drug for these children is going on right now in our lab. These parents wept when they discovered that we have the technology to do this. These children are literally dying while they are waiting for us to get our drug to them. These greedy, soulless, bastards, John Hyshka, Doug Banzet, Peter Blaney, and Barry Markowsky are ALL fully aware of this. These children are not a line item on a spreadsheet. This is very real. The thought of having to contact the parents of these children to inform them that this life saving drug will not come to pass for these reasons, kills me. This is truly a matter of life or death.

This level of greed and callous disregard for life is simply incomprehensible to me. There are not enough words to describe to all of you just how angry and disgusted I am by all of this or the depth of my loathing. I want this technology. I want it for the love of my life, Katarina. I want it for myself. I want it for my family, my friends, and all of the wonderful and dedicated employees that I have had the privilege to work with. These people, some of which have been here for more than 10 years, do not even have a stock option plan. I want it for you and all of your loved ones. I imagine that all of you feel exactly the same way that I do.

I will not stop fighting for this company or these children and I will not be deterred. Kat and I have liquidated all of our assets that we can at this time. Our farm is currently on the market, but has not sold yet. I need your help in any way possible.

At the November 19th board meeting, I will be presenting, as planned, a viable pre-IPO financing plan that will allow PDI to realize the potential of its technology and will provide an opportunity for all of you to finally make a financial return on your investment. I also want you to know that I truly appreciate your patience and each of your investments in PDI and that I remain committed to making certain that each of you realize a healthy return on your investment.

Evil flourishes when good people do nothing.

Sincerely,

DBG

Dr. Dayan Goodenowe

Canada Federal Statutes

Companies' Creditors Arrangement Act

Interpretation

Most Recently Cited in: Montreal, Maine & Atlanique Canada Cie c. Richter Groupe Conseil inc., 2015 CarswellQue 6384 | (C.S. Qué., Jul 13, 2015)

R.S.C. 1985, c. C-36, s. 2

S 2.

Currency

THIS IS EXHIBIT "J" referred to in the Affidavit of Gavin Preston
SWORN before me at Saskatoon
this 23 day of November, 20 15
A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016.
- OR - Being a Solicitor

2.

2(1)Definitions

In this Act,

"aircraft objects" [Repealed 2012, c. 31, s. 419.]

"bargaining agent" means any trade union that has entered into a collective agreement on behalf of the employees of a company; *("agent négociateur")*

"bond" includes a debenture, debenture stock or other evidences of indebtedness; *("obligation")*

"cash-flow statement", in respect of a company, means the statement referred to in paragraph 10(2)(a) indicating the company's projected cash flow; *("état de l'évolution de l'encaisse")*

"claim" means any indebtedness, liability or obligation of any kind that would be a claim provable within the meaning of section 2 of the *Bankruptcy and Insolvency Act*; *("réclamation")*

"collective agreement", in relation to a debtor company, means a collective agreement within the meaning of the jurisdiction governing collective bargaining between the debtor company and a bargaining agent; *("convention collective")*

"company" means any company, corporation or legal person incorporated by or under an Act of Parliament or of the legislature of a province, any incorporated company having assets or doing business in Canada, wherever incorporated, and any income trust, but does not include banks, authorized foreign banks within the meaning of section 2 of the *Bank Act*, railway or telegraph companies, insurance companies and companies to which the *Trust and Loan Companies Act* applies; *("compagnie")*

"court" means

(a) in Nova Scotia, British Columbia and Prince Edward Island, the Supreme Court,

(a.1) in Ontario, the Superior Court of Justice,

(b) in Quebec, the Superior Court,

(c) in New Brunswick, Manitoba, Saskatchewan and Alberta, the Court of Queen's Bench, and

(c.1) in Newfoundland and Labrador, the Trial Division of the Supreme Court, and

(d) in Yukon and the Northwest Territories, the Supreme Court, and in Nunavut, the Nunavut Court of Justice;

("tribunal")

"debtor company" means any company that

(a) is bankrupt or insolvent,

(b) has committed an act of bankruptcy within the meaning of the *Bankruptcy and Insolvency Act* or is deemed insolvent within the meaning of the *Winding-up and Restructuring Act*, whether or not proceedings in respect of thecompany have been taken under either of those Acts,

(c) has made an authorized assignment or against which a bankruptcy order has been made under the *Bankruptcy and Insolvency Act*, or

(d) is in the course of being wound up under the *Winding-up and Restructuring Act* because the company is insolvent;

("compagnie débitrice")

"director" means, in the case of a company other than an income trust, a person occupying the position of director by whatever name called and, in the case of an income trust, a person occupying the position of trustee by whatever named called; *("administrateur")*

"eligible financial contract" means an agreement of a prescribed kind; *("contrat financier admissible")*

"equity claim" means a claim that is in respect of an equity interest, including a claim for, among others,

(a) a dividend or similar payment,

(b) a return of capital,

(c) a redemption or retraction obligation,

(d) a monetary loss resulting from the ownership, purchase or sale of an equity interest or from the rescission, or, in Quebec, the annulment, of a purchase or sale of an equity interest, or

(e) contribution or indemnity in respect of a claim referred to in any of paragraphs (a) to (d);

("réclamation relative à des capitaux propres")

"equity interest" means

(a) in the case of a company other than an income trust, a share in the company — or a warrant or option or another right to acquire a share in the company — other than one that is derived from a convertible debt, and

(b) in the case of an income trust, a unit in the income trust — or a warrant or option or another right to acquire a unit in the income trust — other than one that is derived from a convertible debt;

("intérêt relatif à des capitaux propres")

"financial collateral" means any of the following that is subject to an interest, or in the Province of Quebec a right, that secures payment or performance of an obligation in respect of an eligible financial contract or that is subject to a title transfer credit support agreement:

(a) cash or cash equivalents, including negotiable instruments and demand deposits,

(b) securities, a securities account, a securities entitlement or a right to acquire securities, or

(c) a futures agreement or a futures account;

("garantie financière")

"income trust" means a trust that has assets in Canada if

(a) its units are listed on a prescribed stock exchange on the day on which proceedings commence under this Act, or

(b) the majority of its units are held by a trust whose units are listed on a prescribed stock exchange on the day on which proceedings commence under this Act;

("fiducie de revenu")

"initial application" means the first application made under this Act in respect of a company; *("demande initiale")*

"monitor", in respect of a company, means the person appointed under section 11.7 to monitor the business and financial affairs of the company; *("contrôleur")*

"net termination value" means the net amount obtained after netting or setting off or compensating the mutual obligations between the parties to an eligible financial contract in accordance with its provisions; *("valeurs nettes dues à la date de résiliation")*

"prescribed" means prescribed by regulation; *("Version anglaise seulement")*

"secured creditor" means a holder of a mortgage, hypothec, pledge, charge, lien or privilege on or against, or any assignment, cession or transfer of, all or any property of a debtor company as security for indebtedness of the debtor company, or a holder of any bond of a debtor company secured by a mortgage, hypothec, pledge, charge, lien or privilege on or against, or any assignment, cession or transfer of, or a trust in respect of, all or any property of the debtor company, whether the holder or beneficiary is resident or domiciled within or outside Canada, and a trustee under any trust deed or other instrument securing any of those bonds shall be deemed to be a secured creditor for all purposes of this Act except for the purpose of voting at a creditors' meeting in respect of any of those bonds; *("créancier garanti")*

"shareholder" includes a member of a company — and, in the case of an income trust, a holder of a unit in an income trust — to which this Act applies; *("actionnaire")*

"Superintendent of Bankruptcy" means the Superintendent of Bankruptcy appointed under subsection 5(1) of the *Bankruptcy and Insolvency Act*; *("surintendant des faillites")*

"Superintendent of Financial Institutions" means the Superintendent of Financial Institutions appointed under subsection 5(1) of the *Office of the Superintendent of Financial Institutions Act*; *("surintendant des institutions financières")*

"title transfer credit support agreement" means an agreement under which a debtor company has provided title to property for the purpose of securing the payment or performance of an obligation of the debtor company in respect of an eligible financial contract; *("accord de transfert de titres pour obtention de crédit")*

"unsecured creditor" means any creditor of a company who is not a secured creditor, whether resident or domiciled within or outside Canada, and a trustee for the holders of any unsecured bonds issue under a trust deed or other instrument running in favour of the trustee shall be deemed to be an unsecured creditor for all purposes of this Act except for the purpose of voting at a creditors' meeting in respect of any of those bonds. *("creancier chirographaire")*

2(2)Meaning of "related" and "dealing at arm's length"
For the purpose of this Act, section 4 of the *Bankruptcy and Insolvency Act* applies for the purpose of determining whether a person is related to or dealing at arm's length with a debtor company.

Amendment History
R.S.C. 1985, c. 27 (2nd Supp.), s. 10 (Sched., item 3); 1990, c. 17, s. 4; 1992, c. 27, s. 90(1)(f); 1993, c. 28, s. 78 (Sched. III, item 20) [Repealed 1999, c. 3, s. 12 (Sched., item 4).]; 1993, c. 34, s. 52; 1996, c. 6, s. 167(1)(d); 1997, c. 12, s. 120; 1998, c.

30, s. 14(c); 1999, c. 3, s. 22; 1999, c. 28, s. 154; 2001, c. 9, s. 575; 2002, c. 7, s. 133; 2004, c. 25, s. 193; 2005, c. 3, s. 15; 2005, c. 47, s. 124 [Amended 2007, c. 36, s. 105.]; 2007, c. 29, s. 104; 2007, c. 36, ss. 61(1), (2), (4); 2012, c. 31, s. 419; 2015, c. 3, s. 37

Currency
Federal English Statutes reflect amendments current to November 4, 2015
Federal English Regulations are current to Gazette Vol. 149:22 (November 4, 2015)

End of Document

Canada Federal Statutes

Companies' Creditors Arrangement Act

Interpretation

Most Recently Cited in: Hush Homes Inc., Re , 2015 ONSC 370, 2015 CarswellOnt 558, 22 C.B.R. (6th) 67, 248 A.C.W.S. (3d) 754 | (Ont. S.C.J., Jan 19, 2015)

R.S.C. 1985, c. C-36, s. 3

s 3.

Currency

3.

3(1)Application

This Act applies in respect of a debtor company or affiliated debtor companies if the total of claims against the debtor company or affiliated debtor companies, determined in accordance with section 20, is more than $5,000,000 or any other amount that is prescribed.

3(2)Affiliated companies

For the purposes of this Act,

(a) companies are affiliated companies if one of them is the subsidiary of the other or both are subsidiaries of the same company or each of them is controlled by the same person; and

(b) two companies affiliated with the same company at the same time are deemed to be affiliated with each other.

3(3)Company controlled

For the purposes of this Act, a company is controlled by a person or by two or more companies if

(a) securities of the company to which are attached more than fifty per cent of the votes that may be cast to elect directors of the company are held, other than by way of security only, by or for the benefit of that person or by or for the benefit of those companies; and

(b) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the company.

3(4)Subsidiary

For the purposes of this Act, a company is a subsidiary of another company if

(a) it is controlled by

(i) that other company,

(ii) that other company and one ore more companies each of which is controlled by that other company, or

(iii) two or more companies each of which is controlled by that other company; or

(b) it is a subsidiary of a company that is a subsidiary of that other company.

Amendment History

1997, c. 12, s. 121; 2005, c. 47, s. 125

Currency
Federal English Statutes reflect amendments current to November 4, 2015
Federal English Regulations are current to Gazette Vol. 149:22 (November 4, 2015)

End of Document

Canada Federal Statutes

Companies' Creditors Arrangement Act

Part II — Jurisdiction of Courts

Most Recently Cited in: North American Tungsten Corp., Re , 2015 BCSC 1382, 2015 CarswellBC 2287 | (B.C. S.C., Jul 30, 2015)

R.S.C. 1985, c. C-36, s. 11.02

S 11.02

Currency

11.02

11.02(1)Stays, etc. — initial application

A court may, on an initial application in respect of a debtor company, make an order on any terms that it may impose, effective for the period that the court considers necessary, which period may not be more than 30 days,

(a) staying, until otherwise ordered by the court, all proceedings taken or that might be taken in respect of the company under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act*;

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

11.02(2)Stays, etc. — other than initial application

A court may, on an application in respect of a debtor company other than an initial application, make an order, on any terms that it may impose,

(a) staying, until otherwise ordered by the court, for any period that the court considers necessary, all proceedings taken or that might be taken in respect of the company under an Act referred to in paragraph (1)(a);

(b) restraining, until otherwise ordered by the court, further proceedings in any action, suit or proceeding against the company; and

(c) prohibiting, until otherwise ordered by the court, the commencement of any action, suit or proceeding against the company.

11.02(3)Burden of proof on application

The court shall not make the order unless

(a) the applicant satisfies the court that circumstances exist that make the order appropriate; and

(b) in the case of an order under subsection (2), the applicant also satisfies the court that the applicant has acted, and is acting, in good faith and with due diligence.

11.02(4)Restriction

Orders doing anything referred to in subsection (1) or (2) may only be made under this section.

Amendment History
2005, c. 47, s. 128

Currency
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End of Document

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A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016.
-OR - Being a Solicitor

The New York Times http://nyti.ms/1QhNNj4

HEALTH

Flicker of Hope for Children With Rare and Devastating Disease

By ABBY GOODNOUGH SEPT. 6, 2015

LEESBURG, Ala. — Once a year, Crystal and Jonathan Bedford drive 1,000 miles from their home in Texas to rural Alabama, their three children in tow. Beside a wooded lake, they huddle with other families whose children have the same extremely rare genetic disorder that their 5-year-old daughter, Marley, has.

The disease, rhizomelic chondrodysplasia punctata, is a painful form of dwarfism, usually accompanied by severe intellectual disability and respiratory problems. There is no cure, and children with RCDP, as it is known, rarely survive into adolescence.

The families come for advice on how to care for their fragile children, and for any scrap of information about promising research. Most years they leave with little more than warm support. But this year was different.

A biotech executive from Canada had come to discuss a potential treatment being developed by his company and the possibility that the children could be part of a clinical trial next year. It seemed too good to be true.

"You don't want to get your hopes up because — what if? What if it doesn't happen? What if it doesn't work out?" said Hannah Peters, whose 16-month-old son, Jude, has the disease. "But it was the only bit of hope that we had received since Jude was born."

Such is life for parents whose children have rare diseases. They struggle to understand and manage their child's condition — or even to find doctors who can — and can face steep expenses, even with insurance. And while the pharmaceutical industry has become far more interested than it used to be in identifying and testing potential treatments for minute patient populations, many remain neglected.

RCDP is among the rarest of rare diseases; experts guess there are perhaps 100 cases worldwide. But for this support group, there had been a fortunate confluence of circumstances. A dedicated scientist in Montreal, Dr. Nancy Braverman, who had spent decades studying the disorder, had persuaded the Canadian biotech company's president to take an interest in RCDP, and to meet the families in Alabama.

The company, Phenomenome Discoveries, had developed a set of compounds that might restore a crucial missing ingredient in the bodies of children with RCDP: plasmalogens, a type of fatty acid found in cell membranes. The company had become interested in plasmalogen levels because some evidence suggested they were also low in people with Alzheimer's disease.

No one was depicting the compounds developed by Phenomenome Discoveries, synthetic plasmalogen precursors, as a cure for RCDP. But if they could raise plasmalogen levels in the blood and lungs of children with the disorder, as they had in laboratory mice, Dr. Braverman believed they might at least improve the children's respiratory function, possibly extending their lives.

"For us, getting another month with your child or another year or another five years — that's kind of everything," Ms. Bedford said.

Answers were still a long way off, and a number of hurdles remained before a clinical trial could begin. Still, as the parents prepared to meet with Dayan Goodenowe, the president and chief executive of Phenomenome Discoveries, they overflowed with questions.

What if the trial could not recruit enough subjects, considering how few and far between children with RCDP were? What if the company could not raise enough money to conduct it? And worst of all, what if the experimental treatment did not work?

"Is this really real?" Ms. Bedford, who runs a frozen yogurt shop, Sweet Marley's, with her husband in Fredericksburg, Tex. "What, really, are our chances?"

Drawn to a Doctor

To the families who gathered in Alabama in June, Dr. Braverman was something between a beloved aunt and a rock star. She identified the gene mutation that causes RCDP almost two decades ago, and has devoted her career to studying the disease and related disorders. As a physician, she also gets out of her lab to see patients and family support groups.

About five years ago, Dr. Goodenowe contacted her after learning she had engineered mice to be plasmalogen-deficient. They started collaborating, and when Dr. Goodenowe's plasmalogen precursors raised plasmalogen levels in the blood and lungs of Dr. Braverman's lab mice, they started discussing a clinical trial for RCDP.

Dr. Goodenowe had never heard of RCDP before connecting with Dr. Braverman. "We didn't even know these people existed," he said. "Now that we have something, you have to find a way to make it available to them."

The drug — a combination of three synthetic plasmalogen precursors — is in the final stages of preclinical testing, Dr. Goodenowe said. The company plans to file an Investigational New Drug Application with the Food and Drug Administration next year, outlining how it would test the drug on the children and what outcomes it would seek. It is also seeking approval to test one of the plasmalogen precursors on Alzheimer's disease patients.

Dr. Goodenowe believes that the RCDP trial will be relatively inexpensive, perhaps $5 million, and that the money is within reach. If the Food and Drug Administration allows the trial to move forward, he hopes to work with a larger company with expertise in drugs for rare medical conditions, which would bring the drug to market if the trial succeeded.

But the vast majority of experimental drugs never make it through the trial phase, proving either unsafe or ineffective. A law known as the Orphan Drug Act provides financial incentives for pharmaceutical companies to develop drugs for rare

diseases, including tax breaks and market exclusivity for seven years. About 500 such drugs have gone to market since the law's passage in 1983, compared with fewer than 10 developed by the industry in the preceding decade.

