

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 DAVID DUBE

I, **DAVID DUBE**, of the City of Saskatoon, in the Province of Saskatchewan, Businessman, **MAKE OATH AND SAY AS FOLLOWS THAT:**

1. I am a principal of Concorde Centres Inc., which is a shareholder in Phenomenome Discoveries Inc. ("PDI"), such that I have personal knowledge of the facts and matters hereinafter deposed to, except where stated to be based upon information and belief, and where so stated, I believe the same to be true.
2. In addition to being a shareholder of PDI, Concorde Centres Inc. is a limited partner in Med-Life Discoveries LP ("**Med-Life**"), an entity which advanced Ten Million (\$10,000,000) Dollars to PDI in July of 2015 pursuant to a transaction between Med-Life and PDI (the "**Med-Life Transaction**").
3. In August of 2015, I requested a meeting with Dayan Goodenowe and John Hyshka regarding PDI and its new relationship with Med-Life (the "**Meeting**"). The Meeting took place on September 8, 2015 and was attended by Craig Bell and myself (on behalf of Med-Life) and Mr. Goodenowe and Mr. Hyshka (on behalf of PDI). During the Meeting, Mr. Goodenowe proceeded to tell us that PDI had very little cash and needed to raise more money.
4. Mr. Bell and I inquired as to the disposition of the Orphan Drug and Diagnostics assets of PDI. In response, Mr. Goodenowe proceeded to inform us that a term sheet for the Orphan Drug was coming in the next three weeks, but in October of 2015 at the very latest. He then stated that "the diagnostic suite is unsaleable in its current state".
5. This statement by Mr. Goodenowe was diametrically opposed to multiple representations which had been made by him to us during negotiations leading to the Med-Life Transaction and was shocking. As a result of this and other comments made by him during the Meeting,

Mr. Goodenowe appeared to me to be in a state of panic regarding PDI and its financial situation. Additional comments made during the Meeting regarding debts owed by PDI to its lawyers and landlords for amounts in excess of Two Million (\$2,000,000) Dollars raised the concern that PDI was insolvent.

6. On November 12, 2015, I received an email from Sweta Padel of PDI with an attached letter to shareholders of PDI under Mr. Goodenowe's signature which made various bizarre accusations in what I can only characterize as a "rant" which indicated to me a disturbing lack of professionalism from a senior executive.
7. Attached and marked as Exhibit "A" to this Affidavit is a true copy of the letter described in the immediately preceding paragraph of this Affidavit (the "**November 11 Letter**").
8. In the November 11 Letter, Mr. Goodenowe made verbal attacks and accusations against the CFO of PDI (Mr. John Hyshka) and informed the shareholders of PDI that Mr. Hyshka had been terminated for cause and claimed that he had "irrefutable evidence of fraud" on the part of Mr. Hyshka. Mr. Goodenowe also made various accusations of unethical behavior by several members of the board of directors of PDI which can only be termed highly disconcerting.
9. As a shareholder of PDI (through Concorde Centres Inc.) and a senior executive myself, I find Mr. Goodenowe's behavior increasingly bizarre and I believe that he no longer is operating in the best interest of either shareholders of PDI or its creditors. I have lost all confidence in the ability of Mr. Goodenowe to lead PDI as its CEO, as his performance and behavior over the past year have deteriorated at a rapidly accelerating pace resulting in an unrecoverable loss of value for PDI stakeholders.
10. I make this Affidavit in support of an application by Golden Opportunities Fund Inc. for an Order appointing a receiver of the property, assets and undertaking 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: *September 30, 2016*  
OR, Being a Solicitor.



DAVID DUBE

**CONTACT INFORMATION AND ADDRESS FOR SERVICE:**

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Lawyer in charge of file: Jeffrey M. Lee, Q.C. and Paul Olfert  
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File No: 60117.1



**phenomenome**  
discoveries

THIS IS EXHIBIT "A" referred to in  
the Affidavit of David Dube  
SWORN before me at Saskatoon, SK  
this 23<sup>rd</sup> day of November, 20 15  
Neil Kneille  
A COMMISSIONER FOR OATHS for  
Saskatchewan  
My Commission expires September 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 7<sup>th</sup>). The following day (Sunday November 8<sup>th</sup>), 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 9<sup>th</sup>) 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 10<sup>th</sup>). 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 10<sup>th</sup>, Golden Opportunities 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 19<sup>th</sup> 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 19<sup>th</sup> 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,



Dr. Dayan Goodenowe