Interest in developing these drugs has grown over the last decade, as companies have managed to make steep profits from some of them, sometimes from different uses. (Botox, for example, was originally approved as an orphan drug to treat uncontrolled blinking.) But with more than 7,000 rare diseases affecting some 30 million people in the United States, the progress has not been nearly fast enough for most patients.

"Unfortunately there are many more wastes of time than there are drugs that make it," said Peter L. Saltonstall, the president and chief executive of the National Organization for Rare Disorders, a nonprofit advocacy group.

If the Food and Drug Administration approves the 18-month trial, Dr. Goodenowe said, participants will get the drug in liquid form, perhaps two or three times a day, starting next summer. Every six months, they will have to travel to the Alfred I. duPont Hospital for Children in Wilmington, Del., where Dr. Michael Bober, a pediatric geneticist who also attends the annual meeting, will look for any changes not only in lung function, but in mobility, growth, neurological function and more.

Dr. Bober — "the buzzkill," as Ms. Bedford affectionately calls him — is seeking to temper expectations.

Calling the preliminary results from the mouse studies "encouraging," he offered a caveat. "We don't want to get too excited about the potential, without sort of watching the rubber hit the road." And whether a drug is having an effect "can be really difficult to tease out if your working population is 10 or 20 patients," Dr. Bober added. "It's not like we can give this drug to 20,000 people and see what happens."

Finding One Another

The families had found one another through RhizoKids International, an advocacy group started by two mothers whose babies had been born with RCDP at

the same hospital in Birmingham in 2007. Both children had since died, but their mothers, Tracey Thomas and Mary Ellis, still led the group, raising between $50,000 and $70,000 a year for the annual conference and for research.

At the time, Ms. Thomas and Ms. Ellis scanned the Internet for information about RCDP and could find only a few scholarly articles, most written by Dr. Braverman, an associate professor of human genetics and pediatrics at McGill University. They emailed her, and she offered to travel to Alabama with two research assistants to examine their babies. That was how the annual meeting was started in 2008, and Dr. Braverman has come every year since, joining a growing number of families at a modest resort near Ms. Ellis's home.

"Most times, researchers don't get that one-on-one time," Ms. Thomas said. "They are studying cells. They're not holding a child."

There were 16 families at this year's meeting, from as far away as Brisbane, Australia. Many of the younger children were as small and light as babies, even though they were well into toddler stage. The oldest, a brother and sister from Ohio, were 9 and 13, and their longevity was a source of cautious joy.

So was Marley Bedford, whose higher plasmalogen levels make her unusual among children with RCDP. She can walk, talk and play, despite misshapen bones, painful muscles and joints and deteriorating vision. In comparison, most children with RCDP never learn to sit, walk, talk or feed themselves. Smiling and laughing are the only developmental milestone that most achieve, although they also respond to familiar voices and music — recorded bird songs for one child, an Adele album for another. "We would be very happy if we could take a classic kid and make them like Marley," Dr. Bober said.

Ms. Peters had traded Facebook and text messages with other RCDP families almost constantly since her son Jude's birth. Yet she dreaded coming to the Alabama meeting.

"Every family that I've met has told us that their first year coming, the thing they feared the most was meeting the older kids," said Ms. Peters, 23, who brought her husband, Sullivan; her parents; and other family members for support. "It's a

dose of reality, because you see all the things they can't do. But at the same time it gives you a lot of hope, because they're still here."

Jude was something of a celebrity, thanks to his parents' savvy use of social media to raise money for his care and awareness about the disease. His Facebook page had 32,000 followers, and he got so much mail that Ms. Peters, who lives in Charlotte, N.C., had rented him a post office box.

But Jude was at the opposite end of the spectrum from Marley — a classic case with very low plasmalogen levels and severe respiratory and gastrointestinal problems. He had been hospitalized five times since his birth in April 2014, and his mother had cried when Ms. Bedford called her to tell her about the potential treatment.

Jude and other children with RCDP need lots of therapy for their rigid joints and muscles. They ride in specially designed strollers lined with foam or towels to minimize discomfort. They have to be held a particular way, to avoid fractures or discomfort, and the yearly meeting is one of the only places their parents have no qualms handing them to others. "It lightens the dullness of it and gives you someone to relate to," Melinda Holladay of Alcolu, S.C., whose 8-year-old son, Ethan, has RCDP, said of the gathering.

'Talk to Us, Reach for Us'

Over the three-day meeting, Dr. Bober and Dr. Braverman examined every child, lying them on a table in a lakeside cottage and collecting measurements and other information for a patient registry financed by the RhizoKids Foundation. The registry had yielded another new development to share at the conference: a growth chart to help parents and doctors understand how much weight children should be gaining to prevent them from being overfed.

During Jude's exam, he stared at the lights overhead as the doctors puzzled over two brief seizures he had suffered earlier in the day. Wrapping up, Dr. Bober asked about the clinical trial: What kind of improvement would the parents most like to see in Jude?

Ms. Peters did not know where to begin. Stronger respiratory and immune systems, she replied. The ability to "talk to us, reach for us, hug us."

Later, Dr. Goodenowe, his dress shirt and pants contrasting with the families' shorts and T-shirts, asked each a similar question. One of the biggest challenges, he told them, would be figuring out "end points": ways to evaluate whether the drug was providing any benefit.

"Knowing why she's in pain," answered Mark Loyd of Vilonia, Ark., the father of 2-year-old Makenna. "Not having to troubleshoot everything."

"To even think he could communicate with us, or reach for things," Ms. Holladay said of Ethan.

For Ms. Bedford, the most important improvements would be in Marley's respiratory function and in her vision, because she is going blind.

"If you could fix her attitude, that would be fantastic," she added, a teasing reference to Marley's stubbornness.

Everyone laughed. She had released a pressure valve.

Dr. Goodenowe told the families that he was hoping for 30 participants for the trial. There were 24 children on the RCDP patient registry, "but some of those are kids that have passed away," Ms. Bedford pointed out quietly.

Dr. Goodenowe said a smaller group would work, as long as they could figure out how to objectively measure the drug's effects.

"Bringing your plasmalogen levels up, and then seeing your function change accordingly — that's the bridge we have to cross," he said. "If you do not show a functional benefit, nobody's going to listen to you."

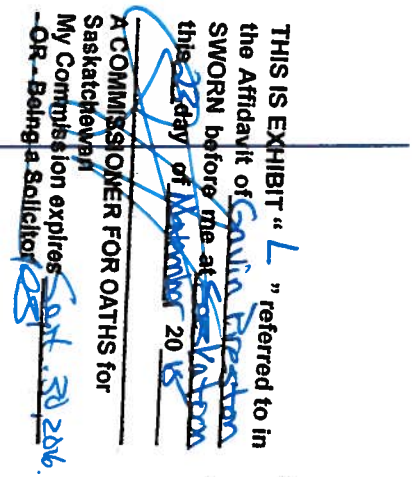
On the night before they returned to their separate lives, the families completed an annual ritual, releasing a flurry of balloons with tiny LED lights inside. They rose like spirits over the lake, a glowing memorial to the dead and a hypnotic diversion from the realities back on the ground.

For Jude's family, those realities reared up again shortly after the return home from Alabama. His bowels froze and became blocked, and he was hospitalized for a week. New tests showed almost constant epileptic activity in his brain, and he is now on two seizure medications. Ms. Peters said she took comfort in the possibility of the trial, even though it made her nervous.

"After meeting those people and spending time with them and hearing from them, I have gained a trust for them," she said. "They want to see these children saved."

A version of this article appears in print on September 7, 2015, on page A1 of the New York edition with the headline: Flicker of Hope for Rare Disease .

Resumes
Deryck Helkaa



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Education
B.A in Economics, University of Western Ontario

Certifications
Chartered Accountant

Licenses
Licensed Trustee in Bankruptcy

Professional Affiliations
Chartered Insolvency and Restructuring

Member of Insolvency Institute of Canada

Turnaround Management Association

About

Deryck Helkaa is a Senior Managing Director in FTI Consulting's Corporate Finance & Restructuring practice and is based in Calgary. Mr. Helkaa has over 18 years of restructuring experience providing financial advice to financial institutions, debtor companies, shareholders and management in both formal and out-of-court restructurings.

Mr. Helkaa's experience comprises a wide variety of industries including real estate, manufacturing, and has a primary focus with respect to the oil and gas industry, including companies operating in exploration and production, midstream and oilfield services sectors. Mr. Helkaa has been involved with a wide variety of clients including public and private companies, various lender groups, with many of the assignments involving international operations, including many cross-border cases.

Mr. Helkaa's recent engagements include: Acted as the Chief Restructuring Officer of Tuscany International Drilling Inc., a provider of contract drilling and work-over services to the oil and gas industry in Africa, Brazil, Colombia and Ecuador. Receiver of Pacer Promec Energy Construction, a company currently involved in a large construction contract on CNRL's Horizon oilsands project. Financial advisory to bond holders' syndicate of a large, public exploration and production company with operations in Western Canada. Financial advisor to a large natural gas producer that is currently completing an informal restructuring and sale process. Represented the first lien holders in Connacher Oil and Gas Ltd.'s CBCA restructuring. Acting as the Court appointed Receiver of Waldron Energy Corporation, Palliser Oil and Gas Ltd., Argosy Energy Inc. and Solara Exploration Ltd., all publicly traded, oil and gas exploration and development companies with operations in Alberta and Saskatchewan. Monitor in the CCAA proceedings of SemCanada Group and Calpine Canada, both global energy companies with its Canadian operations comprising crude oil and gas marketing, operation of gas processing facilities and power generation.

Mr. Helkaa has been involved in numerous other restructurings (formal and informal), receiverships and consulting engagements and as a financial advisor to numerous debtors and creditors, including various cross-border restructuring involving CCAA's, Chapter 11's and Chapter 15's.

Prior to joining FTI Consulting, Mr. Helkaa was a partner of the Transaction and Advisory Services group in Ernst & Young.

Mr. Helkaa is a member of the Insolvency Institute of Canada, a licensed Trustee in Bankruptcy, a Chartered Insolvency and Restructuring Professional and a Chartered Accountant. He is a member of the Canadian Association of Insolvency and Restructuring Professionals, Insolvency Institute of Canada and Turnaround Management Association. He was the past President of the Turnaround Management Association's Northwest Chapter (AB, BC, Washington and Oregon).

FTI CONSULTING

THIS IS EXHIBIT "M" referred to in the Affidavit of Gavin Preston SWORN before me at Saskatoon this 23 day of November, 20 15

A COMMISSIONER FOR OATHS for Saskatchewan
My Commission expires Sept. 30, 2016
- OR - Being a Solicitor

PHENOMENOME DISCOVERIES INC.

AMENDED AND RESTATED UNANIMOUS SHAREHOLDERS AGREEMENT

THIS AMENDED AND RESTATED UNANIMOUS SHAREHOLDERS AGREEMENT is made as of the 9th day of July, 2012 between Phenomenome Discoveries Inc., a corporation incorporated under the laws of the Province of Saskatchewan (the "**Corporation**"); Yol Bolsum Canada Inc. ("**Yol Bolsum**"), a corporation incorporated under the laws of Canada; John Hyshka ("**Hyshka**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Dynex Capital Limited Partnership ("**Dynex**"), a limited partnership formed under the laws of the Province of Ontario; Peter Innes ("**Innes**"), an individual residing in the City of Ames in the State of Iowa; PSN Holdings Inc. ("**PSN**"), a corporation incorporated under the laws of the Province of Saskatchewan; Frank Hohn ("**Hohn**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Jancy Holdings Inc. ("**Jancy**"), a corporation incorporated under the laws of the Province of Saskatchewan; Murray Trapp ("**Trapp**"), an individual residing in the Town of Shell Lake in the Province of Saskatchewan; Golden Opportunities Fund Inc. ("**GOF**"), a corporation incorporated under the laws of the Province of Saskatchewan; Ag West Bio Inc. ("**Ag West**"), a corporation incorporated under the laws of the Province of Saskatchewan; CIC Asset Management Inc. ("**CIC**"), a corporation incorporated under the laws of the Province of Saskatchewan; Tancho Capital (I) Limited Partnership ("**Tancho I**"), a limited partnership formed under the laws of the Province of Ontario; Tancho Capital (3) Limited Partnership ("**Tancho 3**"), a limited partnership formed under the laws of the Province of Ontario; Induran Ventures 1, L.P. ("**Induran**"), a limited partnership formed under the laws of the Province of Ontario; Barry D. Bridges and Bonnie A. Bridges (together "**Bridges**"), individuals residing in the City of Estevan in the Province of Saskatchewan; Trevor Broker ("**Broker**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Concorde Centres Inc. ("**Concorde**"), a corporation incorporated under the laws of the Province of Saskatchewan; Dr. Evan Howlett Medical Professional Corporation ("**Howlett**"), a corporation incorporated under the laws of the Province of Saskatchewan; William Johnson ("**Johnson**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Donna Jubin ("**Jubin**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Kenmore Land Company Ltd. ("**Kenmore**"), a corporation incorporated under the laws of the Province of Saskatchewan; Kenmore Land Company Ltd. #2 ("**Kenmore #2**"), a corporation incorporated under the laws of the Province of Saskatchewan; Allen Kimber ("**Kimber**"), an individual residing in the City of Weyburn in the Province of Saskatchewan; Lakewood Holdings Corp. ("**Lakewood**"), a corporation incorporated under the laws of the Province of Saskatchewan; R. Bruce McFarlane ("**McFarlane**"), an individual residing in the City of Calgary in the Province of Alberta; David McKeague ("**McKeague**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Robert McKercher ("**McKercher**"), an individual residing in the Hamlet of Riverside Estates in the Province of Saskatchewan; PIC Investment Group Inc. ("**PIC**"), a corporation incorporated under the laws of the Province of Saskatchewan; Dorothy Platzer ("**Platzer**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Robert H. McKercher Legal Prof. Corp. ("**McKercher Legal**") a corporation incorporated under the laws of the Province of Saskatchewan; Signet Management Ltd. ("**Signet**"), a corporation incorporated under the laws of the Province of Saskatchewan; James Weber ("**Weber**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Weyburn Security Company Limited ("**Weyburn**"), a corporation incorporated under the laws of the Province of Saskatchewan; Fred Wilson ("**Wilson**"), an individual residing in the Town of Dundurn in the Province of Saskatchewan; Barry Woytowich ("**Woytowich**"), an individual residing in the City of Saskatoon in the Province of Saskatchewan; Pillar Management Ltd. ("**Pillar**"), a corporation incorporated under the laws of the Province of Saskatchewan; Emmeline

Management Ltd. ("**Emmeline**"), PIC Investment Group Inc. ("**PIC**"), a corporation incorporated under the laws of the Province of Saskatchewan; a corporation incorporated under the laws of the Province of Saskatchewan;.and any other Person who becomes a Party hereto by executing an acknowledgement in the form of Schedule "B" attached hereto (or in such other form as may be approved by the Board from time to time.

RECITALS

WHEREAS each of the Parties as of the date of this Agreement (other than Induran and each other Party that owns only Preferred Shares in the capital of the Corporation) are party to a Unanimous Shareholder Agreement made effective July 23, 2007 (the "**Prior Shareholder Agreement**");

AND WHEREAS on July 9, 2012, the Corporation completed the closing of a financing consisting of the issuance to the Investors of Special Preferred Shares and Warrants of the Corporation;

AND WHEREAS the Parties hereto, other than the Corporation, together own, directly or indirectly, all of the issued and outstanding shares in the capital of the Corporation as set forth on Schedule "A" attached hereto;

AND WHEREAS the Parties as of the date of this Agreement wish to amend and restate the Prior Shareholder Agreement to record their agreement as to the manner in which the Corporation's affairs are to be conducted and to agree upon the terms on which the securities of the Corporation, now or hereafter outstanding and held by them and all other Parties, will be held, transferred and voted;

NOW THEREFORE in consideration of the mutual promises contained in this Agreement, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

Where used in this Agreement the following terms have the following meanings:

(a) "**2012 Subscription Agreement**" means the Special Preferred Share Subscription Agreement dated July 9, 2012 among the Corporation, Induran, GOF, Concorde, Howlett, Hohn, Johnson, Jubin, McKeague, McFarlane, Signet, Weber, Weyburn, Woytowich, PIC, Emmeline and Pillar as amended from time to time;

(b) "**Act**" means *The Business Corporations Act* (Saskatchewan) as amended from time to time, and any statute substituted for the same;

(c) "**Affiliate**" has the meaning ascribed to such term in the Act;

(d) "**Agreement**" and "**this Agreement**" means this Amended and Restated Unanimous Shareholders Agreement and all attached schedules and all instruments supplemental to or in amendment or confirmation of this Agreement;

(e) "**Arm's Length**" shall be determined in the same manner as for the purposes of the *Income Tax Act* (Canada) as amended from time to time, and any statute substituted for the same;

(f) "**Articles**" means the articles of incorporation of the Corporation, as amended from time to time;

(g) "**Board**" means the board of directors of the Corporation;

(h) "**Business Day**" means any day except Saturday, Sunday or any statutory holiday in the Province of Saskatchewan or the Province of Ontario;

(i) "**Class A Shares**" means the Class A Common Voting Shares in the capital of the Corporation;

(j) "**Class B Shares**" means the Class B Participating Non-Voting Shares in the capital of the Corporation;

(k) "**Common Shares**" means Shares of the Corporation, whether voting or non-voting, having the right, upon liquidation or dissolution of the Corporation, to fully participate in the distribution of the remaining assets of the Corporation, and at the Effective Date of this Agreement means the Class A Shares and the Class B Shares;

(l) "**Compensation Committee**" means any committee established by the Board under Section 4.12;

(m) "**Control**" means: (a) with respect to any corporation, the ownership, beneficially or legally, of voting securities in the capital of such corporation, to which are attached more than fifty percent (50%) of the votes that may be cast to elect the directors of such corporation and such votes are sufficient (if exercised) to elect a majority of such directors; and (b) with respect to a partnership, trust, syndicate or other entity, actual power or authority to manage and direct the affairs of, or ownership of more than fifty percent (50%) of the beneficial interest in such entity;

(n) "**Effective Date**" means the 9th day of July, 2012;

(o) "**Independent**" means an individual: (i) who holds less than one percent (1%) of the Shares (excluding Shares received as director's compensation, whether directly or on the exercise of an option); (ii) who is not an officer or employee of the Corporation; and (iii) unless otherwise agreed by Induran or its Permitted Transferee (so long as Induran or its Permitted Transferee owns Preferred Shares) and GOF or its Permitted Transferee (so long as GOF or its Permitted Transferee owns Preferred Shares), is not an Affiliate, officer, director, principal, partner or employee of any Shareholder;

(p) "**Induran Group**" means Induran and its Permitted Transferee;

(q) "**Initial Public Offering**" means the Corporation's first underwritten public offering of its Common Shares pursuant to a registration statement that has been declared effective under the United States Securities Act of 1933 or a prospectus filed under applicable Canadian securities laws in respect of which a (final) receipt has been obtained, accompanied by the listing of the Common Shares on the Toronto Stock Exchange and/or the Nasdaq National Market and/or the

New York Stock Exchange and/or any other stock exchange or market approved in writing by the holders of a majority of the then outstanding Preferred Shares;

(r) "**Institutional Investors**" means Dynex, GOF, CIC and Tancho I and any of their respective Permitted Transferee pursuant to Section 5.1; and "**Institutional Investor**" means any one of them;

(s) "**Investors**" means Induran, GOF and any other Person that is or becomes a registered holder of Preferred Shares (including, without limitation, a Permitted Transferee of any Investor pursuant to Section 5.1), and "**Investor**" means any one of such Persons;

(t) "**Licence Agreement**" means the licence agreement between Yol Bolsum and the Corporation dated December 15, 2001, as amended from time to time, for the licence to the Corporation of the use of the invention known as the "Non-Targeted Complex Sample Analysis";

(u) "**Liquidation Event**" means: (i) the liquidation, dissolution or winding-up of the Corporation; (ii)(A) any merger, amalgamation, reorganization, consolidation or other transaction (other than an Initial Public Offering) involving the Corporation and any other corporation or other entity or person in which the holders of the Corporation's outstanding voting Shares immediately prior to such merger, amalgamation, reorganization, consolidation or other transaction will hold less than fifty percent (50%) of the outstanding voting securities of the surviving or continuing entity after such merger, amalgamation, reorganization, consolidation or other transaction; (B) the sale, exchange or transfer by the Corporation's shareholders, in a single transaction or series of related transactions, of Shares representing not less than a majority of the outstanding voting Shares of the Corporation; (C) the sale, lease, license, abandonment, transfer or other disposition of all or substantially all the assets of the Corporation or the exclusive license of all or substantially all of the Corporation's material intellectual property and technology; or (iii) an Initial Public Offering;

(v) "**Liquidity Committee**" has the meaning ascribed to such term in Section 5.5(d);

(w) "**Parties**" means, collectively, the Shareholders and the Corporation and any other Person that is or becomes a party to this Agreement, and "**Party**" means any one of them;

(x) "**Payout Event**" means where: (i) all and not less than all of the Preferred Shares are redeemed and the aggregate Preferred Share Preferential Amount then payable on all and not less than all of the Preferred Shares then outstanding has been paid in full in cash to the holders of the Preferred Shares in accordance with the Articles; or (ii) the Corporation has completed a Liquidation Event pursuant to which the aggregate Preferred Share Preferential Amount then payable on all and not less than all of the Preferred Shares then outstanding has been paid in full in cash to the holders of the Preferred Shares in accordance with the Articles, in the case of (i) or (ii), on or prior to the Trigger Date;

(y) "**Permitted Additional Securities**" means the Tranche 2 Shares and the Warrant Shares;

(z) "**Permitted Transfer of Rights**" has the meaning ascribed to such term in Section 2.7(a);

(aa) "**Permitted Transferee**" means any Person to whom Securities are transferred pursuant to Section 5.1;

(bb) "**Permitted Transferor**" has the meaning ascribed to such term in Section 5.1(e);

(cc) "**Person**" means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural Person in his capacity as trustee, executor, administrator, or other legal representative;

(dd) "**Preferred Majority**" has the meaning ascribed to such term in the Articles;

(ee) "**Preferred Share Liquidity Transaction**" has the meaning ascribed to such term in Section 5.5(f);

(ff) "**Preferred Share Preferential Amount**" has the meaning ascribed to such term in the Articles;

(gg) "**Preferred Shares**" means the Special Preferred Shares in the capital of the Corporation;

(hh) "**Principal**" has the meaning ascribed to such term in Section 7.1(a)(i);

(ii) "**Prior Shareholder Agreement**" has the meaning ascribed to such term in the Recitals;

(jj) "**Redemption Notice**" has the meaning ascribed to such term in the Articles;

(kk) "**Removal Notice**" has the meaning ascribed to such term in Section 4.2(a);

(ll) "**Repayment Transaction**" has the meaning ascribed to such term in Section 4.8(c);

(mm) "**Sale Transaction**" has the meaning ascribed to such term in Section 5.2(a);

(nn) "**Securities**" means all Shares and other securities of the Corporation, including debt securities, convertible securities, warrants to acquire Shares, options, and rights;

(oo) "**Share**" means a share in the capital of the Corporation and "Shares" means more than one Share; and each of "**Share**" or "**Shares**" includes both present and future shares issued by the Corporation;

(pp) "**Shareholders**" means the holders of the Shares as set forth in Schedule "A" attached hereto, together with such other Persons who are or may become Parties to this Agreement as a shareholder of the Corporation, collectively, and "**Shareholder**" means any one of such Persons individually;

(qq) "**Special Event**" has the meaning ascribed to such term in Section 4.2(e);

(rr) "**Special Majority**" means the holders of not less than two-thirds (2/3) of the Class A Shares then outstanding;

(ss) "**Third Party**" means any Person who is not a Shareholder of the Corporation or an Affiliate of a Shareholder, and who is at Arm's Length to the selling Shareholder;

(tt) "**Tranche 2 Shares**" has the meaning ascribed to such term in the 2012 Subscription Agreement;

(uu) "**Transfer**" means any disposition, transfer, sale, exchange, assignment, gift, bequest, disposition, mortgage, hypothecation, charge, pledge, encumbrance, or any arrangement by

which title passes from one person or entity to another, and includes any agreement to effect the foregoing;

(vv) "**Trigger Date**" means the date which is three (3) years after the Effective Date;

(ww) "**Valuation Date**" means the date upon which a valuation made pursuant to Schedule "C" attached hereto is completed and delivered by the Valuator (as defined in Schedule "C" attached hereto) to the Corporation.

(xx) "**Warrant Shares**" means the Class A Shares and/or any other securities of the Corporation issued or issuable on the exercise of the Warrants; and

(yy) "**Warrants**" means the Warrants (as such term is defined in the 2012 Subscription Agreement), as such Warrants may be amended from time to time.

Unless there is something inconsistent in the subject matter or context, or unless otherwise provided in this Agreement, all other words and terms used in this Agreement that are defined in the Act have the meanings set out in the Act. Any other terms or phrases defined in this Agreement which are not otherwise defined above, have the meaning set forth in this Agreement.

Section 1.2 Applicable Law

This Agreement is governed by the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

Section 1.3 Certain Rules of Interpretation

In this Agreement:

(a) **Headings** - Headings of articles and sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.

(b) **Including** - Where the word "including" or the word "includes" is used in this Agreement, it means "including (or includes) without limitation".

(c) **Number and Gender** - Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(d) **Severability** - If any provision of this Agreement is deemed by a court of competent jurisdiction to be wholly or partially invalid, this Agreement shall be interpreted as if such provision had not been part of this Agreement, and so that the invalidity of such provision shall not affect the validity of the remainder.

(e) **Time** - Time is of the essence in the performance of the Parties' respective obligations.

(f) **Time Periods** - Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done are calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of the period is not a Business Day.

(g) **Currency and Cash Payments** - Unless otherwise indicated all dollar amounts referred to in this Agreement, including the symbol "$", refer to lawful money of Canada, and references to "cash" include all forms of payment similar thereto, including cheques, bank drafts, bank wires, and solicitor's trust cheques

(h) **Accounting Principles** - Wherever in this Agreement reference is made to generally accepted accounting principles or GAAP, such reference shall be deemed to be generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with such generally accepted accounting principles. For greater certainty, such reference shall further be deemed to be a reference to International Financial Reporting Standards or IFRS if, as applicable date of reference herein, the Corporation has completed its transition to IFRS.

Section 1.4 Schedules

Attached to and forming part of this Agreement are the following schedules:

Schedule "A" - List of Shareholders

Schedule "B" - Form of Acknowledgement

Schedule "C" - Valuation

ARTICLE 2
DECLARATION OF AGREEMENT; PURPOSE AND SCOPE

Section 2.1 Amendment and Restatement of Prior Shareholder Agreement

The Prior Shareholder Agreement is hereby amended and restated in the form of this Agreement with effect as of the Effective Date. Notwithstanding the foregoing, the Prior Shareholder Agreement shall continue to apply to any action taken or neglected to be taken by any party thereto, and to actions approved by or requiring the approval of shareholders or directors, in any case during such time as the Prior Shareholder Agreement was in full force and effect.

Section 2.2 Unanimous Shareholder Agreement

This Agreement is a unanimous shareholder agreement and pooled voting agreement as contemplated by the Act. Notice of the existence of this Agreement shall be given as may be permitted or required by the Act. The power of the directors to manage or supervise the management of the business and affairs of the Corporation is restricted in accordance with the terms of this Agreement. No amendment to this Agreement that affects the rights, powers and duties of any of the directors is effective until the directors are given written notice of the proposed amendment and an opportunity to resign.

Section 2.3 Share and Warrant Certificate Endorsements

In addition to such legends as may be required by applicable securities laws, each Share and Warrant certificate of the Corporation issued on or after the Effective Date shall be endorsed with a statement to the following effect:

> "The securities evidenced by this certificate are subject to restrictions on their transfer and their voting rights and to the other provisions of a unanimous shareholder agreement between and among Phenomenome Discoveries Inc. and the shareholders of the corporation. All transfers, assignments and dealings of any nature or kind whatsoever with these securities may be made only pursuant to and subject to such restrictions on transfer and voting rights and the provisions of such agreement."

Section 2.4 Other Actions

The Parties shall do all acts and things and execute all documents which may be reasonably necessary or advantageous to enforce this Agreement according to its tenor and intent, and shall vote their Shares from time to time as necessary so as to cause the Corporation to, or to otherwise, carry out the terms of this Agreement.

Section 2.5 Compliance by Corporation

The Corporation undertakes to carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

Section 2.6 Agreement to Vote Shares

In the event that any action requiring approval pursuant to Section 4.8(a) of this Agreement (a "**Special Action**") after Section 4.8(a) is deemed to have been automatically amended in accordance with Section 4.8(d) is approved in accordance with Section 4.8(a) as amended by Section 4.8(d), each Shareholder agrees that it shall execute and deliver all deeds, transfers, consents, resolutions, share certificates or other documents as may be necessary to complete such Special Action (including, without limitation, amendments to this Agreement) and shall vote its Shares in favour of all resolutions relating to such Special Action at any meeting of shareholders of the Corporation and execute all written shareholder and other consents and resolutions relating to such Special Action and the completion of the transaction contemplated thereunder, and each Shareholder hereby expressly waives any right to dissent with respect to any such actions which are required for the purpose of any such Special Action. For greater certainty, this Section 2.6 shall only apply during the period of time that section 4.8(a) is amended pursuant to Section 4.8(d).

Section 2.7 Limitations on Special Rights of Induran, GOF and Institutional Investors

Notwithstanding any term or provision of this Agreement:

(a) if at any time during the term of this Agreement, Induran does not own any Preferred Shares, then it shall have no special rights or privileges hereunder that are rights not otherwise accorded to all Shareholders in general, provided that it is acknowledged that such special rights and privileges may be transferred to a Permitted Transferee under the terms of Section 9.15 (a "**Permitted Transfer of Rights**"). Without limiting the generality of the foregoing, the rights of

Induran set out in Sections 1.1(o), 4.1, 4.2(f), 4.3, 4.4, 4.8(d), 4.11, 4.12(a), 5.5, 9.3 and 9.6 shall not commence until Induran is the registered owner of at least 12,500 Preferred Shares and shall cease upon Induran no longer being the registered owner of Preferred Shares (except to the extent that there is a Permitted Transfer of Rights). Any Permitted Transferee that receives Preferred Shares from Induran and that receives a Permitted Transfer of Rights shall be bound by this Section 2.7(a) in the same manner and to the same extent as Induran and such Permitted Transferee shall have the rights and obligations of Induran under this Agreement. Where Induran owns and then ceases to own any Preferred Shares, Induran shall execute and deliver all documents, waivers, and consents as may be necessary to implement any changes necessary to remove its rights and privileges (including without limitation causing the resignation of any of its nominee directors) as a holder of Preferred Shares hereunder, provided that this shall not be intended to impact any Permitted Transfer of Rights;

(b) The special rights and privileges of GOF set out in Sections 1.1(o), 4.2(f), 4.8(d), 5.5, 9.3 and 9.6 shall not commence until GOF is the registered owner of at least 12,500 Preferred Shares and shall cease upon GOF no longer being the registered owner of Preferred Shares, provided that it is acknowledged that such special rights and privileges may be transferred to a Permitted Transferee under the terms of Section 9.15(a) (a "Permitted Transfer of Rights"). Any Permitted Transferee that receives Preferred Shares from GOF and that receives a Permitted Transfer of Rights shall be bound by this Section 2.7(b) in the same manner and to the same extent as GOF and such Permitted Transferee shall have the rights and obligations of GOF under this Agreement. Where GOF owns and then ceases to own any Preferred Shares, GOF shall execute and deliver all documents, waivers, and consents as may be necessary to implement any changes necessary to remove its rights and privileges as a holder of Preferred Shares hereunder, provided that this shall not be intended to impact any Permitted Transfer of Rights; and

(c) if at any time any Institutional Investor does not own any Shares, then it shall have no further rights under this Agreement, and shall execute and deliver all documents, waivers, and consents as may be necessary to remove its rights and privileges (including without limitation causing the resignation of any of its nominee directors) hereunder.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Each of the Shareholders represents and warrants to each other and to the Corporation that:

(a) such Shareholder at the date hereof, owns beneficially and of record the number of Shares set forth opposite such Shareholder's name on Schedule "A" attached hereto, as applicable;

(b) if the Shareholder is an individual, such Shareholder has the capacity to enter into and give full effect to this Agreement;

(c) if the Shareholder is a corporation, it is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and it has the corporate power and capacity to own its assets and to enter into and perform its obligations under this Agreement;

(d) if the Shareholder is a trust, partnership or joint venture, it is duly constituted under the laws that govern it and it has the power to own its assets and to enter into and perform its obligations under this Agreement;

(e) this Agreement has been duly authorized by such Shareholder and has been duly executed and delivered by such Shareholder, and constitutes a valid and binding obligation of such Shareholder enforceable against such Shareholder in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies;

(f) the execution, delivery and performance of this Agreement does not and shall not contravene the provisions of its articles, by-laws, constating documents or other organizational documents or the documents by which such Shareholder was created or established or the provisions of any indenture, agreement or other instrument to which such Shareholder is a party or by which such Shareholder may be bound; and

(g) subject to the terms of this Agreement and any change in applicable law, all of the foregoing representations and warranties shall continue to be true and correct during the term of this Agreement.

ARTICLE 4
MANAGEMENT OF THE CORPORATION

Section 4.1 Election of Directors

(a) Subject to the other provisions of this Agreement including, without limitation, Sections 2.7(a), 4.1(d), 4.2 and 5.5, the Board shall consist of up to thirteen (13) directors, initially constituted as follows:

(i) Yol Bolsum is entitled to have five (5) nominees elected to the Board, who shall initially be Dayan Goodenowe, Stan Yakatan and John Ryan, with two vacant positions;

(ii) Hyshka is entitled to be elected to the Board;

(iii) Dynex is entitled to have two (2) nominees elected to the Board, who shall initially be Shalabh Gupta and James Eaton;

(iv) GOF is entitled to have one (1) nominee elected to the Board, who shall initially be Doug Banzet;

(v) CIC is entitled to have one (1) nominee elected to the Board, who shall initially be Charlene Gavel;

(vi) Tancho I is entitled to have one (1) nominee elected to the Board, who shall initially be Stan Stewart; and

(vii) Induran is entitled to have one (1) nominee elected to the Board, who shall initially be Peter Blaney.

(b) Notwithstanding Section 4.1(a): (i) Hyshka may at any time decline his right to be elected to, or may resign from, the Board; and (ii) each of Yol Bolsum, Dynex, GOF, CIC, Tancho I and/or Induran may at any time decline to put forward any of the nominee(s) to which it is entitled, and in the case of (i) or (ii), the size of the Board shall be reduced accordingly until such time as one

or more further nominee(s) are put forward and duly elected by the Shareholders, all in accordance with the terms of this Agreement.

(c) Each Shareholder shall vote its Shares and/or deliver any necessary written resolutions to immediately elect the directors nominated in accordance with this Agreement.

(d) Notwithstanding the foregoing, if a Payout Event occurs at any time, then Section 4.1(a)(vii) of this Agreement shall cease to have any further force and effect and thereafter, Yol Bolsum shall be entitled to have six (6) nominees elected to the Board.

Section 4.2 Removal of Director

(a) Each of Yol Bolsum, Dynex, GOF, CIC, Tancho I and Induran has the right to remove any one (1) or more, as applicable, of its nominee(s) as director(s) of the Corporation, as it sees fit. If it wishes to do so, such Shareholder (the "**Removing Shareholder**") shall deliver to the Secretary a notice (the "**Removal Notice**") requesting the removal of its nominee from the Board. The Shareholders agree to vote their Shares in the Corporation and/or deliver any necessary written resolutions to immediately remove the director identified in the Removal Notice, and provided the Removing Shareholder has concurrently supplied the name of its new nominee to the Board of the Corporation, to immediately elect such new nominee to the Board.

(b) If Hyshka ceases to be legally qualified to act as a director, ceases to own Shares in the Corporation, or ceases to be an employee of the Corporation, his rights to be elected under Section 4.1(a) shall cease, and Shareholders may vote their Shares to remove Hyshka from the Board. Nothing contained herein shall prevent Hyshka from being the nominee of Yol Bolsum, CIC, Golden, Dynex, Tancho I or Induran under the provisions of Sections 4.1 or 5.5(b).

(c) If any of Yol Bolsum, Dynex, GOF, CIC, or Tancho I cease to own voting Shares in the Corporation, its rights to nominate and have elected any director(s) under Section 4.1 shall cease, and Shareholders may vote their Shares to remove any such nominee or nominees from the Board.

(d) If Induran ceases to own Preferred Shares, its rights to nominate and have elected a director under Section 4.1 shall cease, and Shareholders may vote their Shares to remove any such nominee from the Board.

(e) Notwithstanding Section 4.1(a)(i) and subject to Section 5.5, if at any time:

(i) Dayan Goodenowe dies or becomes mentally incapacitated; or

(ii) Yol Bolsum is declared bankrupt or is insolvent;

(in the case of (i) or (ii), a "**Special Event**") then for so long as the Special Event is in effect, the following shall occur:

(iii) where Yol Bolsum owns more than 50% of the voting Shares in the Corporation at the time of the Special Event:

(A) unless otherwise unanimously consented to by John Hyshka and the Institutional Investors, the Shareholders shall remove two of the nominee directors of Yol Bolsum, as chosen by Yol Bolsum; and

(B) the Shareholders shall elect such additional two nominees, if any, as nominated in writing by those of John Hyshka and Institutional Investors representing a majority of the voting Shares held by John Hyshka and the Institutional Investors; or

(iv) where Yol Bolsum owns 50% or less of the voting Shares in the Corporation at the time of the Special Event:

(A) unless otherwise unanimously consented to by John Hyshka and the Institutional Investors, the Shareholders shall remove two of the nominee directors of Yol Bolsum, as chosen by Yol Bolsum; and

(B) the Shareholders shall, by ordinary election, elect two directors to fill the resulting vacancies on the Board.

(f) Subject to Sections 2.7(a) and 2.7(b), Yol Bolsum shall enter into an agreement with each of its nominees to the Board, Induran and GOF requiring each such nominee to immediately resign from the Board if required by Induran or GOF in order to implement any reconstitution of the Board under Section 5.5 of this Agreement.

(g) Induran shall enter into an agreement with its nominee to the Board and Yol Bolsum requiring such nominee to immediately resign from the Board if required by Yol Bolsum in order to implement a reconstitution of the Board at any such time as Induran has owned but then no longer owns Preferred Shares, provided that if Induran has completed a Permitted Transfer of Rights it is acknowledged that the Permitted Transferee of Induran shall have the rights and obligations of Induran under this Article 4.

(h) Yol Bolsum shall enter into an agreement with its nominees to the Board and the Institutional Investors requiring such nominees to immediately resign from the Board if required in order to implement any reconstitution of the Board under Section 4.1(e) of this Agreement.

Section 4.3 Vacancies on the Board of Directors

If there is a vacancy on the Board, then subject to Section 4.1(b), such vacancy must be filled by either the Board pursuant to the provisions of the Act or by election at a duly constituted meeting of voting Shareholders or written resolution signed by all of the voting Shareholders; provided however, that subject to Section 2.7, the provisions of Sections 4.1, 4.2 and 5.5 shall be complied with in all respects. Such meeting shall be held, or such resolution circulated for signature, as soon as it is reasonably possible to do so, following the time of such vacancy.

Section 4.4 Meetings of Directors

Meetings of the Board shall be held no less than four (4) times per year. Subject to Sections 2.7 and 5.5 of this Agreement, quorum for any meeting of the Board shall consist of at least a majority of the directors then in office and shall include at least three (3) directors who are the nominees of any

three (3) of the Institutional Investors and Induran, of which one (1) of such nominees must be the nominee of CIC or GOF; provided that all of the Institutional Investors and Induran (so long as Induran has the right to nominate any member of the Board under the terms of this Agreement) may collectively agree to waive compliance with this provision in whole or in part for any particular meeting, for the remainder of the term of this Agreement, or such other period of time as they see fit. Notwithstanding the foregoing, if a quorum is not obtained at any meeting to which this Section 4.4 applies, the meeting shall be adjourned and may be reconvened on not less than five (5) Business Days notice to the directors, at which reconvened meeting, the quorum shall be a majority of the directors then in office, provided that only matters contained in the original notice shall be transacted at such reconvened meeting. Subject to Section 2.7(a), copies of all materials, whether in electronic or written form, provided to directors in connection with Board meetings which are not subject to solicitor client privilege or third party confidentiality obligations shall be provided to Induran at the same time that such materials are provided to the directors.

Section 4.5 Chairman of the Board

The Chairman of the Board shall be appointed by the Board annually, provided that for so long as Induran and GOF are entitled to nominate a majority of the Board under Section 5.5, the majority of the directors then in office may vote to remove and/or replace the Chairman at any time. The Chairman may be appointed for more than one consecutive term. The Chairman is entitled to vote at all meetings of the Board and where the Chairman is a Shareholder or the representative of a Shareholder, to vote at all meetings of Shareholders, but is not entitled to a second casting vote at any meeting of the Board or the Shareholders.

Section 4.6 Shareholder Rights

From and after the Effective Date:

(a) No dividends shall be declared on the Class A Shares unless at the same time an equal dividend, on a share-for-share basis, is declared on the Class B Shares;

(b) No dividends shall be declared on the Class B Shares unless at the same time an equal dividend, on a share-for-share basis, is declared on the Class A Shares; and

(c) No split or consolidation (or similar transaction) of Common Shares shall occur with respect to any class of Common Shares of the Corporation unless at the same time the same proportionate split or consolidation (or similar transaction) of Shares occurs on the other classes of Common Shares of the Corporation.

Section 4.7 Yol Bolsum Rights

(a) Subject to Sections 4.7(b) and 5.5 of this Agreement, the directors of the Corporation shall not issue any Shares in the capital stock of the Corporation (other than Permitted Additional Securities) without the consent of Yol Bolsum, including to existing or subsequent Shareholders.

(b) Notwithstanding the foregoing, Section 4.7(a) shall not apply for so long as a Special Event is in effect.

Section 4.8 Restrictions on the Corporation

(a) Subject to Sections 4.8(c), 4.8(d) and 5.5 of this Agreement, the Corporation shall not take any of the following actions without either the approval of at least three-quarters of the votes cast by the directors at a duly convened meeting or the unanimous written resolution of all of the directors:

(i) Any amendment or any change to the Articles or the bylaws of the Corporation;

(ii) Any change in the fiscal year end;

(iii) Any declaration or payment of dividends or other distributions, return of capital, redemption, cancellation, repurchase or acquisition of shares or securities convertible into shares;

(iv) The issuance of any Securities other than Permitted Additional Securities;

(v) Any issuance of debt security and the granting of any type of security on the assets of the Corporation not provided for in the relevant budget once approved by the Board;

(vi) Carrying on any business other than the existing business or change in any material aspect of the business of the Corporation or the manner in which the same is carried on;

(vii) Any transaction or contract which does not fall within the Corporation's ordinary course of business;

(viii) The incorporation, creation, or acquisition of any entity that would be an Affiliate or a subsidiary of the Corporation;

(ix) The granting or repayment of any loan, advance, guarantee or suretyship to one or more persons as well as any investment in a firm, other than ordinary course borrowings under the Corporation's operating line of credit;

(x) The sale, license or assignment of security or other disposition of any patent, trademark, process, trade secret, license, distribution right or other asset or intellectual property of the Corporation, other than: (A) the non-exclusive license of the bioinformatics software to customers and collaborators of the Corporation; and (B) any licence or other disposition of intellectual property rights granted to customers, collaborators, or sample providers as part of the negotiation of contracts with such customers, collaborators, or other sample providers for or arising from the analysis of their samples, provided such customers, collaborators, or other sample providers are at Arm's Length to the Corporation and the Shareholders;

(xi) The sale, lease, exchange, mortgage or any other disposition of any real property of the Corporation;

(xii) The making of any capital expenditures in any fiscal year of more than the cumulative annual amount of $100,000 that are not provided for in the relevant budget once

approved by the Board, or the making of any capital expenditure not directly related to the business of the Corporation;

(xiii) Any amendment or change to the capital structure of the Corporation;

(xiv) The corporate restructuring, amalgamation or merger of the Corporation with any other body corporate;

(xv) The disposition of all or substantially all of the assets of the Corporation or of any subsidiary or the disposition of any shares of any subsidiary;

(xvi) Approval of the recommendation of the Compensation Committee as to any proposed payment or changes to payment of salaries, bonuses, fees, benefits or any other form of payment to the CEO, CFO, directors, officers, and executives of the Corporation;

(xvii) The creation or material amendment of any share ownership or incentive plan for employees;

(xviii) Any act pertaining to the winding up, dissolution or ceasing of the Corporation's operations;

(xix) The filing of an application for bankruptcy protection or similar procedures;

(xx) The approval of public offerings; and

(xxi) The institution or settlement of legal proceedings outside the ordinary course of business or for an amount exceeding $50,000.

(b) Reserved.

(c) Notwithstanding Section 4.8(a), if the disposition of sufficient assets of the Corporation to permit the redemption of all and not less than all of the Preferred Shares then outstanding pursuant to which the payment of the aggregate Preferred Share Preferential Amount payable on all and not less than all of the Preferred Shares then outstanding will be paid in full in cash to the holders of the Preferred Shares pursuant to a transaction to be completed on or before the Trigger Date, is proposed (a **"Repayment Transaction"**), then: (i) Section 4.8(a) shall not apply to the Repayment Transaction; and (ii) in the event that a simple majority of the Board approves the Repayment Transaction at a duly called meeting of the Board (which, for greater certainty, shall be the sole approval required for such Repayment Transaction), each Shareholder agrees that it shall execute and deliver all deeds, transfers, consents, resolutions, share certificates or other documents as may be necessary to complete the Repayment Transaction and shall vote its Shares in favour of all resolutions relating to the Repayment Transaction at any meeting of Shareholders of the Corporation and execute all written shareholder and other consents and resolutions relating to the Repayment Transaction and the completion thereof, and, each Shareholder hereby expressly waives any right to dissent with respect to any such actions which are required for the purpose of the completion of the Repayment Transaction approved by the simple majority of the Board. The Corporation shall redeem all and not less than all of the Preferred Shares and pay the aggregate Preferred Share Preferential Amount in cash in

accordance with the provisions of the Articles, no later than the date that is twenty (20) days after the closing of the Repayment Transaction.

(d) Notwithstanding Section 4.8(a) but subject to Sections 2.7(a) and 2.7(b), in the event that a Payout Event fails to occur, then for so long as Induran and/or GOF own(s) Preferred Shares (and no longer):

(i) the following language shall be deemed to have been automatically deleted from Section 4.8(a):

"Subject to Sections 4.8(c), 4.8(d) and 5.5 of this Agreement, the Corporation shall not take any of the following actions without either the approval of at least three-quarters of the votes cast by the directors at a duly convened meeting or the unanimous written resolution of all of the directors:", and

(ii) the following language shall be substituted therefor:

"Subject to Sections 2.7(a) and 2.7(b), the Corporation shall not take any of the following Special Actions without the prior written approval of:

(A) *A. Induran or its Permitted Transferee (only so long as Induran or its Permitted Transferee owns Preferred Shares); and B. GOF or its Permitted Transferee (only so long as GOF or its Permitted Transferee owns Preferred Shares); or*

(B) *at least two (2) of Induran, Yol Bolsum and GOF, provided that in the event that such Special Action is not taken in connection with a transaction that will result in the payment of the aggregate Preferred Share Preferential Amount payable on all and not less than all of the Preferred Shares then outstanding being made in full in cash to the holders of the Preferred Shares immediately upon the consummation of such Special Action (as determined by each of Induran and GOF, acting reasonably), the approval in writing of each of (X) Induran or its Permitted Transferee (so long as Induran or its Permitted Transferee owns Preferred Shares), and (Y) GOF or its Permitted Transferee (so long as GOF or its Permitted Transferee owns Preferred Shares):"*

provided that: (I.) if neither Induran nor its Permitted Transferee any longer owns Preferred Shares, reference to Induran and its Permitted Transferee shall be deemed to have been deleted from Section 4.8(a) as amended by Section 4.8(d)(i) and (ii) above; (II.) if neither GOF nor its Permitted Transferee any longer owns Preferred Shares, reference to GOF and its Permitted Transferee shall be deemed to have been deleted from Section 4.8(a) as amended by Section 4.8(d)(i) and (ii) above; and (III.) if Induran and GOF and their respective Permitted Transferees no longer own Preferred Shares, then the language in Section 4.8(a) as amended by Section 4.8(d)(i) and (ii) above shall be deemed to have ceased to apply and the language deleted from Section 4.8(a) pursuant to Section 4.8(a)(i) shall be deemed to have been re-inserted in Section 4.8(a), in the case of (I.), (II.) or (III.), as of and from the date that Induran and/or GOF and their respective Permitted Transferees no longer own Preferred Shares, as applicable.

Section 4.9 Reserved

Section 4.10 Issuance of Additional Shares from Treasury

(a) Subject to Sections 4.7, 4.8, and 4.10(b) of this Agreement, the Board may approve the issuance of additional Shares, or options or warrants exercisable for additional Shares, on such terms and for such price as the Board in its absolute discretion (but subject to applicable law) sees fit.

(b) Notwithstanding Section 4.10(a), where the Board proposes to issue Shares to any Person (the "**Subscriber**"), the following provisions shall be complied with, unless waived in writing by the Special Majority:

(i) The proposed allotment of Shares shall be first offered by the Corporation, at a subscription price determined or fixed by the directors of the Corporation, to all the Shareholders of the Corporation as nearly as may be in proportion to the number of Common Shares held by them immediately prior to the date of such offer;

(ii) The offer referred to in Section 4.10(b)(i) (referred to in this section as the "**Offer**") shall specify the subscription price, shall limit the time within which the Offer, if not accepted, will be deemed to be declined (which time shall not be less than 30 days and not more than 60 days after the date of the Offer), and shall state that any Shareholder who desires to subscribe for an amount of Shares so offered greater than his or its proportionate share shall in his or its reply state how many Shares subject to the Offer greater than his or its proportionate share it desires. If all the Shareholders do not claim their respective proportions, the unclaimed Shares so offered shall be issued to satisfy the claims of Shareholders for shares in excess of their respective proportions, and if such claims are more than sufficient to exhaust such unclaimed shares, the unclaimed Shares shall be divided pro rata among the Shareholders desiring excess shares in proportion to the number of Shares greater than its proportionate share each Shareholder desired; provided that no such Shareholder shall be bound to take any shares in excess of the amount which it desires;

(iii) If, by the time limited in the Offer, all the Shares offered thereunder have not been subscribed for by the Shareholders in pursuance to the above, the Corporation may issue such portion of the Shares not subscribed for to the Subscriber at a price not less than the said subscription price.

(c) The Corporation shall not issue options or warrants for Shares to any Subscriber without similarly complying with the provisions of Section 4.10(b).

(d) Where, for the purposes of this Section 4.10, the Board proposes to create a new class of Shares for issuance, all Shareholders entitled to vote to approve such amendment to the Articles of the Corporation agree to cast their votes in favour of such resolution, provided that, notwithstanding the foregoing, each of Induran or its Permitted Transferee (so long as Induran or its Permitted Transferee owns Preferred Shares) and GOF or its Permitted Transferee (so long as GOF or its Permitted Transferee owns Preferred Shares) shall not be required to cast its votes in favour of such resolution and the prior written consent of each of Induran or its Permitted Transferee (so long as Induran or its Permitted Transferee owns Preferred Shares) and GOF or its Permitted Transferee (so long as GOF or its Permitted Transferee owns Preferred Shares) shall

be required in order to create such new class of Shares for issuance if such new class of Shares (a "**Senior Class of Shares**") contains any rights or privileges that are equal or superior to the rights and privileges of the Preferred Shares and/or, such new class of Shares has any rights, privileges and restrictions that would have an adverse effect on the payment of the Preferred Share Preferential Amount to the holders of the Preferred Shares as determined by each of Induran and GOF, each acting reasonably. Notwithstanding the foregoing, the prior written consent of each of Induran or its Permitted Transferee and GOF or its Permitted Transferee shall not be required under this Section 4.10(d) in the event that the Board's stated purpose (as reflected in the applicable Board resolutions) in creating the Senior Class of Shares is to raise funds at least sufficient to ensure that all the Preferred Shares are redeemed and the aggregate Preferred Share Preferential Amount then payable on all and not less than all of the Preferred Shares then outstanding is paid in full in cash to the holders of the Preferred Shares in accordance with the Articles, provided that this sentence shall only apply where all applicable documentation entered into by any Person (including without limitation, the Corporation) in connection with the creation of the Senior Class of Shares and the issuance of any Shares forming part of the Senior Class of Shares (the "**Senior Shares**") provides that the aggregate Preferred Share Preferential Amount shall be paid in full in cash to the holders of the Preferred Shares immediately upon the closing of the issuance of any Senior Shares. Notwithstanding the foregoing, the Corporation shall not issue any Senior Shares without the prior written consent of each of Induran or its Permitted Transferee (so long as Induran or its Permitted Transferee owns Preferred Shares) and GOF or its Permitted Transferee (so long as GOF or its Permitted Transferee owns Preferred Shares), unless concurrently with such issuance of such Senior Shares, the Preferred Shares are redeemed and the aggregate Preferred Share Preferential Amount then payable on all and not less than all of the Preferred Shares then outstanding is paid in full in cash to the holders of the Preferred Shares in accordance with the Articles.

(e) Before issuing any Shares, options or warrants for Shares to any Subscriber who is not already a Shareholder, it shall be a prerequisite to such issuance that such Subscriber first enters into and agrees to be bound by the terms of this Agreement in the same manner as the other Shareholders.

(f) The Corporation may issue additional Securities without complying with the provisions of Section 4.10(b) if such additional Securities are Permitted Additional Securities.

Section 4.11 Right to Additional Information

(a) Subject to Section 2.7 and the other terms of this section 4.11, the Corporation shall provide to each of the Institutional Investors, Induran (so long as Induran has the right to nominate any member of the Board under the terms of this Agreement) and to each director of the Board:

(i) Within 90 days of the fiscal year end, audited consolidated and non-consolidated financial statements of the Corporation and any of its subsidiaries;

(ii) Quarterly unaudited consolidated and non-consolidated financial statements, including comparison to budget and prior year, within 20 days of the quarter end, to be prepared on a basis consistent with GAAP;

(iii) In conjunction with the quarterly financial statements, a report summarizing key developments in each function area during the quarter, details of related party transactions, details of any occupational health & safety or environmental issues;

(iv) Monthly financial statements within 20 days of month end;

(v) The annual business plan together with the operating budget, and the capital expenditure budget, within 30 days before the end of the previous fiscal year;

(vi) All additional relevant information allowing for a proper analysis of the Corporation's business operations, including but not limited to threatened legal action and any material adverse change;

(vii) Prior to each Board meeting, a report signed by the chief executive officer or chief financial officer of the Corporation stating that all taxes and other source deductions have been remitted to the proper authorities, and all salaries and wages have been paid; and

(viii) copies of any notice, letter or document informing the Corporation of a default or a threatened or actual legal proceeding or similar matter regarding:

(A) any contract or undertaking to which the Corporation is a party, or

(B) any law or regulation applicable to the Corporation.

(b) No Shareholder shall require its nominee director or directors to disclose to it any information which would be in breach of such director's obligation to hold such information in confidence pursuant to his or her statutory or common law fiduciary duties or the standard of care applicable to such director.

(c) Management of the Corporation shall use best efforts to identify for the directors and Shareholders any information disclosed to such Persons that management believes is confidential.

(d) Notwithstanding the provisions of Section 4.11(b), in addition to that information disclosed to each Shareholder pursuant to Section 4.11(a), a nominee director may disclose to the Shareholder that appointed such nominee director any and all relevant information required by the Shareholder to properly assess and monitor the Shareholder's investment in the Corporation.

(e) All information received by: (i) Induran pursuant to Section 4.4; or (ii) a Shareholder pursuant to either Section 4.11(a) or 4.11(d), shall be held in confidence, as follows:

(i) subject to subparagraph (ii) below, disclosure shall be limited to the following:

(A) to those directors, officers, employees and professional advisors of the Shareholder (or its general partner, if applicable) who need to know such confidential information, provided any such Person is subject to the same obligations of confidentiality;

(B) to the shareholders of CIC, and their professional advisors who need to know such confidential information, provided any such Person is subject to the same obligations for confidentiality;

(C) to limited partners of Dynex, Tancho I and, subject to Section 2.7(a), Induran, and their professional advisors who need to know such confidential information, provided any such Person is subject to the same obligations for confidentiality;

(D) as required in order to comply with any regulatory reporting requirements of any governmental authority, stock exchange or securities regulatory body having jurisdiction over the Shareholder.

(ii) CIC is further permitted to disclose financial information provided under Section 4.11(a), to the Government of Saskatchewan or its governmental agencies, as required by law and legislative custom provided that:

(A) nothing contained in this exemption shall be construed as permitting disclosure under the terms of *The Freedom of Information and Protection of Privacy Act* (Saskatchewan), and all such financial information shall be considered to be confidential within the meaning of Section 19(1) thereof; and

(B) all such financial information so disclosed shall be prominently marked as "Confidential and not for Further Circulation or Distribution".

Section 4.12 Compensation of Senior Management

(a) The granting of and any increases to the compensation of the Chief Executive Officer, the Chief Financial Officer, directors, and executives shall be entrusted to a Compensation Committee reporting to the Board for approval. The Compensation Committee shall be appointed by the Board and shall include at least one director who is the nominee of an Institutional Investor or of Induran (for so long as Induran has a nominee appointed to the Board).

(b) Nothing contained in this section shall restrict: (1) any person from receiving payment of any dividends declared in compliance with this Agreement on their Shares, nor (2) Yoi Bolsum from receiving license fees due to it under the Licence Agreement.

ARTICLE 5
TRANSFER AND DISPOSITION OF SECURITIES

Section 5.1 Transfer and Issuance of Securities

(a) No Shareholder shall Transfer any Securities, or any of its rights or obligations under this Agreement, to any Person, except as specifically permitted or required by this Agreement. To the extent permitted by law, the Corporation shall not be required: (A.) to record on its books the Transfer of any Securities, or (B.) to treat as the owner of the Securities, or otherwise to accord voting or dividend rights to, any transferee to whom Securities have been transferred in contravention of this Agreement.

(b) In addition to the rights given to it in Section 5.1(e) below but subject to the provisions of Sections 5.2, 5.3, and 5.4, Yol Bolsum may Transfer its Securities to any Third Party, provided that: (i) such Transfer is of all and not less than all of its Securities and to a single Person; and (ii) the transferee agrees to be bound by, and become a party to, this Agreement in accordance with Section 5.1(g) below.

(c) In addition to the rights given to it in Section 5.1(e) below but subject to the provisions of Sections 5.2 and 5.4, Dynex may Transfer its Securities to any Person with the written consent of Yol Bolsum, provided the Person to whom such Securities are transferred first enters into and agrees to be bound by the terms of this Agreement in the same manner as Dynex.

(d) In addition to the rights given to it in section 5.1(e) below, in the event that a Payout Event occurs or Induran otherwise ceases to own Preferred Shares and Induran owns Warrant Shares in the capital stock of the Corporation, then Induran may transfer such Warrant Shares to all or any of the partners of Induran as part of a distribution of assets to the partners of Induran, provided that each transferee agrees to be bound by, and become a party to, this Agreement in accordance with Section 5.1(g) below.

(e) Subject to Section 5.2, each of Yol Bolsum, the Institutional Investors and Induran (a "**Permitted Transferor**") may, after giving notice to the Corporation, Transfer all of the Securities beneficially owned by it to:

(i) any Affiliate of the Permitted Transferor;

(ii) any fund under common management or Control with the Permitted Transferor (or any successor to the Permitted Transferor), or whose manager or general partner, as applicable, is the same as or an Affiliate of the manager or general partner of the Permitted Transferor (or its successor by amalgamation), or that is managed directly or indirectly by: (i) any partner of the Permitted Transferor, or (ii) any director or officer that is also a director or officer of the general partner of the Permitted Transferor;

(iii) where the Permitted Transferor is a partnership, a partner of the Permitted Transferor where such Transfer is made in connection with a distribution of assets to the partners of the Permitted Transferor; or

(iv) any Person in connection with the sale of all or substantially all of the assets of the Permitted Transferor or the liquidation or dissolution of the Permitted Transferor,

provided, that, (1) such Transfer is of all and not less than all of its Securities and to a single Person and (2) the transferee agrees to be bound by, and become a party to, this Agreement in accordance with Section 5.1(g) below.

(f) Subject to Section 5.2, Hyshka shall be permitted to Transfer all of his Securities to a single Person as approved by the Special Majority, provided, that, such transferee agrees to be bound by, and become a party to, this Agreement in accordance with Section 5.1(g) below.

(g) Every Transfer of Shares held by a Shareholder is subject to the conditions that:

(i) the proposed transferee, if not already bound by the terms of this Agreement, first agrees, in writing, to become a party to and be bound by the terms of this Agreement by signing an acknowledgment substantially in the form annexed hereto as Schedule "B" (or in such other form as may be approved by the Board from time to time);

(ii) the Transfer is approved in accordance with the Articles; provided, that, any Transfer referred to in Section 5.1 or that is otherwise a permitted Transfer pursuant to this Agreement shall be deemed to be consented to by the Shareholders for the purposes of any restrictions on Transfer in the Articles; and

(iii) the Shareholder shall have provided the Corporation with written assurances, in form and substance satisfactory to the Corporation, that: (A.) the proposed Transfer is exempt from the registration and prospectus requirements of all applicable securities laws, and (B.) all appropriate action necessary for compliance with applicable securities laws and regulatory policies in connection with such proposed Transfer have been taken.

(h) Notwithstanding any other term of this Agreement, Sections 5.3 and 5.4, as applicable, shall not apply to a Transfer of Securities permitted under Sections 5.1(d), 5.1(e) or 5.1(f).

(i) To the extent permitted by law, the Corporation shall refuse to issue any new Shares to any Person who is not a Party hereto, and the issuance of Shares to any such Person shall not be approved by the Board, unless such Person has agreed to become a Party hereto and bound by all the provisions hereof by signing an acknowledgment substantially in the form annexed hereto as Schedule "B" (or in such other form as may be approved by the Board from time to time).

Section 5.2 Drag-Along Rights

(a) If:

(i) a third party (which may for this purpose include another Shareholder) offer is made to the Corporation and/or one or more of the Shareholders that provides for: (A.) any merger, amalgamation, reorganization, consolidation or other transaction involving the Corporation and any other corporation or other entity or person in which the persons who were the shareholders of the Corporation immediately prior to such merger, amalgamation, reorganization, consolidation or other transaction own less than fifty percent (50%) of the outstanding voting shares of the surviving or continuing entity after such merger, amalgamation, reorganization, consolidation or other transaction; (B.) the sale, exchange or transfer by the Corporation's shareholders, in a single transaction or series of related transactions, of at least a majority of the outstanding voting Shares of the Corporation (other than those held by the Person making the third party offer); or (C.) the sale, lease, license, abandonment, transfer or other disposition of all or substantially all the assets of the Corporation or the exclusive license of all or substantially all of the Corporation's material intellectual property and technology (any transaction referred to in (A.), (B.) or (C.) above being hereinafter referred to as a "**Sale Transaction**"); and

(ii) subject to the other provisions of this section 5.2, the Sale Transaction has been irrevocably accepted, or otherwise approved, by a Special Majority,

then, upon being notified by the Corporation or such third party offeror that a Special Majority has accepted, or otherwise approved, the Sale Transaction, each Shareholder: (I.) shall, if the Sale Transaction involves a sale or other tender of Shares, sell all of the Shares held by such Shareholder to the third party offeror pursuant to the terms of the Sale Transaction in accordance with the offer upon the terms and at the price contained in the offer; (II.) shall vote in favour of (for the purposes of any approval acquired by the Act, the Articles, this Agreement or otherwise), and otherwise act (including, without limitation, by executing and delivering when required by the Corporation all documents and instruments), to approve the Sale Transaction and any continuance, reorganization or recapitalization or any other change to the Articles and this Agreement that is necessary or desirable to facilitate the Sale Transaction, as applicable; and (III.) shall provide such reasonable representations, warranties, indemnities, covenants, non-compete agreements, escrow agreements and other agreements as may be required by the third party offeror pursuant to such Sale Transaction, provided that the liability of each Shareholder under the definitive agreement for the sale transaction (including, without limitation, liability for a breach of representation or warranty or for a claim under an indemnity) shall not exceed the lesser of such Shareholder's (A) pro rata share of any claim; and (B) the purchase price payable to such Shareholder. To the extent permitted by law, each Shareholder hereby expressly waives any right to dissent or appraisal under applicable laws with respect to the transactions or approvals referred to in clause (II.) above.

(b) Notwithstanding any other term of this Agreement, the terms of this Section 5.2 shall apply, *mutatis mutandis*, to any Preferred Share Liquidity Transaction approved by at least two (2) of the three (3) members of the Liquidity Committee as if such Preferred Share Liquidity Transaction was a Sale Transaction under this Section 5.2. In the event any Preferred Share Liquidity Transaction is approved under Section 5.5, all references to "a Special Majority" in this Section 5.2 and in Sections 5.3 and 5.4 shall be automatically deemed to be references to "at least two (2) of the three (3) members of the Liquidity Committee".

(c) Notwithstanding the provisions of this Section 5.2, nothing contained in this Section 5.2 shall be of application to a Repayment Transaction governed by Section 4.8(c).

Section 5.3 Tag-Along Rights

(a) Subject to having first complied with the provisions of Section 5.4, if Yol Bolsum wishes to sell some or all of its Securities to a Third Party in any one transaction or any series of related transactions, directly or indirectly, such sale or other disposition shall not be permitted unless:

(i) the consideration being paid for the Securities being sold is only cash; and

(ii) Yol Bolsum shall offer (or cause the Third Party to offer) each other Shareholder (a "**Tag-Along Offeree**") the right to elect to include, at the sole option of each Tag-Along Offeree, the number of Shares owned by each Tag-Along Offeree as is determined in accordance with Section 5.3(b) in the sale or other disposition to the Third Party. Yol Bolsum shall give notice to each Tag-Along Offeree describing the transaction and setting out the terms of the Third Party offer (the "**Tag-Along Notice**") and, at any time within 15 days after receipt of the Tag-Along Notice, each Tag-Along Offeree may elect

to include such number of Securities of each class owned by such Tag-Along Offeree in such a sale by giving written notice of election (an "**Inclusion Election**") to Yol Bolsum and delivering to Yol Bolsum share certificates representing such Securities (the "**Tag-Along Shares**"), together with a limited power of attorney authorizing Yol Bolsum to sell such Tag-Along Shares pursuant to the terms of such Third Party's offer. Any Tag-Along Offeree that delivers an Inclusion Election but does not provide Yol Bolsum with his or its Shares and Power of Attorney must stand ready, willing, and able to close on the closing date of the transaction, and shall indemnify Yol Bolsum from all costs, charges, expenses, and losses suffered or incurred (including all solicitors' fees and expenses) as a result of the failure of such Tag-Along Offeree to close the sale of its Shares.

(b) Each Tag-Along Offeree shall have the right to sell, pursuant to the Third Party's offer, that percentage of the Tag-Along Offeree's Securities that is equal to the percentage of the Securities to be sold by Yol Bolsum; provided however that if the Third Party's offer is for a maximum number of Securities, and the number of Securities that Yol Bolsum and the Tag-Along Offeree(s) making Inclusion Elections wish to sell exceed such number, then the right to sell the Securities pursuant to the Third Party's offer shall be allocated on a pro rata basis among Yol Bolsum and the Tag-Along Offerees making an Inclusion Election in proportion to (i) the respective number of Securities owned by Yol Bolsum or such Tag-Along Offeree, as the case may be, as compared with (ii) the aggregate number of shares of each class owned by Yol Bolsum and such other Tag-Along Offerees.

(c) The purchase by the Third Party from the Tag-Along Offerees pursuant to this Section 5.3 shall be on the same terms and conditions, including the price per Security and the date of sale or other disposition, as are received by Yol Bolsum and stated in the Tag-Along Notice, except that the Tag-Along Offerees who are in management of the Corporation and who have given an Inclusion Election may be required to give representations and warranties similar to those given by Yol Bolsum in the share purchase agreement. Each Tag-Along Offeree shall provide such reasonable representations, warranties, indemnities, covenants, non-compete agreements, escrow agreements and other agreements as may be required by the Third Party offeror pursuant to such Third Party offer, provided that the liability of each Tag-Along Offeree under the definitive agreement for the sale transaction (including, without limitation, liability for a breach of representation or warranty or for a claim under an indemnity) shall not exceed the lesser of such Tag-Along Offeree's (A) pro rata share of any claim; and (B) the purchase price payable to such Tag-Along Offeree.

(d) If, within 15 days after the Tag-Along Notice is given, any other Shareholder has not accepted the offer to make an Inclusion Election, that other Shareholder will be deemed to have waived any and all of his or its rights with respect to the sale of Securities described in the Tag-Along Notice. Yol Bolsum shall have 120 days after such 15 day period in which to sell or otherwise dispose of the Securities of Yol Bolsum and the Tag-Along Offerees that have made an Inclusion Election (as calculated pursuant to Section 5.3(b)), to the Third Party, at a price and on terms not more favourable to Yol Bolsum than were set forth in the Tag-Along Notice.

(e) If, at the end of such 120 day period, Yol Bolsum shall not have completed the sale of the Securities of Yol Bolsum and of any Tag-Along Offerees making an Inclusion Election, Yol Bolsum shall return to the Tag-Along Offerees all certificates which the Tag-Along Offerees have delivered for sale pursuant to Section 5.3(a)(ii).

(f) This Section 5.3 shall not apply if the sale of Securities by Yol Bolsum is pursuant to a transaction pursuant to which a Special Majority has approved a Sale Transaction and otherwise exercised the drag-along rights provided in Section 5.2 with respect to a Sales Transaction.

(g) This Section 5.3 shall not apply if the sale of Securities by Yol Bolsum is pursuant to a Preferred Share Liquidity Transaction approved pursuant to Section 5.5.

(h) Notwithstanding any other term of this Section 5.3, an Investor shall only be treated as, and shall only be entitled to the rights of, a Tag-Along Offeree to the extent that such Investor holds Securities other than Preferred Shares in which case, for greater certainty: (i) the rights of such Investor as a Tag-Along Offeree under this Section 5.3 shall only extend to those Securities held by such Investor which are not Preferred Shares; and (ii) any Preferred Shares held by such Investor shall not be included in any calculations made under this Section 5.3 in determining the rights of such Investor as a Tag-Along Offeree.

Section 5.4 Right of First Refusal

(a) Subject to the other provisions of this Section 5.4, the following shall apply where any Shareholder (the "**Selling Shareholder**") has received a bona fide offer (the "**Offer**") from any other Shareholder or Third Party to purchase any or all of his or its Securities (the "**Offered Securities**"), which offer the Shareholder is prepared to accept.

(b) Upon receiving an Offer, the Selling Shareholder shall send a written copy thereof to the Corporation and to each of Yol Bolsum, Hyshka, Dynex, GOF, CIC, and Tancho I (the "**Other Shareholders**"). Promptly following its receipt of an Offer, the Corporation will provide each of the Other Shareholders with the number of Offered Securities which each of the Other Shareholders is entitled to purchase in proportion to the number of Securities held by them immediately prior to the date of such offer.

(c) Each of the Other Shareholders shall have 30 days from its receipt of the Offer (the "**Notice Period**") to advise the Selling Shareholder as to whether or not it wishes to purchase its proportionate number of Offered Securities upon the same terms and conditions as set out in the Offer, and whether it wishes to purchase any additional Offered Securities, if available. If all the Other Shareholders do not claim their respective proportions, the unclaimed Offered Securities shall be divided so as to satisfy the claims of Other Shareholders for Offered Securities in excess of their respective proportions, and if such claims are more than sufficient to exhaust such unclaimed Offered Securities, the unclaimed Offered Securities shall be divided pro rata among the Other Shareholders desiring excess shares in proportion to the number of shares greater than its proportionate share each Other Shareholder desired; provided that no such Other Shareholder shall be bound to take any shares in excess of the amount which it initially elected to acquire.

(d) If, at the end of the Notice Period, the Other Shareholders are not prepared to purchase all (and not less than all) of the Offered Securities, then this right of first refusal shall be of no further force and effect and the Selling Shareholder may, subject to Section 5.3 (if applicable), within the next 180 days, sell the Offered Securities to any other Shareholder or the Third Party on the same terms or terms not more favourable to the Shareholder than those set out in the Offer.

(e) If the Other Shareholders have provided notices to purchase all of the Offered Securities, then they shall be bound to purchase the Offered Securities on the same terms and conditions as set out in the Offer, with such changes as are necessary to give effect to the division of the Offered Securities among more than one of the Other Shareholders.

(f) To permit the practical implementation of this Section 5.4, no Securities may be indirectly Transferred by any Shareholder as part of or incidental to the sale of shares in the capital of a Shareholder or any other assets by any Shareholder or any other transaction.

(g) This Section 5.4 shall not apply to a Transfer of Securities:

(i) if it is a permitted transfer under the terms of Section 5.1 unless, in the case of Yol Bolsum, the provisions of Section 5.3 require that the Transfer of Securities first be offered in accordance with Section 5.4;

(ii) if a Special Majority has approved the Third Party Offer as a Sale Transaction and otherwise exercised the drag-along rights provided in Section 5.2 with respect to the Third Party Offer;

(iii) if it is a permitted tag-along to a sale of Securities by Yol Bolsum under Section 5.3 (after first having complied with this Section 5.4);

(iv) if at least two (2) of the three (3) members of the Liquidity Committee exercise the mandatory sale rights provided in Section 5.5 with respect to a Preferred Share Liquidity Transaction;

(v) if it is Securities being sold by an employee to the Corporation where such shares were acquired under an approved employee stock option plan;

(vi) if it is a Transfer of Preferred Shares by an Investor; or

(vii) if it is pursuant to a Repayment Transaction.

(h) Notwithstanding any other term of this Section 5.4, an Investor shall only be: (i) treated as, (ii) subject to the obligations of, and (iii) entitled to the rights of, a Selling Shareholder to the extent that such Investor holds Securities other than Preferred Shares in which case, for greater certainty, the rights and obligations of such Investor as a Selling Shareholder under this Section 5.4 shall only extend to those Securities held by such Investor which are not Preferred Shares.

(i) Notwithstanding any other term of this Section 5.4, the number of Preferred Shares held by an Investor who is also an Other Shareholder shall not be included in determining the rights of such Investor as an Other Shareholder under this Section 5.4.

Section 5.5 Mandatory Sale

Subject to Sections 2.7(a) and 2.7(b), in the event that a Payout Event has failed to occur, then:

(a) subject to Section 5.5(b), either of Induran or GOF shall be entitled to require a sufficient number of the Corporation's directors to immediately resign from the Board and/or otherwise be replaced with nominees as set forth in Section 5.5(b) and/or reconstitute the Board with a larger number of directors such that, in any case, the Board shall be constituted as set forth in Section 5.5(b);

(b) in furtherance of Section 5.5(a) and notwithstanding Section 4.1 of this Agreement, if Induran or GOF exercises its rights under Section 5.5(a): (i) each of CIC, Tancho I and Yol Bolsum shall have the right to have one (1) nominee sit on the Board, provided that each such Party is still a Shareholder; (ii) subject to Section 4.2(b), Hyshka shall have the right to remain a member of the Board; (iii) Induran shall have the right to have up to three (3) nominees sit on the Board; (iv) Dynex shall have the right to have up to two (2) nominees sit on the Board; (v) GOF shall have the right to have up to three (3) nominees sit on the Board; and (vi) Induran and GOF shall have the right to have one (1) nominee sit on the Board who is independent and who shall be jointly selected by Induran and GOF, acting reasonably. Subject to compliance with the applicable law, such nominees may either be appointed to fill a vacancy created by a resignation or elected to the position, as determined by Induran and GOF, acting reasonably;

(c) notwithstanding Section 4.4, quorum for a meeting of the reconstituted Board under this Section 5.5 shall be a simple majority of the Board, provided that at least two of any directors present at a meeting of the Board must be directors nominated by Induran and at least two must be directors nominated by GOF under Sections 5.5(b)(iii) and 5.5(b)(v), respectively. Notwithstanding the foregoing, if a quorum is not obtained at any meeting to which this Section 5.5(c) applies, the meeting shall be adjourned and may be reconvened on not less than five (5) Business Days notice to the directors, at which reconvened meeting, the quorum shall be a simple majority of the Board, provided that at least two of any directors present at the reconvened meeting must be directors nominated by Induran or GOF and provided further that only matters contained in the original notice shall be transacted at such reconvened meeting;

(d) the Board constituted in accordance with the above shall appoint a liquidity committee (the "**Liquidity Committee**") consisting of three (3) members, of which (i) one (1) member shall be the nominee of Induran, (ii) one (1) member shall be the nominee of GOF , and (iii) one (1) member shall be the nominee of Yol Bolsum (who shall be Dayan Goodenowe) unless otherwise agreed in writing by Induran and GOF;

(e) the Liquidity Committee shall be permitted to retain an investment advisor, at the expense of the Corporation, and instruct such investment advisor to solicit offers to complete a Sale Transaction;

(f) the provisions of Section 5.2 shall apply, *mutatis mutandis*, to all Shareholders in respect of the first offer constituting a purchase, lease, license, transfer or other disposition of all or any part of the assets of the Corporation and/or a Sale Transaction (together a "**Preferred Share Liquidity Transaction**") recommended for acceptance by at least two (2) of the three (3) members of the Liquidity Committee (who shall be deemed to constitute a Special Majority for the purposes of this Agreement including, without limitation, Sections 5.2, 5.3, 5.4 and 9.6). In addition, all Shareholders shall cause, to the extent applicable and permitted by law, their respective nominees on the Board to accept such Preferred Share Liquidity Transaction;

(g) the Induran Group shall no longer be bound by the provisions of Section 5.1 with respect to the Transfer of any of its Securities and GOF shall no longer be bound by the provisions of Section 5.1 with respect to the Transfer of any of its Preferred Shares;

(h) Sections 4.7, 4.10, 5.1(c) and 5.1(g) shall be deemed to have ceased to have any further force and effect until such time as a Preferred Share Liquidity Transaction has been completed and the aggregate Preferred Share Preferential Amount then payable on all and not less than all of the Preferred Shares then held by the Induran Group and GOF has been paid in full in cash to the Induran Group and GOF;

(i) upon closing of the Preferred Share Liquidity Transaction or as soon thereafter as permitted under applicable law, then in the event there are still Preferred Shares issued and outstanding (i) the Corporation shall redeem the outstanding Preferred Shares, and (ii) all Shareholders shall cause, to the extent applicable and permitted by law, their respective nominees on the Board to approve such redemption; and

(j) following the redemption of the outstanding Preferred Shares, the Board shall be reconstituted as provided for in Section 4.1, provided that Section 4.1(a)(vii) shall cease to be of any force and effect and Yol Bolsum shall be entitled to have six (6) nominees elected to the Board.

ARTICLE 6
ARRANGEMENTS REGARDING DISPOSITIONS

Section 6.1 Closing

The following provisions apply to any Transfer of Shares between Shareholders or between any Shareholders and the Corporation pursuant to this Agreement, or by a Shareholder who wishes or is required to sell Shares pursuant to Sections 5.2, 5.4 or 5.5 of this Agreement:

(a) The Transfer shall be completed at the Corporation's registered office on the date specified for closing. At such time, the transferor(s) shall Transfer to the transferee(s) good title to the Shares being transferred free and clear of all liens, charges and encumbrances and deliver to the transferee(s) certificates and other documents of title evidencing ownership of the Shares being transferred, duly endorsed in blank for transfer by the holders of record. In addition, if the transferor is disposing of all or substantially all of its Shares, the transferor(s) shall deliver to the Corporation all records, accounts and other documents in its possession belonging to the Corporation and the resignations and releases of its nominees on the Board, all such resignations to be effective no later than the time of delivery. Subject to the terms of this Agreement, the transferee(s) shall deliver to the transferor(s) full payment of the purchase price (subject to any escrow or holdback requirement) payable for the Shares being transferred.

(b) If, at the time of closing, a transferor fails to complete the subject transaction of purchase and sale, the transferee shall have the right, if not in default under this Agreement, without prejudice to any other rights that it may have, upon payment by the transferee of that part of the purchase price payable to the transferor at the time of closing to the credit of the transferor in the main branch of the Corporation's bank (or, in the case of a Sale Transaction in which the consideration consists of cash, securities or other assets, or any combination, with a third party escrow agent), to execute and deliver, on behalf of and in the name of the transferor, such deeds, transfers, share certificates, resignations or other documents that may be necessary to

complete the subject transaction and the transferor hereby irrevocably appoints the transferee its attorney in that behalf. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the transferor and the transferor hereby ratifies and confirms and agrees to ratify and confirm all that the transferee may lawfully do or cause to be done by virtue of such appointment and power.

Section 6.2 Completion of Drag-Along Offers

If a Sale Transaction (including, without limitation a Preferred Share Liquidity Transaction) contemplates a purchase of Shares and, at the time proposed for the closing of the Sale Transaction, a Shareholder (a "**Defaulting Shareholder**") does not complete the Sale Transaction for any reason, the party making the third party offer has the right to deposit that portion of the consideration for such Shareholder's Shares to be paid at closing either, in the case of consideration consisting of cash, to the credit of such Shareholder in the main branch of the Corporation's bank, or, in the case of consideration consisting of cash, securities or other assets, or any combination, with a third party escrow agent. If the purchase price is so deposited, then from and after the closing and the date of deposit, even if certificates or instruments evidencing the Shares are not delivered to the third party making the third party offer:

(a) the Sale Transaction is deemed to have been fully completed by the Defaulting Shareholder (subject to any obligation in the transaction documents to make payments of portions of the purchase price after the closing date), and the records of the Corporation shall be amended accordingly;

(b) all of the Defaulting Shareholder's interest in its Shares is conclusively deemed to have been transferred and assigned to and to have become vested in the third party; and

(c) all interest of the Defaulting Shareholder and of any other Person (other than the third party) having an interest in such Shares ceases.

This Section 6.2 is in addition to the terms of Sections 2.6, 5.2, 6.1 and Article 8.

Section 6.3 Repayment of Debt

In the event that at the time of the sale of any Shares under any provision of this Agreement, the vendor thereof is indebted to the Corporation or any Affiliate thereof, the vendor shall assign and set over to the Corporation or such Affiliate and shall direct the purchaser to pay to the Corporation or such Affiliate, if requested by the Corporation to do so, the purchase price of such Shares to the extent required to discharge the vendor's indebtedness to the Corporation or such Affiliate

ARTICLE 7
OPTION TO PURCHASE

Section 7.1 Definitions

(a) In this article,

(i) "**Principal**" means the majority voting shareholder of a corporate Shareholder; and

(ii) "**Withdrawing Event**" means any of the following events with respect to any Shareholder other than Yol Bolsum, the Institutional Investors and Induran:

(A) The death of a Shareholder or the Principal of a Shareholder;

(B) The bankruptcy or insolvency of a Shareholder or the Principal of a Shareholder;

(C) The mental incapacity of a Shareholder or the Principal of a Shareholder;

(D) The termination of employment of any Shareholder, or the Principal of a Shareholder, who is employed by the Corporation;

(E) Any voluntary or involuntary Transfer of the Shares of a Shareholder in contravention of this Agreement or a change in voting Control of a corporate Shareholder.

Section 7.2 Option to Purchase of Yol Bolsum

(a) At any time after the occurrence of a Withdrawing Event, Yol Bolsum has the right, exercisable by written notice (the "**Purchase Notice**") to such Shareholder, given within 90 days of Yol Bolsum first becoming aware of the occurrence of a Withdrawing Event, to purchase all or any portion or class of the Shares owned or held by such Shareholder as follows:

(i) the closing will be on the business day that Yol Bolsum specifies in the Purchase Notice which is not more than 90 days following the Valuation Date; and

(ii) the price shall be a sum equal to the purchase price per Share calculated in accordance with Schedule "C" multiplied by the number of Shares to be purchased from the Shareholder, and will be payable on closing.

Section 7.3 Second Option to Purchase of the Corporation

(a) In the event Yol Bolsum fails to exercise its option within the 90 days as set out in section 7.2, or otherwise waives its option by notice in writing given to the Corporation, then subject to the restrictions of the Act, and without in any way limiting the Corporation's other rights it may have at law, the Corporation has the right, exercisable by written notice (the "**Purchase Notice**") to such Shareholder, given within 60 days from the date of the expiry of the option of the Corporation or receipt by the Corporation of its written notice as referred to herein, whichever first occurs, to purchase all or any portion or class of the Shares owned or held by such Shareholder as follows:

(i) the closing will be on the business day that the Corporation specifies in the Purchase Notice which is not more than 90 days following the Valuation Date; and

(ii) the price shall be a sum equal to the purchase price per Share calculated in accordance with Schedule "C" multiplied by the number of Shares to be purchased from the Shareholder, and will be payable on closing.

Section 7.4 Warranties of Seller

Each Shareholder who sells any of his or its Shares (the "**Seller**") to Yol Bolsum or the Corporation (the "**Purchaser**") pursuant to this Article 7 shall be deemed to represent and warrant to the Purchaser at the time of closing of the transaction of purchase and sale in question that:

(a) the Seller has a good and marketable title to such Shares being sold; and

(b) the Purchaser shall acquire such Shares being sold free of any encumbrance of any kind other than as created by this Agreement;

and in addition the Seller shall be deemed to agree to indemnify and save harmless the Purchaser against any loss suffered by the Purchaser as a result of there being any encumbrance upon or any defect in the title of the Seller to such Shares being sold.

Section 7.5 Closing

Each purchase and sale of Shares between a Seller and the Purchaser shall, unless the Seller and the Purchaser otherwise agree, be closed at the offices of the solicitors of the Purchaser at 10:00 a.m. on the closing date specified in accordance with this Agreement.

Section 7.6 Closing Conditions

At the time of closing of any purchase of any Shares under this Agreement, the Seller shall table:

(a) a certificate or certificates representing the Shares being sold by the Seller, duly endorsed in blank for transfer;

(b) a release of any encumbrances on the Shares being sold; and

(c) either a certificate of the Seller stating that the Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* or a certificate issued by the Minister of National Revenue pursuant to section 116 of the *Income Tax Act* with respect to the proposed disposition of property by a non-resident of Canada; and if the Seller fails to deliver the certificate, or if the purchase price for the Shares being sold is greater than the certificate limit shown in the Minister's certificate, then the Purchaser shall be entitled to deduct or withhold from the purchase price and to remit to the Receiver General of Canada the amount for which the Purchaser, in its reasonable determination, is liable pursuant to the provisions of section 116 of the *Income Tax Act* in respect of the sale of the Shares being sold.

Section 7.7 Payment

The Purchaser shall pay for the Shares being purchased by a solicitor's trust cheque, bank draft, bank wire, or certified cheque.

ARTICLE 8
POWER OF ATTORNEY

Should any Party, in the opinion of the Board fail to comply or fail to take any action to comply with the provisions of Sections 2.6, 2.7, 5.2 or 5.5 of this Agreement, then the Secretary of the Corporation shall be deemed to be irrevocably appointed as the true and lawful attorney of such Party with authority to do all things and execute and deliver, on behalf of and in the name of the Party, such deeds, transfers, share certificates, resignations, proxies, resolutions, consents, voting instructions or other documents as may be necessary or desirable to comply with the terms and provisions of Sections 2.6, 2.7, 5.2 or 5.5 of this Agreement, as applicable, and such Party shall have no claim or cause of action against the Corporation, the Board, the Secretary of the Corporation or any other Party, or against any third party, as a result of the Secretary of the Corporation so acting as its attorney. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency or bankruptcy of the Party, and the Party hereby ratifies and confirms and agrees to ratify and confirm all that the Secretary of the Corporation may lawfully do or cause to be done by virtue of such appointment and power. The power of attorney set forth in this Article 8 is in addition to, and does not derogate from, any power of attorney given by any Party under this Agreement or any other document.

ARTICLE 9
GENERAL

Section 9.1 Application of this Agreement

The terms of this Agreement shall apply, mutatis mutandis, to any Shares that may hereafter be issued by the Corporation and to any shares or other securities:

(a) resulting from the conversion, reclassification, redesignation, subdivision, consolidation or other change to the Shares; or

(b) of the Corporation or any successor body corporate that may be received by the Shareholders on a merger, amalgamation, arrangement or other reorganization of or including the Corporation;

and prior to any action referred to in (a) or (b) above being taken the Parties shall give due consideration to any changes that may be required to this Agreement in order to give effect to the intent of this Section 9.1.

Section 9.2 Reserved

Section 9.3 Amendment of Agreement

(a) Subject to Sections 2.7(a) and 2.7(b), no amendment, supplement or modification of this Agreement is binding unless approved in writing by a Special Majority, Induran and GOF and any amendment, supplement, or modification so approved shall be binding upon each of the Parties, provided that, the Parties hereby agree to such amendments to Schedule "A" from time to time as may be necessary to reflect permitted changes in the Shareholders. For greater certainty, in case of any conflict or inconsistency between the terms of this Section 9.3 on the one hand, and

any of Sections 2.6, 2.7(a), 2.7(b), 5.2 and 5.5 on the other hand, the applicable terms of Sections 2.6, 2.7(a), 2.7(b), 5.2 and 5.5 shall prevail.

(b) Subject to Sections 2.7(a), 2.7(b), 9.3(c) and 9.3(d), in the event that a Payout Event fails to occur, then Section 9.3(a) shall be deemed to have ceased to have any force and effect and, thereafter, no amendment, supplement or modification of this Agreement is binding unless approved in writing by:

(i) at least two (2) of Induran, Yol Bolsum and GOF; and

(ii) in the event that such amendment, supplement or modification to this Agreement is not made in connection with a transaction that will result in the payment of the aggregate Preferred Share Preferential Amount payable on all and not less than all of the Preferred Shares then outstanding being made in full in cash to the holders of the Preferred Shares immediately upon the closing of such transaction (as determined by each of Induran and GOF, acting reasonably), the approval in writing of each of (A.) Induran or its Permitted Transferee (so long as Induran or its Permitted Transferee owns Preferred Shares), and (B.) GOF or its Permitted Transferee (so long as GOF or its Permitted Transferee owns Preferred Shares).

and any amendment, supplement, or modification so approved in accordance with clauses (i) and (ii) above, as applicable shall be binding upon each of the Parties for so long as Induran or its Permitted Transferee owns Preferred Shares and GOF or its Permitted Transferee owns Preferred Shares. Where Induran or its Permitted Transferee and GOF or its Permitted Transferee cease to own Preferred Shares more than 60 days after the Trigger Date, then this Section 9.3(b) shall be deemed to have terminated and ceased to have any force and effect, and Section 9.3(a) shall apply (with the exception that references to Induran and GOF shall be removed therefrom).

(c) Notwithstanding Sections 9.3(a) and (b), no amendment to Sections 4.6(a) and 4.6(b) of this Agreement shall be made without the approval of the holders of at least: (i) 95% of the Class A Shares then outstanding; and (ii) 95% of the Class B Shares then outstanding, and any amendment so approved shall be binding upon each of the Parties.

(d) Notwithstanding Sections 9.3(a) and (b), no amendment to Section 4.6(c) of this Agreement shall be made without the approval of the holders of at least: (i) 95% of the Class A Shares then outstanding; and (ii) 95% of the Class B Shares then outstanding and, subject to Section 2.7(a), the approval of Induran, and any amendment so approved shall be binding upon each of the Parties.

(e) Notwithstanding Section 9.3(a) and for so long as the terms of Section 9.3(b) would otherwise allow any two (2) or three (3) of Yol Bolsum, GOF and Induran, as applicable, to authorize any amendment, supplement or modification to this Agreement, no amendment, supplement or modification shall be made to Sections 1.1(o), 2.7, 4.11(e), 5.1 or 5.5 (and the definitions applicable thereto) without the approval of Induran, GOF and the Special Majority, and any amendment, supplement, or modification so approved shall be binding upon each of the Parties.

Section 9.4 Undertaking

The Parties undertake to sign and complete all such deeds, documents, resolutions, minutes and other instruments and to do all such acts as are necessary to give full effect to the terms, conditions and restrictions contemplated by this Agreement and to make them binding on the Parties as well as on third parties who are not privy to the terms hereof.

Section 9.5 Associated Corporations

If at any time any corporations owned by any of the Shareholders are deemed to be associated with the Corporation or any of its subsidiaries under the *Income Tax Act*, then all such Shareholders shall file or shall cause their subsidiaries or corporations to file such form as prescribed by the Income Tax Act for the purpose of allocating the business limit as directed by the Corporation.

Section 9.6 Termination

(a) This Agreement has an indefinite term, subject to earlier termination in the event of:

(i) the date this Agreement is terminated by the written approval by the Special Majority, Induran (subject to Section 2.7(a)) and GOF (subject to Section 2.7(b));

(ii) the liquidation, dissolution, winding up or other termination of the corporate existence of the Corporation; or

(iii) the time that one Person becomes the beneficial owner of all of the Shares.

(b) With the exception of Section 4.11(e), this Agreement ceases to be binding on a Shareholder when he or it has fully disposed of all of his or its Shares in accordance with the terms of this Agreement.

(c) Notwithstanding the foregoing, but subject to Sections 2.7(a) and 2.7(b), in the event that a Payout Event has failed to occur, the reference to "the Special Majority, Induran (subject to Section 2.7(a)) and GOF (subject to Section 2.7(b))" in Section 9.6(a)(i) shall be deemed to be a reference to "at least two (2) of Induran, Yol Bolsum and GOF", provided, that, in the event that any termination of this Agreement that is not made in connection with a transaction that will result in the payment of the aggregate Preferred Share Preferential Amount payable on all and not less than all of the Preferred Shares then outstanding being made in full in cash to the holders of the Preferred Shares immediately upon the closing of such transaction (as determined by each of Induran and GOF, acting reasonably), then any termination of this Agreement under this Section 9.6(c) shall also require the approval in writing of both (i) Induran or its Permitted Transferee (for so long as Induran or its Permitted Transferee owns Preferred Shares) and (ii) GOF or its Permitted Transferee (for so long as GOF or its Permitted Transferee owns Preferred Shares), in order to be effective.

(d) Section 4.11(e) shall: (i) remain an obligation of each Shareholder after it ceases to own Shares of the Corporation; and (ii) shall survive any termination of this Agreement.

Section 9.7 Notices

(a) Except as otherwise specified in this Agreement, any notice given shall be in writing, and given by delivery in person to a named representative or by registered mail, telex or telecopier, properly addressed to each party to whom given, with postage charges prepaid. A notice given under any provision hereof is deemed given only when received by the party to whom such notice is directed.

(b) Until changed by notice in writing, the address for service for each party is as follows:

Yol Bolsum Canada Inc.
Box 38041
Saskatoon, SK S7N 1H2
Fax # (306) 668-4896

John Hyshka
941 University Drive
Saskatoon, SK S7N 0K2
Fax # (306) 652-0257

Dynex Capital Limited Partnership
150 William Street
Kingston, ON, K7L 2C9
Fax: 613-549-3054

Peter Innes
801 Dayton Avenue
P.O. Box 667
Ames, Iowa 50010
Fax #515-817-0747

PSN Holdings Inc.
410 Braeshaw Lane
Saskatoon, SK S7V 1B2
Fax # 306-244-4233

Frank Hohn
601 CN Towers
Midtown Plaza
Saskatoon, SK S7K 1J5
Fax#306-665-8778

Jancy Holdings Ltd.
511C – 51st Street East
Saskatoon, SK S7K 6V4
Fax# 306-931-4549

Murray Trapp
Box 126
Shell Lake, SK S0J 2G0
Fax # 306-427-4909

Golden Opportunities Fund Inc.
830, 410 – 22nd Street East
Saskatoon, SK S7K 5T6
Attention: Chief Financial Officer
Fax # 306-652-8186

Ag West Bio Inc.
101 – 111 Research Drive
Saskatoon, SK S7N 3R2
Fax: 306-975-1966

CIC Asset Management Inc.
400 – 2400 College Avenue
Regina SK S4P 1C8
Fax: 306-787-6926

Tancho Capital (I) Limited Partnership
150 William Street
Kingston, ON, K7L 2C9
Fax: 613-549-3054

Tancho Capital (3) Limited Partnership
150 William Street
Kingston, ON, K7L 2C9
Fax: 613-549-3054

Induran Ventures 1, L.P.
150 William Street
Kingston, ON, K7L 2C9
Fax: 613-549-3054

Barry D. Bridges and Bonnie A. Bridges
1277 King Street
Estevan SK S4A 2C6
Fax: 306-634-3582

Trevor Broker
326 Brock Crescent
Saskatoon SK S7H 4N5
Fax: 306-244-2451

Concorde Centres Inc.
1171 8th Street East
Saskatoon SK S7H 0S3
Attention: David Dube
Fax: 306-668-3096

Dr. Evan Howlett Medical P C
121 Capilano Court
Saskatoon SK S7K 4B9
Attention: Evan Howlett

William Johnson
210 Van Impe Close
Saskatoon SK S7W 1C1

Donna Jubin
149 Columbia Drive
Saskatoon SK S7K 1G1

Kenmore Land Company Ltd.
204 – 3929, 8th Street East
Saskatoon SK S7H 5M2

Kenmore Land Company Ltd. #2
204 – 3929, 8th Street East
Saskatoon SK S7H 5M2

Allen Kimber
327 – 6th Street
Weyburn SK S4H 1B5
Fax: 306-842-0595

Lakewood Holdings Corp.
232 – 12th Avenue
Estevan SK S4A 1E2

R. Bruce McFarlane
2020 Pumphill Way SW
Calgary AB T2V 4M4
Fax: 403-262-7097

David McKeague
701 Broadway Avenue
Saskatoon SK S7H 4P7
Fax: 306-652-1323

Robert McKercher
75 Country Lane
Riverside Estates SK S7T 1A3

PIC Investment Group Inc.
255 Robin Crescent
Saskatoon SK S7L 6M8
Fax: 306-653-5778

Dorothy Platzer
401 Dalhousie Crescent
Saskatoon SK S7H 3S3

Robert H. McKercher Legal Prof. Corp.
374 3rd Avenue South
Saskatoon SK S7K 1M5

Signet Management Ltd.
10 DeGeer Crescent
Saskatoon SK S7H 4P7
Attention: Irene Seiferling

James Weber
310 – 728 Spadina Crescent East
Saskatoon SK S7K 3H2
Fax: 306-244-6226

Weyburn Security Company Limited
111 Second Street
Weyburn SK S4H 0T7
Attention: James Onstad
Fax: 306-842-0595

Fred Wilson
Box 295
Dundurn SK S0K 1K0

Barry Woytowich
627 Nesslin Crescent
Saskatoon SK S7J 4V6
Fax: 306-956-5252

PIC Investment Group Inc.
255 Robin Crescent
Saskatoon SK S7L 6M8

Pillar Management Ltd.
875 Baker Road East
Casa Rio SK S7T 1B5

Emmeline Management Ltd.
102-602 Cartwright Street
Saskatoon SK S7T 0G5

Phenomenome Discoveries Inc.
204 – 407 Downey Road
Saskatoon, SK S7N 4L8
Attention: Chief Financial Officer
Fax # 306-244-6730

(c) In determining the number of days for the giving of the notice, the prescribed number of days shall be calculated exclusively of the first day and inclusively of the last; and where the time limited for the giving of a notice falls upon a Saturday, Sunday or statutory or civic holiday, the time so limited extends to the next Business Day..

Section 9.8 Good Faith

The principle of the utmost good faith shall govern the parties, in all their relations as Shareholders, directors and officers.

Section 9.9 Consent to Share Transfers

The Shareholders are deemed to have consented to any Transfers of Shares made in accordance with this Agreement and shall waive and cause the directors to waive any restriction on Transfer contained in the Articles or bylaws of the Corporation in order to give effect to such Transfers.

Section 9.10 Conflict with Articles and Bylaws

If this Agreement conflicts with the Articles and/or the bylaws of the Corporation, the provisions of this Agreement shall govern and prevail. Each Shareholder shall vote or cause to be voted the Shares owned by him, her or it as necessary so as to cause the Articles and bylaws, or both, as the case may be, to be amended to resolve any such conflict in favour of the provisions of this Agreement.

Section 9.11 Counterparts

This Agreement may be executed in any number of counterparts, both by the original signatories hereto and all Shareholders who may be added to this Agreement at any time in the future. Each signature in counterpart shall be deemed an original but all of which shall constitute one instrument.

Section 9.12 Binding upon Heirs and Successors

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective legal and personal representatives, and permitted assigns.

Section 9.13 Time of the Essence

Time shall be in every respect of the essence in this Agreement.

Section 9.14 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces in its entirety all previous agreements, term sheets and understandings relating to the matters referred to in this Agreement.

Section 9.15 Assignment

Each Shareholder shall be entitled, on prior written notice to the Corporation, to assign all of its rights, benefits, remedies and obligations under this Agreement to any Permitted Transferee of the Shares held by it. Subject to the immediately preceding sentence, and except as expressly provided in this Agreement, none of the Parties to this Agreement may assign its rights, benefits, remedies and obligations under this Agreement without the prior written consent of the Corporation and a Special Majority.

Section 9.16 Independent Advice

Each of the Parties acknowledges that it has read and understands the terms and conditions of this Agreement and acknowledges that it has had the opportunity to seek, and was not prevented or discouraged by any other Party to this Agreement or Person from seeking, any independent legal advice which it considered necessary before the execution and delivery of this Agreement and that, if such Party did not avail itself of that opportunity before signing this Agreement, it did so voluntarily without undue pressure, and agrees that its failure to obtain independent legal advice will not be used by it as a defence to the enforcement of its obligations under this Agreement.

[The rest of this page intentionally left blank.]

IN WITNESS WHEREOF the following Parties have executed this Agreement on the day and in the year first written above.

PHENOMENOME DISCOVERIES INC.

By: _____
Name: John Hyshka
Title: CFO, COO PDI

YOL BOLSUM CANADA INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **JOHN HYSHKA**

INDURAN VENTURES 1, L.P.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **PETER INNES**

PSN HOLDINGS INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF the following Parties have executed this Agreement on the day and in the year first written above.

PHENOMENOME DISCOVERIES INC.

By: _____
Name:
Title:

YOL BOLSUM CANADA INC.

By: DBG
Name: Dayan Goodenowe
Title: President

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
JOHN HYSHKA

INDURAN VENTURES 1, L.P.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
PETER INNES

PSN HOLDINGS INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF the following Parties have executed this Agreement on the day and in the year first written above.

PHENOMENOME DISCOVERIES INC.

By: _____
Name:
Title:

YOL BOLSUM CANADA INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
))
_____))
Witness))

_____
JOHN HYSHKA

INDURAN VENTURES I, L.P.

By: _____
Name: Peter Blaney
Title: CEO

SIGNED, SEALED AND DELIVERED in the presence of:))
))
))
_____))
Witness))

_____
PETER INNES

PSN HOLDINGS INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

Witness))

FRANK HOHN

JANCY HOLDINGS INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

Witness))

MURRAY TRAPP

GOLDEN OPPORTUNITIES FUND INC.

By: _____
Name:
Title:

AG-WEST BIO INC.

By: _____
Name:
Title:

CIC ASSET MANAGEMENT INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:

____
Witness

____
FRANK HOHN

JANCY HOLDINGS INC.

By: _______________________________
Name:
Title: Pres.

SIGNED, SEALED AND DELIVERED in the presence of:

____
Witness

____
MURRAY TRAPP

GOLDEN OPPORTUNITIES FUND INC.

By: _______________________________
Name:
Title:

AG-WEST BIO INC.

By: _______________________________
Name:
Title:

CIC ASSET MANAGEMENT INC.

By: _______________________________
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))

Witness))

_____

FRANK HOHN

JANCY HOLDINGS INC.

By: _____

Name:

Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))

Witness))

_____

MURRAY TRAPP

GOLDEN OPPORTUNITIES FUND INC.

By: _____

Name: DOUG BAMBET

Title: CFO

AG-WEST BIO INC.

By: _____

Name:

Title:

CIC ASSET MANAGEMENT INC.

By: _____

Name:

Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))

Witness))

_____

FRANK HOHN

JANCY HOLDINGS INC.

By: _____

Name:

Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))

Witness))

_____

MURRAY TRAPP

GOLDEN OPPORTUNITIES FUND INC.

By: _____

Name:

Title:

AG-WEST BIO INC.

By: _____

Name: Wilf A. Keller

Title: President and CEO

CIC ASSET MANAGEMENT INC.

By: _____

Name:

Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))

Witness))

_____

FRANK HOHN

JANCY HOLDINGS INC.

By: _____

Name:

Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))

Witness))

_____

MURRAY TRAPP

GOLDEN OPPORTUNITIES FUND INC.

By: _____

Name:

Title:

AG-WEST BIO INC.

By: _____

Name:

Title:

CIC ASSET MANAGEMENT INC.

By: Rae Haverstock

Name: RAE HAVERSTOCK

Title: Vice President.

DYNEX CAPITAL LIMITED PARTNERSHIP by its general partner, Dynex Advanced Technology Investment Corporation

By: _____
Name: Peter Blaney
Title: President

TANCHO CAPITAL (I) LIMITED PARTNERSHIP by its general partner TANCHO ADVISERS GROUP INC.

By: _____
Name: Peter Blaney
Title: President

TANCHO CAPITAL (3) LIMITED PARTNERSHIP by its general partner TANCHO PHENOMENOME (GP) INC.

By: _____
Name: Peter Blaney
Title: CEO

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
BARRY D. BRIDGES

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
BONNIE A. BRIDGES

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
TREVOR BROKER

DYNEX CAPITAL LIMITED PARTNERSHIP by its general partner, Dynex Advanced Technology Investment Corporation

By: _____
Name:
Title:

TANCHO CAPITAL (I) LIMITED PARTNERSHIP by its general partner TANCHO ADVISERS GROUP INC.

By: _____
Name:
Title:

TANCHO CAPITAL (3) LIMITED PARTNERSHIP by its general partner TANCHO PHENOMENOME (GP) INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____))
BARRY D. BRIDGES

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____))
BONNIE A. BRIDGES

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____))
TREVOR BROKER

CONCORDE CENTRES INC.

By: 
Name: L. David Dubé
Title: President

DR. EVAN HOWLETT MEDICAL P C

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **WILLIAM JOHNSON**

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **DONNA JUBIN**

KENMORE LAND COMPANY LTD.

By: _____
Name:
Title:

KENMORE LAND COMPANY LTD. #2

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **ALLEN KIMBER**

CONCORDE CENTRES INC.

By: _____
Name:
Title:

DR. EVAN HOWLETT MEDICAL P C

By: _____
Name: Evan Howlett
Title: Director

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
WILLIAM JOHNSON

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
DONNA JUBIN

KENMORE LAND COMPANY LTD.

By: _____
Name:
Title:

KENMORE LAND COMPANY LTD. #2

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
ALLEN KIMBER

CONCORDE CENTRES INC.

By: _____
Name:
Title:

DR. EVAN HOWLETT MEDICAL P C

By: _____
Name:
Title:

Bill Cooper July 9th, 2012

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
WILLIAM JOHNSON

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
DONNA JUBIN

KENMORE LAND COMPANY LTD.

By: _____
Name:
Title:

KENMORE LAND COMPANY LTD. #2

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
ALLEN KIMBER

CONCORDE CENTRES INC.

By: _____
Name:
Title:

DR. EVAN HOWLETT MEDICAL P C

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
WILLIAM JOHNSON

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
DONNA JUBIN

KENMORE LAND COMPANY LTD.

By: _____
Name:
Title:

KENMORE LAND COMPANY LTD. #2

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))

_____))
Witness))

_____
ALLEN KIMBER

CONCORDE CENTRES INC.

By: _____
Name:
Title:

DR. EVAN HOWLETT MEDICAL P C

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **WILLIAM JOHNSON**

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **DONNA JUBIN**

KENMORE LAND COMPANY LTD.

By: _____
Name:
Title:

KENMORE LAND COMPANY LTD. #2

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) **ALLAN KIMBER**

LAKEWOOD HOLDINGS CORP.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness RHONDA E. MARTIN)) R. BRUCE McFARLANE

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) ROBERT McKERCHER

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) DAVID McKEAGUE

PIC INVESTMENT GROUP INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) DOROTHY PLATZER
))
_____))
Witness))

ROBERT H. MCKERCHER LEGAL PROF. CORP.

By: _____
Name:
Title:

LAKEWOOD HOLDINGS CORP.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) _____
)) **R. BRUCE McFARLANE**

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) _____
)) **ROBERT McKERCHER**

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) _____
)) **DAVID McKEAGUE**

PIC INVESTMENT GROUP INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **DOROTHY PLATZER**
))
_____))
Witness))

ROBERT H. MCKERCHER LEGAL PROF. CORP.

By: _____
Name:
Title:

LAKEWOOD HOLDINGS CORP.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) _____
R. BRUCE McFARLANE

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) _____
ROBERT McKERCHER

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness)) _____
DAVID McKEAGUE

PIC INVESTMENT GROUP INC.

By: M. Bell PORTFOLIO MANAGER.
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **DOROTHY PLATZER**
))
_____))
Witness))

ROBERT H. MCKERCHER LEGAL PROF. CORP.

By: _____
Name:
Title:

SIGNET MANAGEMENT LTD.

By: _____
Name: J. A. JEFFERLING
Title: V.P

SIGNED, SEALED AND DELIVERED in the presence of:)) **JAMES WEBER**
)) _____
_____)) _____
Witness))

WEYBURN SECURITY COMPANY LIMITED

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **FRED WILSON**
)) _____
_____))
Witness))

SIGNED, SEALED AND DELIVERED in the presence of:)) **BARRY WOYTOWICH**
)) _____
_____))
Witness))

FAX 244 6730

SIGNET MANAGEMENT LTD.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **JAMES WEBER**
)) _____
_____)) _____
Witness))

WEYBURN SECURITY COMPANY LIMITED

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **FRED WILSON**
)) _____
_____)) _____
Witness))

SIGNED, SEALED AND DELIVERED in the presence of:)) **BARRY WOYTOWICH**
)) _____
_____)) _____
Witness))

SIGNET MANAGEMENT LTD.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness))

JAMES WEBER

_____

WEYBURN SECURITY COMPANY LIMITED

By: _____
Name: JIM ONSTAD
Title: MANAGING - DIRECTOR

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness))

FRED WILSON

_____

SIGNED, SEALED AND DELIVERED in the presence of:))
))
_____))
Witness))

BARRY WOYTOWICH

_____

6

SIGNET MANAGEMENT LTD.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) JAMES WEBER
))
_____)) _____
Witness))

WEYBURN SECURITY COMPANY LIMITED

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) FRED WILSON
))
_____)) Fred Wilson
Witness))

SIGNED, SEALED AND DELIVERED in the presence of:)) BARRY WOYTOWICH
))
_____)) _____
Witness))

SIGNET MANAGEMENT LTD.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **JAMES WEBER**
)) _____
_____))
Witness))

WEYBURN SECURITY COMPANY LIMITED

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **FRED WILSON**
)) _____
_____))
Witness))

SIGNED, SEALED AND DELIVERED in the presence of:)) **BARRY WOYTOWICH**
)) _____
_____))
Witness))

SIGNET MANAGEMENT LTD.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **JAMES WEBER**
)) _____
_____))
Witness))

WEYBURN SECURITY COMPANY LIMITED

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED in the presence of:)) **FRED WILSON**
)) _____
_____))
Witness))

SIGNED, SEALED AND DELIVERED in the presence of:)) **BARRY WOYTOWICH**
)) _____
_____))
Witness))

EMMELINE MANAGEMENT LTD.

By: _____
Name:
Title:

PIC INVESTMENT GROUP INC.

By: _____
Name:
Title:

PILLAR MANAGEMENT LTD.

By: _____

Name: Neil EVANS
Title: President

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, **BCHP INVESTMENT PARTNERSHIP**, having purchased certain shares of the Corporation, in consideration of the approval by the Board and/or the shareholders of the Corporation of the issuance of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at Regina SK, this 14 day of December, 2012.

BCHP INVESTMENT PARTNERSHIP

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, **101195164 SASKATCHEWAN LTD.**, having purchased certain shares of the Corporation, in consideration of the approval by the Board and/or the shareholders of the Corporation of the transfer [or issuance] of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at Saskatoon, this 14th day of December, 2012

101195164 SASKATCHEWAN LTD.

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, **101041728 SASKATCHEWAN LTD.**, having purchased certain shares of the Corporation, in consideration of the approval by the Board and/or the shareholders of the Corporation of the transfer [or issuance] of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at Saskatoon, this _____ day of December, 2012

101041728 SASKATCHEWAN LTD.

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, **TIM AND JOY RYAN**, having purchased certain shares of the Corporation, in consideration of the approval by the Board and/or the shareholders of the Corporation of the transfer [or issuance] of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at Saskatoon, this 14th day of December, 2012

SIGNED, SEALED AND DELIVERED in the presence of:))

)) TIM RYAN

SIGNED, SEALED AND DELIVERED in the presence of:))

JOY RYAN

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, **Wiegers Holdings ~~Inc.~~ Ltd.**, having purchased certain shares of the Corporation, in consideration of the approval by the Board and/or the shareholders of the Corporation of the issuance of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at Saskatoon SK, this 23 day of July, 2013.

Wiegers Holdings ~~Inc.~~ Ltd.

By: _____

Name: Cliff Wiegers
Title: President

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, **Dr. James Kerr Optometric P.C.Inc.**, having purchased certain shares of the Corporation, in consideration of the approval by the Board and/or the shareholders of the Corporation of the issuance of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at Saskatoon, this 26 day of July, 2013.

Dr. James Kerr Optometric P.C.Inc.

By: _____
Name: D JAMES KERR
Title: President

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, **Davidson Management Ltd.**, having purchased certain shares of the Corporation, in consideration of the approval by the Board and/or the shareholders of the Corporation of the issuance of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at Saskatoon, this 30 day of July, 2013.

Davidson Management Ltd.

By: _____

Name: Blair Davidson

Title: Pres. Sec

SCHEDULE "A"

LIST OF HOLDERS OF SHARES

Shareholder	Class A Common Voting Shares	Class B Participating Non-Voting Shares	Special Preferred Shares
Yol Bolsum Canada Inc.	901,544	5,000	
John Hyshka	154,972	2,500	
Dynex Capital Limited Partnership	350,742		
Peter Innes	655	3,000	
PSN Holdings Inc.	335	3,250	
Frank Hohn	3,777	3,250	161
Jancy Holdings Ltd.	258	2,500	
Murray Trapp	655	500	
Ag-West Bio Inc.	8,421		
Golden Opportunities Fund Inc.	93,444	90,099	18,750
CIC Asset Management Inc.	93,910	31,303	
Tancho Capital (I) Limited Partnership	91,174	23,614	
Tancho Capital (3) Limited Partnership	14,285		
Induran Ventures 1, L.P.			10,625
Barry D. Bridges and Bonnie A. Bridges	2,143		
Trevor Broker	300		
Concorde Centres Inc.	3,000		9,375
Dr. Evan Howlett Medical PC	500		109
William Johnson	300		54
Donna Jubin	600		14
Kenmore Land Company Ltd.	400		
Kenmore Land Company Ltd. #2	400		
Allen Kimber	2,143		
Lakewood Holdings Corp.	2,143		
R. Bruce McFarlane	2,200		50
David McKeague	1,428		33
Robert McKercher	400		
PIC Investment Group Inc.	3,572		
Dorothy Platzer	1,200		
Robert H. McKercher Legal Prof. Corp.	400		
Signet Management Ltd.	2,142		125
James Weber	1,428		1,283
Weyburn Security Company Limited	2,143		625
Fred Wilson	600		
Barry Woytowich	715		316
Pillar Management Ltd.			1250
PIC Investment Group Inc.			1250
Emmeline Management Ltd.			1250

SCHEDULE "B"

FORM OF ACKNOWLEDGEMENT

To: The parties to the Amended and Restated Unanimous Shareholders Agreement made as of July 9, 2012 between Phenomenome Discoveries Inc. (the "Corporation"), all of the shareholders of the Corporation and certain other parties, as the same may be amended from time to time (the "Agreement")

The undersigned, , having purchased certain shares of the Corporation **[previously held by**], in consideration of the approval by the Board and/or the shareholders of the Corporation of the transfer [or issuance] of such shares to the undersigned and other good and valuable consideration (receipt of which is hereby acknowledged) hereby agrees to be a party to and bound by all of the provisions of the Agreement as if the undersigned were an original party thereto. Capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

DATED at , this day of , 20 .

SIGNED, SEALED AND DELIVERED in the presence of:

_____

_____

OR

_____

SCHEDULE "C"

The Purchase Price for each Common Share shall be the value determined as follows:

1. Within 30 days of the giving of notice under Section 7.2, or 7.3, the Corporation shall instruct a nationally recognized firm of chartered accountants other than the auditor of the Corporation (the "Valuator") to make a determination as to the fair market value of the Common Shares in the Corporation as at the date of the giving of the notice, and for the purpose as described in Section 7.2 or 7.3 as the case may be. No minority discount shall apply for the purposes of the valuation of the Common Shares.

2. In the event that any Shareholder does not agree with the determination by the Valuator of the fair market value of the Common Shares, such holder or holders may, at their own cost and expense, each retain another nationally recognized firm of chartered accountants independent of the Shareholder to make a determination of the fair market value of the Common Shares for the purpose as described in section 7.2 or 7.3 as the case may, to be completed within 45 days of the determination by the Valuator. The purchase price shall be the average of the fair market values determined by the Valuator and the other firm or firms of chartered accountants.

3. Notwithstanding the above, the Shareholder and the Corporation may at any time agree in writing to a value for the Common Shares and waive compliance with Sections 1 and 2 above, provided that the value as so agreed to is first approved by the Board of the Corporation, with any director having a conflict of interest having abstained from voting to approve such value.

EXECUTION COPY

AMENDMENT NO. 1
TO
AMENDED AND RESTATED UNANIMOUS SHAREHOLDERS AGREEMENT
OF
PHENOMENOME DISCOVERIES INC.

This Amendment No. 1, dated September 30, 2013 (this "**Amendment**"), to the Amended and Restated Unanimous Shareholders Agreement of Phenomenome Discoveries Inc. ("**PDI**"), dated July 9, 2012 (the "**Current USA**"), by and among PDI and the shareholders of PDI (the "**Shareholders**"), is being amended pursuant to the provisions of Section 9.3 of the Current USA. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Current USA.

WHEREAS, CML HealthCare Inc. ("**CML**") is a licensee of certain of PDI's products;

WHEREAS, the Special Majority, Induran and GOF wish to amend the Current Agreement to allow certain Shareholders and PDI to sell Shares to CML.

NOW THEREFORE the parties agree as follows:

1. Section 5.4(g) shall be amended by adding a new clause (viii), such that Section 5.4(g) shall read as follows:

"This Section 5.4 shall not apply to a Transfer of Securities:

(i) if it is a permitted transfer under the terms of Section 5.1 unless, in the case of Yol Bolsum, the provisions of Section 5.3 require that the Transfer of Securities first be offered in accordance with Section 5.4;

(ii) if a Special Majority has approved the Third Party Offer as a Sale Transaction and otherwise exercised the drag-along rights provided in Section 5.2 with respect to the Third Party Offer;

(iii) if it is a permitted tag-along to a sale of Securities by Yol Bolsum under Section 5.3 (after first having complied with this Section 5.4);

(iv) if at least two (2) of the three (3) members of the Liquidity Committee exercise the mandatory sale rights provided in Section 5.5 with respect to a Preferred Share Liquidity Transaction;

(v) if it is Securities being sold by an employee to the Corporation where such shares were acquired under an approved employee stock option plan;

(vi) if it is a Transfer of Preferred Shares by an Investor;

(vii) if it is pursuant to a Repayment Transaction; or

(viii) by Jancy Holdings Inc. and/or Murray Trapp to CML HealthCare Inc.

2. Section 4.10(b)(ii) shall be amended by adding the following at the end of such clause:

"provided further, that with respect to any Offer involving voting Shares:

(A) if CML HealthCare Inc. ("CML") is not yet a shareholder of the Corporation, the Corporation shall provide CML with notice of the Offer simultaneously with giving of notice to Shareholders in accordance with Section 9.7 (except that notice shall not be given by telex but may be provided by overnight courier) and CML's address for notice shall be as follows:

CML HealthCare Inc.
60 Courtneypark Dr. West, Unit 1
Mississauga, ON L5W OB3

Fax: 905-565-2844
Attention: Thomas Wellner

With a copy to:

CML HealthCare Inc.
60 Courtneypark Dr. West, Unit 1
Mississauga, ON L5W OB3

Fax: 905-565-2844
Attention: General Counsel;

(B) if John Hyshka and/or Yol Bolsum Inc. declines to participate in the Offer, no Shareholder (other than CML if CML is a shareholder of the Corporation at that time) shall be permitted to participate in excess of their pro rata share, unless and until such time CML has been offered by the Corporation, at least 40,000 voting Shares in the aggregate (inclusive of its pro rata amount, if any);

(C) CML shall notify the Corporation of the number of voting Shares it wishes to purchase (in addition to its pro rata share, if CML is a shareholder at that time) before the time limit of the Offer has expired, and the closing of the purchase thereof shall occur as contemplated in the notice to Shareholders; and,

(D) CML shall be treated as a Subscriber for all purposes, including the provisions of Section 4.10(e) requiring it to enter into this Agreement if it is not previously a Shareholder.

3. Other than as stated above, the Current USA shall stay in full force and effect and the general provisions of Section 9 of the Current USA shall govern this Amendment.

4. Each of the parties acknowledges that it has read and understands the terms and conditions of this Amendment and acknowledges that it has had the opportunity to seek, and was not prevented or discouraged by any other party to this Amendment or any person or entity from seeking any independent legal advice which it considered necessary

before the execution and delivery of this Amendment and that, if such party did not avail itself of that opportunity before signing this Amendment, it did so voluntarily without undue pressure, and agrees that its failure to obtain independent legal advice will not be used by it as a defence to the enforcement of its obligations under this Amendment.

5. The parties acknowledge that CML and its successors and assigns (including successors and assigns of its announced amalgamation and asset sale) are third party beneficiaries of this Amendment.

IN WITNESS WHEREOF the following Parties have executed this Amendment on the day and in the year first written above.

PHENOMENOME DISCOVERIES INC.

By: _____
Name:
Title:

YOL BOLSUM CANADA INC.

By: _____
Name:
Title:

SIGNED, SEALED AND DELIVERED
in the presence of

_____
Witness

_____
JOHN HYSHKA

INDURAN VENTURES I, LLP

By: _____
Name: Peter Blaney
Title: CEO

GOLDEN OPPORTUNITIES FUND INC.

By: _____
Name:
Title:

DYNEX CAPITAL LIMITED PARTNERSHIP, by its general partner, Dynex Advanced Technology Investment Corporation

By: _____
Name: Peter Blaney
Title: CEO

TANCHO CAPITAL (I) LIMITED PARTNERSHIP by its general partner, Tancho Advisers Group Inc.

By: _____
Name:
Title:

TANCHO CAPITAL (3) LIMITED PARTNERSHIP by its general partner, Tancho Phenomemo[illegible] (GP) Inc.

By: _____
Name: Peter Blaney
Title: CEO

GOLDEN OPPORTUNITIES FUND INC.

By: _____

Name: DOUG BANZET

Title: CFO & DIRECTOR

DYNEX CAPITAL LIMITED PARTNERSHIP, by its general partner, Dynex Advanced Technology Investment Corporation

By: _____

Name:

Title:

TANCHO CAPITAL (I) LIMITED PARTNERSHIP by its general partner, Tancho Advisers Group Inc.

By: _____

Name:

Title:

TANCHO CAPITAL (3) LIMITED PARTNERSHIP by its general partner, Tancho Phenomemome (GP) Inc.

By: _____

Name:

Title: