

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO**

**MOTION RECORD OF XAGENIC INC.
(Motion Returnable August 8, 2017)**

August 4, 2017

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Lawyers for Xagenic Inc.

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Tab 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO**

**NOTICE OF MOTION
(Returnable August 8, 2017)**

XAGENIC INC. (“Xagenic”) will make a motion before a Judge presiding over the Commercial List on August 8, 2017 at 9:30 a.m., or as soon after that time as the motion can be heard at 330 University Ave., Toronto, Ontario.

THE MOTION WILL BE HEARD ORALLY.

THE MOTION IS FOR:

1. An Order substantially in the form of the draft Order attached at Tab 3 of the Motion Record for, among other things:
 - (a) if necessary, abridging the time for service of the Notice of Motion and the Motion Record and directing that any further service of the Notice of Motion and Motion Record be dispensed with such that this motion is properly returnable on August 8, 2017;
 - (b) extending the stay of proceedings until and including October 16, 2017;
 - (c) approving the terms of the interim financing term sheet dated July 31, 2017 (the “**DIP Term Sheet**”) entered into between Xagenic as borrower and Shana Kelley, CTI Life Sciences Fund and BDC Capital (collectively, the “**Lenders**”) as lenders; and
 - (d) granting the following priority charges over all of Xagenic’s assets, rights, undertakings and properties (collectively, the “**Xagenic Property**”), including but not limited to:

- i. a charge in favour of A. Farber & Partners Inc. (the “**Proposal Trustee**”) and the solicitors for the Proposal Trustee and Xagenic in the amount of \$40,000 (the “**Priority Administration Charge**”), ranking in priority to all existing charges over the Xagenic Property, including the charge in favour of Silicon Valley Bank (the “**SVB Charge**”);
- ii. a charge in favour of the Lenders and such other parties that may provide additional funding (collectively, the “**DIP Lenders**”) in respect of the DIP Term Sheet in the amount of \$150,000 (the “**Priority DIP Charge**”) over the Xagenic Property ranking subordinate to the Priority Administration Charge, but in priority to all existing charges over the Xagenic Property, including the SVB Charge;
- iii. a charge in favour of the Proposal Trustee and the solicitors for the Proposal Trustee and Xagenic in the amount of \$150,000 (the “**Subordinate Administration Charge**”), ranking subordinate to the SVB Charge (subject to review of the security in favour of Silicon Valley Bank), the Priority Administration Charge and the Priority DIP Charge, but in priority to all other existing charges over the Xagenic Property; and
- iv. a charge in favour of the DIP Lenders in respect of the DIP Term Sheet in the amount of \$600,000 (the “**Subordinate DIP Charge**”) over the Xagenic Property, ranking subordinate to the SVB Charge (subject to review of the security in favour of Silicon Valley Bank), the Priority Administration Charge, the Priority DIP Charge and the Subordinate Administration Charge but in priority to all other existing charges over the Xagenic Property.

2. Such further and other relief as counsel may request and this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. On August 1, 2017, Xagenic filed a notice of intention to make a proposal pursuant to the *Bankruptcy and Insolvency Act*;

2. since December 2016, Xagenic has been actively pursuing new capital investors and strategic partners to raise financing or arrange a sale of the company;
3. Xagenic intends to continue to pursue financing or sale opportunities, but it will not be able to conclude a transaction prior to August 30, 2017, the date the current stay of proceedings will expire;
4. Xagenic seeks approval of interim financing that will be used to fund its operations during the stay period and the costs related to these proceedings;
5. the Lenders are existing debentureholders (the primary secured creditors that will be affected by the priority charge in favour of the interim financing lenders), and Xagenic anticipates that additional debentureholders may participate on the same terms as set out in the DIP Term Sheet to provide additional liquidity;
6. Xagenic seeks the Priority DIP Charge and the Subordinate DIP Charge in order to comply with the terms of the DIP Term Sheet and ensure that the required financing is available;
7. Xagenic has been acting in good faith and with due diligence in pursuing financing and acquisition opportunities and seeks an extension of the stay of proceedings to allow additional time for it to pursue the financing and acquisition opportunities available to it, with a view to maximizing the recovery for all stakeholders;
8. the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, including 50.4(9) and 50.6;
9. rules 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194, as amended; and
10. such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the Affidavit of Edward Jonasson sworn August 4, 2017;
2. the first report of the Proposal Trustee dated August 4, 2017; and
3. such further and other evidence as counsel may advise and this Court may permit.

August 4, 2017

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Lawyers for Xagenic Inc.

TO: THE SERVICE LIST

Service List

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AND TO:	<p>AIRD & BERLIS LLP Brookfield Place, 181 Bay Street, Suite 1800 Toronto ON M5J 2T9</p> <p>Attention: Tony Gioia and Kyle Plunkett</p> <p>Tel: 416-865-3403 (T. Gioia) and 416-865-3406 (K. Plunkett)</p> <p>Email: tgioia@airdberlis.com and kplunkett@airdberlis.com</p> <p><i>Counsel for Silicon Valley Bank</i></p>

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AND TO:	<p>HER MAJESTY IN RIGHT OF ONTARIO, REPRESENTED BY THE MINISTER OF FINANCE 33 King Street West, 6th Floor Oshawa, ON L1H 8H5</p> <p>Attention: Kevin O'Hara</p> <p>Tel: 905-433-6934</p> <p>Email: kevin.ohara@fin.gov.on.ca</p> <p><i>Ministry of Finance</i></p>
AND TO:	<p>HER MAJESTY IN RIGHT OF CANADA, REPRESENTED BY THE CANADA REVENUE AGENCY Department of Justice Ontario Regional Office The Exchange Tower 130 King Street West, Suite 3400 Toronto, ON M5X 1K6</p> <p>Attention: Diane Winters</p> <p>Tel: 416-973-3172</p> <p>Email: diane.winters@justice.gc.ca</p> <p><i>Canada Revenue Agency</i></p>

AND TO:	TORONTO DOMINION BANK 55 King St W. PO Box 1 Toronto, ON Canada M5K 1A2 <i>Secured Creditor</i>
AND TO:	XEROX CANADA LTD. 33 Bloor St. E., 3 rd Floor Toronto, ON M4W 3H1 <i>Secured Creditor</i>
AND TO:	DOMAIN PARTNERS VIII, L.P. One Palmer Square, Suite 515 Princeton, New Jersey 08542 Attention: Lisa Kraeutler and Jesse Treu Tel: 609-683-5656 Email: kraeutler@domainvc.com and treu@domainvc.com <i>Secured debentureholder</i>
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AND TO:	ONTARIO CAPITAL GROWTH CORPORATION 250 Yonge St. Suite 3501 PO Box 1 Toronto, ON Canada M5B 2L7 Attention: Brenda Hogan Tel: 416-212-3368 Email: Brenda.hogan@ontario.ca <i>Secured debentureholder</i>
AND TO:	COVENGTON CAPITAL 375 University Avenue, Suite 700 Toronto, ON Canada M5G 2J5 Attention: Phil Reddon Tel: 416-365-5222 Email: phil@covingtoncap.com <i>Observer for Ontario Capital Growth Corporation</i>
AND TO:	CTI LIFE SCIENCES FUND, L.P. 1 Place Ville-Marie, Suite 1635 Montreal, QC Canada H3B 2B6 Attention: Shermaine Tilley and Ken Pastor Tel: 514-798-2333 Email: stilley@ctisciences.com and kpastor@ctisciences.com <i>Secured debentureholder</i>
AND TO:	SHANA KELLEY 21 Parkwood Avenue Toronto, ON M4V 2W9 Tel: 647-500-8641 Email: shana.kelley@gmail.com <i>Secured debentureholder</i>

AND TO:	EDWARD JONASSON 91 Parklea Drive East York, ON M4G 2J9 Tel: 416-473-6417 Email: edjonasson@gmail.com <i>Secured debentureholder</i>
AND TO:	BDC CAPITAL INC. Centre de Commerce Mondial 380 Rue Saint-Antoine Ouest, Suite 2000 Montreal, QC H2Y 3X7 Attention: Bharat Srinivasa and Dion Madsen Tel: 514-283-3133 (B. Srinivasa) and 415-806-1378 (D. Madsen) Email: bharat.srinivasa@bdccapital.ca and dion.madsen@bdccapital.ca <i>Secured debentureholder</i>
AND TO:	LAUREN WHYTE 1445 Sprucewood Terrace Oakville ON L6M 2R1 Tel: 905-330-0119 Email: laurenwhyte@gmail.com <i>Secured debentureholder</i>

IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO**

**NOTICE OF MOTION
(Returnable August 8, 2017)**

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
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Lawyers for Xagenic Inc.

Tab 2

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF EDWARD JONASSON
(Sworn August 4, 2017)**

I, **EDWARD JONASSON**, of the City of Toronto in the Province of Ontario, **MAKE OATH AND SAY as follows:**

- 1. I am the Chief Financial Officer of Xagenic Inc. ("**Xagenic**"), the debtor company in these proceedings and as such have personal knowledge of the matters deposed to in this Affidavit, or where I do not possess such personal knowledge, I have stated the source of my information, and in all such cases I believe both the information and the resulting statement to be true.
- 2. On August 1, 2017, Xagenic filed a notice of intention to make a proposal (the "**NOI**") pursuant to the *Bankruptcy and Insolvency Act* (Canada). A. Farber & Partners Inc. (the "**Proposal Trustee**") consented to act as trustee under the proposal. Attached and marked as **Exhibit "A"** is a true copy of the NOI.
- 3. This Affidavit is made in support of a motion seeking approval of interim financing, creating an administration charge in favour of the Proposal Trustee and the solicitors for the Proposal Trustee and Xagenic for fees and disbursements related to these proceedings and extending the stay of proceedings.

Xagenic's Business and History

- 4. Xagenic is a privately-held company based in Toronto, Ontario and registered under the Ontario *Business Corporations Act*.
- 5. Xagenic carries on business and maintains an office in Toronto. Xagenic has no other locations, and all management and finance functions are directed and controlled from the Toronto office. All of Xagenic's employees work out of the Toronto office.

6. Xagenic was founded and incorporated in 2010 and since that time has been in the business of developing molecular diagnostic systems. Molecular diagnostics are processes to analyse biological markers in genetic code that are used to diagnose and monitor disease, detect risk and assess appropriate treatment steps.
7. In particular, Xagenic is developing the Xagenic X1™ platform (“X1”). X1 is a lab-free platform with a time-to-result of 20 minutes that will allow tests to be conducted in real time at the point of care (i.e. the doctor’s office). The intellectual property related to X1 is one of Xagenic’s most significant assets. X1 will be the first platform of its kind, and Xagenic believes that there is a large market opportunity for this technology.

Capital Structure and Liquidity Crisis

8. Since 2010, Xagenic has raised approximately \$52.7 million from equity financing, approximately \$1.4 million in debt financing and \$2.053 million from convertible debenture financing. The total of all financing of approximately \$56.153 million was used to fund its business and the development of X1. These equity financings were raised through initial seed financing tranches (June 2010 and January 2011), Series A tranches of preferred shares (January and December 2012), and Series B and B-1 tranches of preferred shares (between November 2013 and April 2016). Debt financings were raised beginning in September 2010 through to June 2017. The secured convertible debenture funding closed two tranches in January 2017 and April 2017.
9. Since Xagenic’s technology is in the development stages, it is currently dependent on raising funds through debt and equity in order to fund its operations.
10. Since September 2016, Xagenic has actively pursued new capital investors and strategic partners to raise Series C debenture financing or an acquisition of the company.
11. Since January 2017, Xagenic’s current investors have funded its operations and capital requirements.
12. Between February 2017 and late July 2017, Xagenic and its management were in active discussions for financing or acquisitions. I participated in those discussions and based on those discussions, I believe that Xagenic is likely to be able to conclude a financing or sale, although it will require time to do so. Based on those discussions, and my

experience as a chartered accountant and chief financial officer, I do not believe that a transaction can be concluded before August 30, 2017, but I am optimistic that a transaction can be concluded.

13. In late July 2017, the investors determined that they were unable or unwilling to continue to fund Xagenic's operations outside a formal process, despite the interest received in Xagenic's discussions towards a potential financing or acquisition. Certain of the existing investors have already agreed to provide further financing in the course of these proceedings (as will be described further below).
14. The Xagenic board of directors determined that it was appropriate and necessary to file the NOI to allow Xagenic to continue to explore the financing or sale opportunities available to it.

Major Creditors

15. As of August 1, 2017, Xagenic's outstanding debt is approximately \$5.3 million.
16. Xagenic's secured creditors are:
 - (a) Silicon Valley Bank ("SVB"), owed approximately \$396,000;
 - (b) Xerox Canada Ltd., owed approximately \$1,300; and
 - (c) secured convertible debentures of approximately \$2.05 million held by various parties, including:
 - (i) Domain Partners VII, L.P., owed approximately \$712,000;
 - (ii) CTI Life Sciences Fund, L.P., owed approximately \$422,000;
 - (iii) Ontario Capital Growth Corp., owed approximately \$422,000;
 - (iv) BDC Capital Inc., owed approximately \$311,000; and
 - (v) Shana Kelley, owed approximately \$167,000.
17. I also hold a convertible debenture and Xagenic owes approximately \$10,000 on that debenture. All of the other debenture holders are owed less than \$6,000.

18. Attached and marked as **Exhibit “B”** is a true copy of the search results from the Ontario Personal Property Registry showing the *Personal Property Security Act* (Ontario) registrations against Xagenic.
19. The Ontario Ministry of Finance security registration is in respect of a judgment (of approximately \$8,900) it obtained against Xagenic. The judgment is in respect of Ontario employment health tax.
20. The Toronto Dominion Bank (“**TD**”) also has a registered security interest. This security interest relates to Xagenic’s corporate credit cards, and all amounts owed to TD in respect of these cards were repaid prior to the NOI filing. The corporate credit cards were cancelled on July 26, 2017. TD also holds a GIC as security for amounts owing on the cards. Based on my discussions with Xagenic’s account manager at TD, I believe that TD will return the GIC 30 days following cancellation of the cards (late August 2017).
21. The other security registrations are in favour of the secured debentureholders, SVB and Xerox Canada Ltd.
22. Xagenic’s significant unsecured creditors include:
 - (a) Federal Economic Development Agency (Federal Business Development Bank), owed approximately \$728,000;
 - (b) MaRS Investment Accelerator Fund Inc., owed approximately \$359,000; and
 - (c) Cooley LLP (“**Cooley**”), owed approximately \$350,000.
23. Cooley is Xagenic’s legal counsel with respect to intellectual property issues. Cooley is responsible for maintaining all of Xagenic’s intellectual property assets, including patents. Xagenic’s intellectual property is its most significant asset.
24. Xagenic also owes Fujitsu Glovia, Inc. (“**FG**”) approximately \$21,000 on an unsecured basis. Although the amount owed to FG is not substantial, relative to Xagenic’s other debts, FG is one of Xagenic’s key suppliers. FG provides Xagenic’s accounting services and is critical to its ongoing operations.

25. International Point of Care Inc. (“**IPOC**”) assembles Xagenic’s cartridges. Xagenic owes IPOC approximately \$70,000. IPOC has one of Xagenic’s significant assets, a laser welder that IPOC uses to weld Xagenic’s cartridges.
26. Other significant suppliers and unsecured creditors that are important to Xagenic’s operations are Vexos, which builds Xagenic’s instruments and is owed approximately \$145,000 and Micralyne Inc., which supplies Xagenic with microchips and is owed approximately \$146,000.

DIP Financing

27. To facilitate Xagenic’s restructuring and these proceedings, certain debenture holders have agreed to provide Xagenic with interim financing (the “**DIP Financing**”).
28. Attached and marked as **Exhibit “C”** is a true copy of the term sheet for the DIP Financing (the “**DIP Term Sheet**”) dated July 31, 2017 between Xagenic as borrower and Shana Kelley, CTI Life Sciences Fund L.P. and BDC Capital Inc. (collectively, the “**Lenders**”) as lenders. Schedule A of the DIP Term Sheet has been partially redacted to protect confidential information that is commercially sensitive.
29. The key terms of the DIP Term Sheet include:
 - (a) the Lenders will provide a revolving demand facility up to \$500,000;
 - (b) additional lenders may participate with the consent of the Lenders;
 - (c) Xagenic will use the proceeds of advances to fund its operating expenses during these proceedings;
 - (d) the Lenders will be granted a priority charge securing all amounts owed to the Lenders, with priority over SVB in the amount of \$150,000, and the balance being subordinate to SVB but in priority to existing charges; and
 - (e) the Lenders’ agreement to make advances under the DIP Financing is conditional on the DIP Term Sheet being approved by the Court.
30. The Lenders are all current secured creditors of Xagenic, with each holding convertible debentures. Additional debenture holders may agree to provide Xagenic with interim financing on the same terms as the DIP Term Sheet.

31. In particular the Ontario Capital Growth Corporation (“**OCGC**”) has historically matched investments made by CTI Life Sciences Fund L.P.; and Domain Partners VIII, L.P. (together with OCGC, the “**Additional Lenders**”) has advised that they may be willing to contribute further funds. Together, the Additional Lenders may provide Xagenic with a further \$250,000 in interim financing.
32. The Additional Lenders would participate in the priority charge sought on this motion.
33. Xagenic seeks approval of a bifurcated priority charge in the amount of \$750,000 in favour of the Lenders and any Additional Lenders that advance funds pursuant to the Term Sheet (collectively, the “**DIP Lenders**”). Of this amount, \$150,000 will have priority over all existing security interests, and \$600,000 will have priority over all existing security interests, except the security interest in favour of SVB (subject to a review of SVB’s security by the Proposal Trustee). This charge will be subordinate to the administration charge, as described below, in favour of the Proposal Trustee and Xagenic’s solicitors. The DIP Lenders’ charge will secure only amounts advanced after the Term Sheet is approved.
34. The Lenders have committed \$500,000 pursuant to the DIP Term Sheet. However, as set out above, Xagenic may obtain approximately \$250,000 in additional funds on the same terms and conditions.
35. Xagenic seeks a higher charge that is higher than the committed amounts set out in the DIP Term Sheet so that Xagenic can obtain additional financing on the same terms and conditions without incurring the expense of a further motion with respect to this financing. Xagenic is of the view that this will minimize expenses and allow key personnel to focus on Xagenic’s ability to make a proposal to its creditors. The charge will also ensure that all fees and interest owing on the DIP Financing is secured.
36. Any additional financing would be obtained on the same terms and conditions as the DIP Term Sheet and would be provided by existing debentureholders, whose security will be subordinated in favour of the DIP Lenders charge. No other significant secured creditors will be subordinated as a result of the increased lending and the priority charge.

37. Xagenic, with the assistance of the Proposal Trustee, has prepared a cash flow forecast through October 27, 2017. The cash flow forecast will be attached to the report of the Proposal Trustee.
38. As set out in the cash flow forecast, Xagenic's primary uses of cash over this period will be the costs of ongoing operations (rent and payroll, including source deductions) and the professional fees and disbursements in connection with these proceedings.
39. The DIP Financing is a critical component of the cash flow statement. Without the DIP Financing, an immediate liquidation would be required. As set out below, that would result in a shortfall to Xagenic's secured creditors. Further, given the nature of Xagenic's business there are health and safety issues that require an orderly shutdown of Xagenic's business. The costs associated with that orderly shutdown are contemplated in the cash flow statement.

Restructuring Plans

40. Xagenic has cut staff in order to reduce costs and improve its ability to manage operations during these proceedings until a transaction can be concluded. At one time, Xagenic employed 60 people. All employees were terminated effective July 31, 2017. Xagenic now has six contract employees. These employees are necessary in order to maintain the lab (including for health and safety purposes) and to effectively and efficiently pursue a transaction. Xagenic also expects to bring certain employees back as needed on a contract basis to ensure that all medical waste and biohazardous material is handled safely and responsibly.
41. Xagenic is continuing to meet with various parties in an effort to determine the level of interest in a financing or acquisition, with a view to finalizing a term sheet and closing a financing or acquisition.
42. As noted above, based on the discussions to-date, I do not believe that a transaction can be concluded by August 30, 2017. Xagenic will require additional time to complete its discussions with interested parties and conclude the ultimate transaction. Accordingly, Xagenic seeks a 45 day extension of the stay of proceedings.


43. Through the transaction, Xagenic will seek to maximize recovery for its secured and unsecured creditors.
44. On a liquidation value, Xagenic's assets will be insufficient to repay Xagenic's secured creditors. Based on the likely liquidation value and my experience as a chartered accountant and my experience as a chief financial officer of multiple companies, I believe that a financing or acquisition transaction will maximize the potential recovery for Xagenic's secured and unsecured creditors and that this can be achieved by continuing operations through to conclusion of a transaction. In particular, it is important that all biohazardous material is handled in a safe and responsible manner and that all of Xagenic's intellectual property is maintained and protected.
45. Xagenic is optimistic that a financing or acquisition of the business will have the effect of improving its long term financial prospects while preserving value for all stakeholders. Xagenic's senior management are committed to guiding Xagenic through this proposal proceeding, and significant secured creditors are prepared to provide funding to allow Xagenic to pursue a transaction for the benefit of all stakeholders. Xagenic believes that the best way to preserve value for the company and its stakeholders is for the DIP Financing to be approved and the stay extended so that it may focus on its efforts towards a financing or sale.

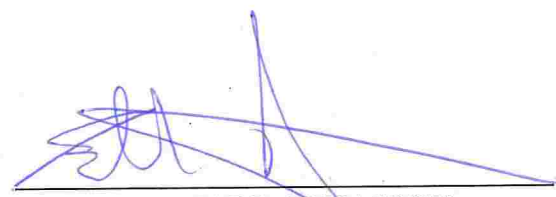
Administration Charge

46. The Proposal Trustee has agreed to act as proposal trustee in these proceedings and to assist Xagenic with preparation of cash flow projections and all aspects in respect of its proposal.
47. The Proposal Trustee and Xagenic's solicitors are essential to Xagenic's efforts to conclude a financing or sale transaction. They have each advised that they are prepared to provide or continue to provide services to Xagenic only if they are protected with a charge over Xagenic's assets. Accordingly, Xagenic seeks to establish a priority charge over its assets in favour of its solicitors, the Proposal Trustee and the Proposal Trustee's solicitors.

- 48. The proposed charge in favour of the Proposal Trustee (and its solicitors) and Xagenic's solicitors is a bifurcated priority charge of \$190,000, with \$40,000 having priority over all existing security interests and \$150,000 having priority over all existing security interests, except the security interest in favour of SVB. This charge will have priority over the charge in favour of the DIP Lenders, as described above.
- 49. This charge amount has been determined not on the basis of the total fees payable to these professionals during these proceedings but on an assessment of what could be an amount outstanding to these professionals at any given time in the proceedings.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario, this)
 4th day of August 2017)


 _____)
 A Commissioner of Oaths in and for the)
 Province of Ontario)

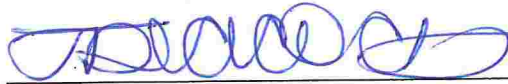


EDWARD JONASSON

Julie Laura Peacock, a Commissioner, etc.,
 Province of Ontario, for Borden Ladner Gervais LLP,
 Barristers and Solicitors.
 Expires March 19, 2018.

Tab A

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF
EDWARD JONASSON MADE BEFORE ME ON THE
4th DAY OF AUGUST, 2017

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

A COMMISSIONER FOR TAKING AFFIDAVITS FOR
ONTARIO

Julie Laura Peacock, a Commissioner, etc.,
Province of Ontario, for Borden Ladner Gervais LLP,
Barristers and Solicitors.
Expires March 19, 2018.

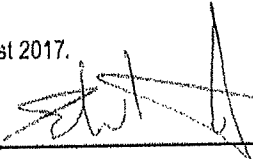
District of:
Division No.
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)
In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

Take notice that:

1. I, Xagenic Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. A. FARBER & PARTNERS INC., LIT of 150 York Street, Suite 1600, Toronto, ON, M5H 3S5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 1st day of August 2017.



Xagenic Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
Division No.
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
55 YORK STREET INC.	SIMPSON TOWER, 401 BAY STREET, 11th FLOOR, MAILBOX 11 TORONTO ON M5H 2Y4	Landlord	64,000.00
AGILE MANUFACTURING INC.	141 REACH STREET, UNIT 9 UXBRIDGE ON L3P 1L3		6,155.51
ANDRZEJ MACZUSZENKO	#605-240 Scarlett Road TORONTO ON M6N 4X4		5,491.80
AT&S AUSTRIA TECHNOLOGIE & SYSTEMTE	FABRIKSGASSE 13 LEOBEN 8700		25,679.20
ATT CERTIFIED TRADES INC	1565 HURONTARIO STREET MISSISSAUGA ON L5G 3H7		355.95
BCF LLP	1100 BOUL. RENE-LEVESQUE QUEST, 25 MONTREAL QC H3B 5C9		3,961.01
BDC Capital Inc.	380 Saint-Antoine Street West Montreal QC H2Y 3X7		311,361.24
BEANFIELD METROCONNECT	506-77 MOWAT AVENUE TORONTO ON M6K 3E3		336.74
BORDEN LADNER GERVAIS LLP	22 ADELAIDE STREET WEST, BAY ADELAIDE CENTRE, EAST TOWER TORONTO ON M5H 4E3		133,253.52
CANADIAN LINEN & UNIFORM SERVICE CO	BOX 51073 RPO TYNDALL WINNIPEG MB R2X 3C6		3,013.48
CARAVEL LAW	366 ADELAIDE STREET WEST TORONTO ON M5V 1R9		2,828.35
CATHARSIS MANAGED IT LTD	49 SPADINA AVE SUITE 402 TORONTO ON M5V 2J1		41,828.89
CEDARLANE	4410 PALETTO COURT BURLINGTON ON L7L 5R2		1,428.86
CLEATECH LLC	221 W DYER RD SANTA ANA CA 92707		883.05

District of:
Division No.
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
COMMERCIAL AIR COMPRESSOR LTD	95 KONRAD CRESCENT MARKHAM ON L3R 8T8		1,288.19
COOLEY LLP	101 CALIFORNIA, 5TH FLOOR SAN FRANCISCO CA 94111-5800		232,474.77
CRA - Tax - Ontario Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	820536381RP0001	7,431.71
CTI Life Sciences Fund, L.P.	1 Place Ville-Marie, Suite 1050 Montreal QC H3B 4S6		422,842.50
DESIGN RESOURCE GROUP	1896 DANFORTH AVENUE TORONTO ON M4C 1J4		18,990.78
DIAMED LAB SUPPLIES INC	3069 UNIVERSAL DRIVE MISSISSAUGA ON L4X 2E2		668.42
Domain Partners VIII, L.P.	One Palmer Square, Suite 515 Princeton NJ 08542 USA		712,665.63
DP VIII Associates, L.P.	One Palmer Square, Suite 515 Princeton NJ 08542 USA		5,288.13
Dr. Shana Kelley	Personal & Confidential		227,500.00
Edward Jonasson	Personal & Confidential		10,000.00
EPPENDORF CANADA LTD	2810 ARGENTIA ROAD, #2 MISSISSAUGA ON L5N 8L2		675.74
ER PRECISION LTD	4-1255 TERWILLEGAR AVE. OSHAWA ON L1J 7A4		20,213.10
EVOQUA WATER TECHNOLOGIES LTD.	STATION A, PO BOX 15738 TORONTO ON M5W 1C1		3,581.08
Federal Business Development Bank	139 Northfield Drive West, Unit 101 Waterloo ON N2L 5A6	5001102411	728,750.00
FEDEX BROKERAGE (CANADA) INC.	BOX 916200 P.O. BOX 4090 TORONTO ON M5W 0E9		674.02

District of:
Division No.
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
FERGHANA SECURITIES, INC	420 LEXINGTON AVENUE NEW YORK NY 10170		31,262.24
FUJITSU GLOVIA, INC	14751 COLLECTIONS CENTER DRIVE CHICAGO IL 60693		21,275.42
FULL SPECTRUM SOFTWARE LLC	25 TURNPIKE ROAD SOUTHBOROUGH MA 01772		36,169.62
G & M AUTOMATION LTD	7370 Bramalea Road Mississauga ON L5S 1N6		508.50
IDEAGEN PLC	BRAMAH AVENUE, ORION HOUSE GLASGOW G75 0RD		7,708.34
IMPERIAL COFFEE	12 KODIAK CRESCENT TORONTO ON M3J 3G5		1,044.21
INGERSOLL RAND	51 WORCESTER ROAD TORONTO ON M9W 4K2		2,179.88
INGRID MANAGEMENT CONSULTING	87 MEDLAND CRESCENT TORONTO ON M6P 2N3		2,389.95
INTEGRATED DNA TECHNOLOGIES INC.	8141 GATEWAY DR, STE 240 ARGYLE TX 76226		1,736.94
INTERNATIONAL POINT OF CARE INC	135 THE WEST MALL, UNIT 9 TORONTO ON M9C 1C2		70,567.01
KNG TECHNICAL INC.	475 LINE 2 S RR#2 ORO-MEDONTE ON LCL 2L0		15,760.00
LATHAM & WATKINS LLP	140 SCOTT DRIVE MELP PARK CA 94025		4,167.12
Lauren Whyte	Personal & Confidential		500.00
LIFE TECHNOLOGIES INC.	BANK OF AMERICA LOCKBOX SERVICES C/O 911000 PO BOX 4090 STN A TORONTO ON M5W 0E9		2,439.19
LINKEDIN IRELAND	PO BOX 4090 STN A C/O 913750 TORONTO ON M5W 0E9		2,260.00

District of:
Division No.
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MAGNET STRATEGY GROUP INC	25 ORIOLE GARDENS TORONTO ON M4V 1V8		3,025.58
MANAWA NETWORKS	801 YORK MILLS ROAD, SUITE 301 TORONTO ON M3B 1X7		1,378.60
Manulife Financial Lianne Stumpf	500 King Street North, PO Box 1602 Waterloo ON N2J 4C6		1,628.98
MaRS Innovation	661 University Avenue, Suite 465 Toronto ON M5G 1M1		359,713.00
MCMASTER CARR	PO BOX 7690 CHICAGO IL 60680-7690		1,939.48
MDC ASSOCIATES LLC	180 CABOT STREET BEVERLY MA 01915		4,514.88
METER GROUP INC. USA	2365 NE HOPKINS COURT PULLMAN WA 99163		11,474.38
MICRALYNE INC.	1911 94 St NW Edmonton AB T6N 1E6		146,669.25
MINISTER OF FINANCE	33 KING STREET WEST Oshawa ON L1H 8E9	812569655TE0001	8,786.61
NEWARK ELEMENT14	POSTAL STATION " A ", C/O T27537 PO BOX 4275 TORONTO ON M5W 5V8		512.29
Ontario Capital Growth Corp.	250 Yonge Street, 35th Floor Toronto ON M5B 2L7		422,842.50
OSLER, HOSKIN & HARCOURT LLP	1 FIRST CANADIAN PLACE PO BOX 50 TORONTO ON M5X 1B8		10,932.75
PNA BIO, INC.	5189 VIA CAPOTE THOUSAND OAKS CA 91320		17,488.47
PRAXAIR CANADA INC.	STATION D, PO BOX 400 SCARBOROUGH ON M1R 5M1		1,844.20
PRICEWATERHOUSECOOP ERS LLP	PWC CENTRE 354 DAVIS ROAD SUITE 600 OAKVILLE ON L6J 0C5		47,783.18

District of:
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Court No.
Estate No.

- FORM 33 -

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(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PROTO LABS, INC	5540 PIONEER CREEK DRIVE MAPLE PLAIN MN 55359		1,843.41
PWC LAW LLP	PWC CAC, PWC CENTRE 354 DAVIS ROAD, SUITE 600 OAKVILLE ON L6J 0C5		38,542.13
QUICKPARTS 3D SYSTEMS CO.	PO BOX 534963 ATLANTA GA 30353-4963		34,356.09
REED SMITH LLP	P.O. BOX 39000 DEPARTMENT 33489 SAN FRANCISCO CA 94139		597.56
ROGERS	P.O. BOX 4100 DON MILLS ON M3C 3N9	230-314060707	284.64
ROGUE SPECIALTY TRANSPORTATION	255 COURTNEYPARK DRIVE WEST MISSISSAUGA ON L5W 0A5		3,124.24
ROPES & GRAY LLP	P.O. BOX 414265 BOSTON MA 414265		206,602.21
SAS INSTITUTE (CANADA) INC	POSTAL STATION A, PO BOX 9706 TORONTO ON M5W 1R6		3,380.96
SCIENION US INC	11 DEER PARK DRIVE, SUITE 100 MONMOUTH JUNCTION NJ 08852		42,678.71
SHERMAINE TILLEY	64 SAINT PAUL STREET WEST SUITE 301 MONTREAL QC H2Y 4B8		1,428.66
SHRED-IT INTERNATIONAL INC.	PO BOX 15617, STN A TORONTO ON M5W 1C1		627.82
SIGMA ALDRICH CANADA CO.	P.O. BOX 6100, POSTAL STATION "F" TORONTO ON M4Y 2Z2		1,503.30
SILICON VALLEY BANK Kyle Plunkett	c/o Aird & Berlis LLP Brookfield Place, 181 Bay Street, Suite 1800 Toronto ON M5J 2T9		396,000.00
SINCLAIR & RUSH, INC	4149 PAYSPPHERE CIRCLE ARNOLD MO 63010-4727		3,216.84

District of:
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Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SMC LTD.	PO BOX 1450 MINNEAPOLIS MN 55485-6846		46,287.89
SOLIUM CAPITAL INC.	800 6TH AVENUE SW SUITE 1500 CALGARY AB T2P 3G3		6,798.90
SPRIGG HR INC	619 GLENHURST CRESCENT OTTAWA ON K1J 7B6		1,186.50
STAPLES ADVANTAGE	PO BOX 4446 STN A TORONTO ON M5W 4A2		322.35
STERICYCLE , INC.	BP/PO BOX 1531 STATION A TORONTO ON M5W3N9		57,521.64
STERLING TALENT SOLUTIONS CANADA	19433 96TH AVENUE SUITE 200 SURREY BC V4N 4C4		1,760.83
TD Canada Trust Visa c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2		3,800.00
THE GOVERNING COUNCIL OF THE U OF T - INNOVATIONS & PARTNERSHIPS OFFICE	UNIVERSITY OF TORONTO TORONTO ON M5G 1L5		45,000.00
THE LEE COMPANY TECHNICAL CENTER	P.O. BOX 424 WESTBROOK CT 06498-0424		21,578.37
The Ruth Group	757 3rd Avenue New York NY 10017 USA		765.00
U OF T RESEARCH OVERSIGHT	2ND FLOOR, MCMURRICH BLDG TORONTO ON M5S 1S8		17,500.00
ULINE CANADA CORPORATION	RPO STREETSVILLE, BOX 3500 MISSISSAUGA ON L5M 0S8		564.05
UNIVERSITY OF TORONTO - MEDSTORE	1 KING'S COLLEGE SUITE: 1326A TORONTO ON M5S 1A8		1,260.59
VEXOS	195 ROYAL CREST COURT MARKHAM ON L3R 9X6		145,783.60

District of:
Division No.
Court No.
Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VWR INTERNATIONAL CO.	COMMERCE COURT POSTAL STATION PO BOX 1137 TORONTO ON M5L 1K1		3,040.90
WESTERN INSTITUTIONAL REVIEW BOARD	PO BOX 150434 DEPT 106091 HARTFORD CT 06115-0434		337.62
WORKPLACE MEDICAL CORPORATION	130 WILSON STREET 2nd FLOOR HAMILTON ON L8R 1E2		3,607.07
WORKPLACE SAFETY & INSURANCE BOARD	STATION A PO BOX 4115 TORONTO ON M5W2V3		533.20
XEROX CANADA LTD.	PO BOX 4539 STATION A TORONTO ON M5W 4P5		1,327.19
XING YANG	39 YINXIAO ROAD, BULDG 4, #2601, PUDONG DISTRICT SHANGHAI		6,639.50
ZEPTOMETRIX CORPORATION	872 Main Street Buffalo NY 14202 USA		1,108.80
Total			5,334,994.81

Xagenic Inc.
Insolvent Person

Court No.

File No.

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

Form 33
Notice of intention to make a proposal

A. FARBER & PARTNERS INC., LIT - Licensed
Insolvency Trustee

150 York Street, Suite 1600
Toronto ON M5H 3S5
Phone: (416) 497-0150 Fax: (416) 496-3839

Tab B

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF
EDWARD JONASSON MADE BEFORE ME ON THE
4th DAY OF AUGUST, 2017



A COMMISSIONER FOR TAKING AFFIDAVITS FOR
ONTARIO

Julie Laura Peacock, a Commissioner, etc.,
Province of Ontario, for Borden Ladner Gervais LLP,
Barristers and Solicitors.
Expires March 19, 2018.

RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(5881)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : XAGENIC INC.

FILE CURRENCY : 25JUL 2017

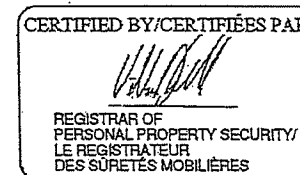
ENQUIRY NUMBER 20170726154452.07 CONTAINS 18 PAGE(S), 13 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

BORDEN LADNER GERVAIS LLP - BOX 15
22 ADELAIDE ST. WEST, STE. 3400
TORONTO ON M5H 4E3

CONTINUED...

2



(r/s 09/2013)



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452-07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(5882)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

00 [REDACTED] FILE NUMBER 729757053

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED PERIOD
FILE NO. OF BAGS SCHEDULE NUMBER OWNER PERIOD
001 001 20170713 0927 1051 3737 P PPSA 05

02 DEBTOR [REDACTED] FIRST GIVEN NAME [REDACTED] SURNAME [REDACTED]

03 NAME [REDACTED] BUSINESS NAME XAGENIC INC. ONTARIO CORPORATION NO. [REDACTED]

04 ADDRESS 55 YORK ST UNIT 1600 TORONTO ON M5J 1R7

05 DEBTOR [REDACTED] FIRST GIVEN NAME [REDACTED] SURNAME [REDACTED]

06 NAME [REDACTED] BUSINESS NAME [REDACTED] ONTARIO CORPORATION NO. [REDACTED]

07 ADDRESS [REDACTED]

08 SECURED PARTY / HER MAJESTY IN RIGHT OF ONTARIO REPRESENTED BY THE MINISTER OF FINANCE
LITEN CITIZENSHIP [REDACTED]

09 ADDRESS 400-130 DUFFERIN AVENUE, LONDON ON N6A 6G8

10 COLLATERAL CLASSIFICATION [REDACTED]
CONSUMER [REDACTED] MOTOR VEHICLE AMOUNT [REDACTED] DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR REPAYMENT DATE
[REDACTED] X X X X X 8921

11 YEAR MAKE [REDACTED] MODEL [REDACTED] VIN [REDACTED]

12 MOTOR VEHICLE [REDACTED]

13 GENERAL [REDACTED]

14 COLLATERAL [REDACTED]

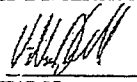
15 DESCRIPTION [REDACTED]

16 REGISTERING MINISTRY OF FINANCE, AM & COLLECTIONS BRANCH, EHT, BN#812569655

17 ADDRESS 400-130 DUFFERIN AVENUE, (071/746) LONDON ON N6A 6G8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(01/15/09/2013)



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(5883)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM 17 FINANCING STATEMENT CLERK FOR ITEM

00 FILE NUMBER
127749549

01 CATION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 001 20170517 1427 1862 4816 P PPSA 5

02 DEBTOR DATE OF BIRTH STREET GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME XAGENIC INC.
04 ADDRESS 55 YORK STREET, SUITE 1000 TORONTO ONTARIO M5J 1R7
GENERIC CORPORATION NO.

05 DEBTOR DATE OF BIRTH STREET GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME
07 ADDRESS
GENERIC CORPORATION NO.

08 SECURED PARTY / LAUREN WHYTE
09 DEBT CLAIMANT ADDRESS 1445 SPRUCEWOOD TERRACE OAKVILLE ONTARIO L6M 2R1

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO EXPIRED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED NATURE OF MORTGAGE DATE
X X X X X

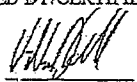
11 MOTOR YEAR MAKE MODEL
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING BORDEN LADNER GERVAIS LLP (H. DUTCH)
17 AGENT ADDRESS 22 ADELAIDE STREET WEST TORONTO ONTARIO M5H 4E3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉS PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(e)11s 09/2013



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 4
(5884)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

PCPS TO STRAYING STATEMENT CLAIM FOR LITEN

00 FILE NUMBER
726888861

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
EDITIONS NO. OF PAGES SCHEDULES NUMBER UNDER REVICD
001 001 20170424 1705 1862 2802 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME XAGENIC INC.

04 ADDRESS 55 YORK STREET, SUITE 1000 TORONTO ONTARIO CORPORATION NO. ON M5J 1R7

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / EDWARD JONASSON
SHEN CLAIMANT

09 ADDRESS 91 PARKLEA DRIVE EAST YORK ON M4G 2J9

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FINED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY FOR PROPERTY DATE

11 MOTOR YEAR MAKE MODEL

12 VEHICLE

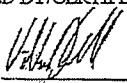
13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING BORDEN LADNER GERVAIS LLP (H. DUTCH)

17 ADDRESS 22 ADELAIDE STREET WEST TORONTO ON M5H 4E3

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉS PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c) 11s 09/2013

RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(5885)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM TO FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
726888879

CATEGORY PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO OF PAGES SCHEDULE NUMBER CODE SEATED
01 001 001 20170424 1705 1862 2803 P PPSA 5

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

XAGENIC INC.

ONTARIO CORPORATION NO.

ADDRESS

55 YORK STREET, SUITE 1000

TORONTO

ON M5J 1R7

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / SHANA KELLEY
LIEN CLAIMANT

ADDRESS

21 PARKWOOD AVENUE

TORONTO

ON M4V 2W9

COLLATERAL CLASSIFICATION

CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER ENCODED MATURITY OR REPLENISH DATE
10 X X X X X

YEAR MAKE

MODEL

MOTOR VEHICLE

GENERAL

COLLATERAL DESCRIPTION

REGISTERING BORDEN LADNER GERVAIS LLP (H. DUTCH)
AGENT

ADDRESS

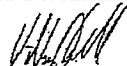
22 ADELAIDE STREET WEST

TORONTO

ON M5H 4E3

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(mjfs 09/2013)



RUN NUMBER : 207
 RUN DATE : 2017/07/26
 ID : 20170726154452.07

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 6
 (5886)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : XAGENIC INC.
 FILE CURRENCY : 25JUL 2017

FORM IC - FINANCING STATEMENT - CLAIM FOR ITEM

00 FILE NUMBER
 723562137

01 CREATION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 FILING NO. OF PAGES SCHEDULE NUMBER UNDER PRICE
 001 001 20161221 1447 1862 4079 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME XAGENIC INC. ONTARIO CORPORATION NO.
 04 ADDRESS 55 YORK STREET, SUITE 1000 TORONTO ON M5J 1R7

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME ONTARIO CORPORATION NO.
 07 ADDRESS

08 SECURED PARTY / PREY CLAIMANT BDC CAPITAL INC.
 09 ADDRESS 380 SAINT-ANTOINE STREET WEST MONTREAL PQ H2Y 3X7

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

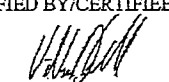
11 MOTOR YEAR MAKE MODEL
 12 VEHICLE

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING BORDEN LADNER GERVAIS LLP (H. DUTCH)
 17 AGENT ADDRESS 22 ADELAIDE STREET WEST TORONTO ON M5H 4E3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR

 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES
 (e/11s 09/2013)



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(5887)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : XAGENIC INC.
FILE CURRENCY : 25JUL 2017

FORM 10 FINANCING STATEMENT CLAIM FOR DEBTS

FILE NUMBER
723562155

CAPTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
PARTIAL NO. OF PAGES SCHEDULE NUMBER NUMBER INDEX PERIOD
01 001 001 20161221 1447 1862 4080 P PPSA 5

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02

DEBTOR NAME BUSINESS NAME XAGENIC INC. ONTARIO CORPORATION NO.
03
04 ADDRESS 55 YORK STREET, SUITE 1000 TORONTO ON M5J 1R7

DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05

DEBTOR NAME BUSINESS NAME ONTARIO CORPORATION NO.
06
07 ADDRESS

SECURED PARTY / SECURED PARTY
08 DOMAIN PARTNERS VIII, L.P.
09 ONE PALMER SQUARE, SUITE 515 PRINCETON NJ 08542

COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
10 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OF MATURITY DATE
X X X X X


MOTOR YEAR MAKE MODEL VEHICLE
11
12

GENERAL COLLATERAL DESCRIPTION
13
14
15

REGISTERING AGENT BORDEN LADNER GERVAIS LLP (H. DUTCH)
16
17 ADDRESS 22 ADELAIDE STREET WEST TORONTO ON M5H 4E3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(eji1fs 09/2013)



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452-07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(5888)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM TO FINANCING STATEMENT CLAIM FOR FLEA

00 FILE NUMBER
723562164

01 CAGION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER OWNER CONTROL
001 001 20161221 1448 1862 4081 P PP8A 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME XAGENIC INC.

04 ADDRESS 55 YORK STREET, SUITE 1000 TORONTO ONTARIO CORPORATION NO. ON M5J 1R7

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / DP VIII ASSOCIATES, L.P.
TRUST CLAIMANT

09 ADDRESS ONE PALMER SQUARE, SUITE 515 PRINCETON NJ 08542

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FILED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X X

11 MOTOR YEAR MAKE MODEL

12 VEHICLE

13 GENERAL

14 COLLATERAL

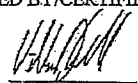
15 DESCRIPTION

16 REGISTERING BORDEN LADNER GERVAIS LLP (H. DUTCH)

17 ADDRESS 22 ADELAIDE STREET WEST TORONTO ON M5H 4E3

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(ejt/s 09/2013)



RUN NUMBER : 207
 RUN DATE : 2017/07/26
 ID : 20170726154452.07

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 9
 (5889)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : XAGENIC INC.
 FILE CURRENCY : 25JUL 2017

FORM TO FINANCING STATEMENT / CLAIM FOR FUND

FILE NUMBER
 723562182

CAUTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FILING	NO. OF	PAGES	SCHEDULE	NUMBER	INDEX	PERIOD
	001	001		20161221 1448 1862 4082	P PPSA	S

DEBTOR
 NAME : XAGENIC INC.
 BUSINESS NAME : XAGENIC INC.
 ADDRESS : 55 YORK STREET, SUITE 1000 TORONTO
 ONTARIO CORPORATION NO. : ON MSJ 1R7

DEBTOR
 NAME :
 BUSINESS NAME :
 ADDRESS :
 ONTARIO CORPORATION NO. :

SECURED PARTY /
 LEND CLAIMANT : CTI LIFE SCIENCES FUND, L.P.
 ADDRESS : 1 PLACE VILLE-MARIE, SUITE 1050 MONTREAL PQ H3B 4S6

COLLATERAL CLASSIFICATION	CONSUMER	MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	ENCLUSED

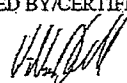
YEAR MAKE :
 MODEL :
 MOTOR VEHICLE :
 VEHICLE :

GENERAL
 COLLATERAL
 DESCRIPTION :

REGISTERING
 AGENT : BORDEN LADNER GERVAIS LLP (H. DUTCH)
 ADDRESS : 22 ADELAIDE STREET WEST TORONTO ON M5H 4E3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR

 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(c)1fs 09/2013



RUN NUMBER : 207
 RUN DATE : 2017/07/26
 ID : 20170726154452.07

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 10
 (5890)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : XAGENIC INC.
 FILE CURRENCY : 25JUL 2017

FORM 1C FINANCING STATEMENT CLAIM SYSTEM

FILE NUMBER
 723562191

01
 001 001 20161221 1449 1862 4083 P PPSA 5

02 DEBTOR: [REDACTED] FIRST GIVEN NAME [REDACTED] INITIAL [REDACTED] SURNAME [REDACTED]

03 NAME: [REDACTED] BUSINESS NAME: XAGENIC INC.

04 ADDRESS: 55 YORK STREET, SUITE 1000 TORONTO ONTARIO ONTARIO CORPORATION NO. MSJ 1R7

05 DEBTOR: [REDACTED] FIRST GIVEN NAME [REDACTED] INITIAL [REDACTED] SURNAME [REDACTED]

06 NAME: [REDACTED] BUSINESS NAME: [REDACTED]

07 ADDRESS: [REDACTED] ONTARIO CORPORATION NO. [REDACTED]

08 SECURED PARTY / [REDACTED] ONTARIO CAPITAL GROWTH CORPORATION

09 [REDACTED] ADDRESS: 250 YONGE STREET, 35TH FLOOR TORONTO ONTARIO ON MSB 2L7

10 COLLABORAL CLASSIFICATION: [REDACTED] MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
 CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OF MATURED DATE

11 YEAR MAKE [REDACTED] MODEL [REDACTED] [REDACTED]

12 MOTOR VEHICLE [REDACTED]


13 GENERAL [REDACTED]
 14 COLLABORAL [REDACTED]
 15 DESCRIPTION [REDACTED]

16 REGISTERING AGENT: BORDEN LADNER GERVAIS LLP (H. DUTCH)

17 ADDRESS: 22 ADELAIDE STREET WEST TORONTO ONTARIO ON MSB 4E3

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR

 REGISTRAR OF PERSONAL PROPERTY SECURITY /
 LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
 (ejf/s 09/2013)



RUN NUMBER : 207
 RUN DATE : 2017/07/26
 ID : 20170726154452.07

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
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REPORT : PSSR060
 PAGE : 11
 (5891)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : XAGENIC INC.
 FILE CURRENCY : 25JUL 2017

FORM TO FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 703521819

00

CLAIMING PARTY	PAGE NO.	TOTAL NO. OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTRATION UNDER	REGISTRATION PERIOD
	01	001		20150209 1440 1530 3996	P FPSA	5

01

DEBTOR NAME: [REDACTED] FIRST GIVEN NAME: [REDACTED] INITIAL: [REDACTED] SURNAME: [REDACTED]

02

DEBTOR BUSINESS NAME: XAGENIC INC.

03

DEBTOR ADDRESS: 55 YORK ST SUITE 1000 TORONTO ON M5J 1R7

04

DEBTOR NAME: [REDACTED] FIRST GIVEN NAME: [REDACTED] INITIAL: [REDACTED] SURNAME: [REDACTED]

05

DEBTOR BUSINESS NAME: [REDACTED]

06

DEBTOR ADDRESS: [REDACTED] ONTARIO CORPORATION NO: [REDACTED]

07

SECURED PARTY / LIEN CLAIMANT: THE TORONTO-DOMINION BANK - 10202

08

SECURED PARTY ADDRESS: 55 KING ST W P.O. BOX 1 TORONTO ON M5K 1A2

09

COLLATERAL CLASSIFICATION	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE	AMOUNT ENCLOSED	DATE OF MATURITY OR MATURITY DATE	NO. FIXED

10

MOTOR VEHICLE: YEAR [REDACTED] MAKE [REDACTED] MODEL [REDACTED] VARIANTS [REDACTED]

11

GENERAL COLLATERAL DESCRIPTION

12

REGISTERING AGENT: D+H LIMITED PARTNERSHIP

13

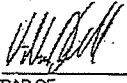
REGISTERING AGENT ADDRESS: SUITE 200, 4126 NORLAND AVENUE BURNABY BC V5G 3S8

14

FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY.

15

CONTINUED... 12

CERTIFIED BY / CERTIFIÉES PAR

 REGISTRAR OF PERSONAL PROPERTY SECURITY / LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(c) 11s 09/2013



RUN NUMBER : 207
RUN DATE : 2017/07/25
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 12
(5892)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM 16 FINANCING STATEMENT CLAIM FOR LIEN

FILE NUMBER
702991422

00

CAUTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	PERIOD
FILE NO	NO	OF PAGES	SCHEME	NUMBER	UNDER	PERIOD
	001	3		20150115 1238 1793 1767	P PPSA	5

01

DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
--------	---------------	------------------	---------	---------

02

DEBTOR	BUSINESS NAME
	XAGENIC INC.

03

DEBTOR	ADDRESS	TORONTO	ONTARIO CORPORATION NO.
	55 YORK STREET, SUITE 1000		ON M5J1R7

04

DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
--------	---------------	------------------	---------	---------

05

DEBTOR	BUSINESS NAME
--------	---------------

06

DEBTOR	ADDRESS	ONTARIO CORPORATION NO.
--------	---------	-------------------------

07

SECURED PARTY /	ADDRESS	SANTA CLARA	CA	95054
LIEN CLAIMANT	ADDRESS			
	SILICON VALLEY BANK			
	3003 TASMAN DRIVE			

08

COLLATERAL CLASSIFICATION		MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED				
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACQUISITION	OTHER	INCLUDED	MATURITY	OR	MATURITY DATE
	X	X	X	X	X	X			

10

MOTOR	YEAR	MAKE	MODEL	VIN
-------	------	------	-------	-----

11

VEHICLE

12

GENERAL	DESCRIPTION
	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.
	NOTWITHSTANDING THE FOREGOING, THE COLLATERAL DOES NOT INCLUDE ANY
	INTELLECTUAL PROPERTY OF THE DEBTOR PROVIDED, HOWEVER, THE

13

COLLATERAL	DESCRIPTION
------------	-------------

14

REGISTERING	AGENCY	ADDRESS	TORONTO	ON	M5J2T9
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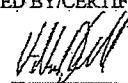
16

REGISTERING	AGENCY	ADDRESS	TORONTO	ON	M5J2T9
		AIRD & BERLIS LLP (117752 - TONY GIOIA)			
		181 BAY STREET, SUITE 1800			

17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)ifs 09/2013



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR050
PAGE : 13
(5893)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM NO. FINANCING STATEMENT CLAIM FOR LITEN

00 FILE NUMBER
702991422

01 CATIONION PAGE TOTAL MOTOR VEHICLE REGISTRATION REG. SUBSE REGISTRATION
ADDRESS NO. OF PAGES SCHEDULE NUMBER INDEX PERIOD
002 3 20150115 1238 1793 1767

02 DEBTOR FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 LITEN STATEMENT ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FINED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL VIN

12 VEHICLE

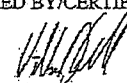
13 GENERAL COLLATERAL DESCRIPTION COLLATERAL SHALL INCLUDE ALL ACCOUNTS AND ALL PROCEEDS OF INTELLECTUAL PROPERTY. PURSUANT TO THE TERMS OF A CERTAIN NEGATIVE PLEDGE ARRANGEMENT WITH SECURED PARTY, DEBTOR HAS AGREED NOT TO

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(c)11s 09/2013

RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 14
(5894)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
702991422

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION RECORDED REGISTRATION
SILING NO OF PAGES SCHEDULE NUMBER UNDER PERIOD
003 3 20150115 1238 1793 1767

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME ONTARIO CORPORATION NO
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME ONTARIO CORPORATION NO
07 ADDRESS

08 SECURED PARTY /
09 LEND CLAIMANT ADDRESS

10 COLLATERAL CLASSIFICATION CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER ENCLOSED MATURITY OR MATURITY DATE

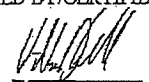
11 YEAR MAKE MODEL WEIGHT
12 MOTOR VEHICLE

13 GENERAL ENCUMBER ANY OF ITS INTELLECTUAL PROPERTY WITHOUT THE PRIOR WRITTEN
14 COLLATERAL CONSENT OF THE SECURED PARTY.
15 DESCRIPTION

16 REGISTERING AGENCY ADDRESS
17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj/fs 09/2013)



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 15
(5895)

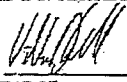
TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

SECTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED
FILE	NO	OF	SCHEDULE	NUMBER	UNDER
01	001	1		20161222 1030 1793 0241	
21	001	702991422			
22	PAGE AMENDED	NO. SPECIFIC PAGE AMENDED	CHANGE REGISTERED	RENEWAL	CORRECT
		A - AMENDMENT	A - AMENDMENT	YEARS	PERIOD
23	REFERENCE	FIRST-GIVEN NAME	GENERAL	SURNAME	
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	XAGENIC INC.		
25	OTHER CHANGE				
26	REASON FOR	AMENDED TO REMOVE THE GENERAL COLLATERAL DESCRIPTION IN			
27	DESCRIPTION	REGISTRATION NO. 20150115 1238 1793 1767.			
28					
02/	DATE OF BIRTH	FIRST-GIVEN NAME	GENERAL	SURNAME	
05	DEBTOR/ TRANSFEREE	BUSINESS NAME			
06			ONTARIO CORPORATION NO.		
04/07	ADDRESS				
29	ASSIGNOR				
08	SECURED PARTY/LIEN CLAIMANT/ASSIGNEE				
09	ADDRESS				
	COLLATERAL CLASSIFICATION				
	CONSUMER	MOTOR VEHICLE	DATE OF	NO. FIXED	
	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	DEBT
10		INCLUDED	AMOUNT	INTEREST	OR
					MATURITY DATE
11	MOTOR	YEAR	MAKE	MODEL	V I N
12	VEHICLE				
13	GENERAL				
14	COLLATERAL				
15	DESCRIPTION				
16	REGISTERING AGENT OR	AIRD & BERLIS LLP			
17	SECURED PARTY/ LIEN CLAIMANT	ADDRESS	181 BAY STREET, SUITE 1800, BOX# 754	TORONTO	ON MSJ2T9

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY. ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj2/s 09/2012)



RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 16
(5896)

TYPE OF SEARCH BUSINESS DEBTOR
SEARCH CONDUCTED ON XAGENIC INC.
FILE CURRENCY 25JUL 2017

FORM TO FINANCING STATEMENT CLAIM FOR DEB

FILE NUMBER
695800926

00

CATION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
CLASS	NO.	PAGES	SCHEDULE	NUMBER	INDEX	PERIOD
01	01	001		20140502 1703 1462 3607	F PPSA	5

01

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02

DEBTOR NAME BUSINESS NAME XAGENIC INC.

03

ADDRESS SUITE 1000, 55 YORK ST TORONTO ONTARIO CORPORATION NO. ON M5J1R7

04

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

05

DEBTOR NAME BUSINESS NAME ONTARIO CORPORATION NO.

06

ADDRESS

07

SECURED PARTY XEROX CANADA LTD

08

SECURED PARTY ADDRESS 33 BLOOR ST. E. 3RD FLOOR TORONTO ON M4W3H1

09

COLLATERAL CLASSIFICATION	CONSUMER	MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
		INCLUDED		MATURITY OR	MATURITY DATE

10

MOTOR YEAR MAKE MODEL

11

VEHICLE

12

GENERAL COLLATERAL DESCRIPTION

13

14

15

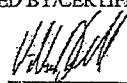
REGISTERING AGENT PPSA CANADA INC. - (3992)
ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

16

17

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY ***

CONTINUED ... 17

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF PERSONAL PROPERTY SECURITY / LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(cr)fts 09/2013



RUN NUMBER : 207
 RUN DATE : 2017/07/26
 ID : 20170726154452.07

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 17
 (5897)

TYPE OF SEARCH BUSINESS DEBTOR
 SEARCH CONDUCTED ON XAGENIC INC.
 FILE CURRENCY 25JUL 2017

FORM IC FINANCING STATEMENT CLAIM FORGIVEN

00 FILE NUMBER
 594987505

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
 CHARGING NO OF PAGES SCHEDULES NUMBER UNDER PERIOD
 01 001 20140404 1401 1462 3999 P PPSA 6

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME XAGENIC INC.

04 ADDRESS 55 YORK ST, SUITE 1600 TORONTO ONTARIO CORPORATION NO. ON M5J1R7

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY XEROX CANADA LTD

09 OPEN CLAIMANT ADDRESS 33 BLOOR ST. E. 3RD FLOOR TORONTO ON M4W3H1

COLLATERAL CLASSIFICATION

10 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL SYSTEM

12 VEHICLE

13 GENERAL

14 COLLATERAL

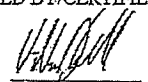
15 DESCRIPTION

16 REGISTERING PPSA CANADA INC. - (3992)

17 AGENT ADDRESS 110 SHEPPARD AVE EAST, SUITE 303 TORONTO ON M2N6Y8

*** FOR FURTHER INFORMATION CONTACT THE SECURED PARTY ***

CONTINUED... 18

CERTIFIED BY/CERTIFIÉES PAR

 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(c)ifs 09/2013



47

RUN NUMBER : 207
RUN DATE : 2017/07/26
ID : 20170726154452.07

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

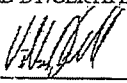
REPORT : PSSR060
PAGE : 18
(5898)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : XAGENIC INC.
FILE CURRENCY : 25JUL 2017

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
729757053	20170713 0927 1031 3737			
727749549	20170517 1427 1862 4816			
726888861	20170424 1705 1862 2802			
726888879	20170424 1705 1862 2803			
723562137	20161221 1447 1862 4079			
723562155	20161221 1447 1862 4080			
723562164	20161221 1448 1862 4081			
723562182	20161221 1448 1862 4082			
723562191	20161221 1449 1862 4083			
703521819	20150209 1440 1530 3996			
702991422	20150115 1238 1793 1767	20161222 1030 1793 0241		
695800926	20140502 1703 1462 3607			
694987506	20140404 1401 1462 3999			

14 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(ref 3 09/2013)



Tab C

THIS IS EXHIBIT "C REFERRED TO IN THE AFFIDAVIT OF
EDWARD JONASSON MADE BEFORE ME ON THE
4th DAY OF AUGUST, 2017



A COMMISSIONER FOR TAKING AFFIDAVITS FOR
ONTARIO

Julie Laura Peacock, a Commissioner, etc.,
Province of Ontario, for Borden Ladner Gervais LLP,
Barristers and Solicitors.
Expires March 19, 2018.

Julie Laura Peacock, a Commissioner, etc.,
Province of Ontario, for Borden Ladner Gervais LLP,
Barristers and Solicitors.
Expires March 19, 2018.

INTERIM FINANCING TERM SHEET
JULY 31, 2017

WHEREAS the Borrower (as defined below) has requested that the DIP Lenders (as defined below) provide interim financing to fund certain of the Borrower's operating costs during the term of the proposal proceedings of the Borrower (the "**Proposal Proceedings**") commenced pursuant to the *Bankruptcy and Insolvency Act* (Canada) in accordance with the terms and conditions set out herein;

AND WHEREAS the DIP Lenders have agreed to provide financing in order to fund certain operating costs of the Borrower in the context of its Proposal Proceedings in accordance with the terms set out herein;

NOW THEREFORE the parties, in consideration of the foregoing and the mutual agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

Borrower:	Xagenic Inc. (the " Borrower ").
DIP Lenders:	Shana Kelley, CTI Life Sciences Fund, and BDC Capital (each in their capacity as lender (each a " Lender ") under this Interim Financing Term Sheet, collectively, the " DIP Lenders "). Each Lender's respective commitment is set out in the attached Schedule "A".
Advances and Maximum Amount :	A revolving demand facility (the " DIP Facility ") in an amount not exceeding the principal amount of \$500,000 (the " Maximum Amount "). Advances under the DIP Facility shall be made in accordance with the disbursement schedule set out on the attached Schedule "A", subject to satisfaction of all conditions to advances. Amounts listed in the disbursement schedule are subject to change.
Use of Proceeds:	The Borrower shall use the proceeds of advances under the DIP Facility to fund its operating expenses during the course of the Proposal Proceedings in accordance with the cash flow forecast attached as Schedule "B".
Interest Rate:	Advances under the DIP Facility shall bear interest at 15% per annum. Interest on advances made under the DIP Facility shall accrue monthly in arrears.
Facilitation Fee:	The Borrower shall pay the DIP Lenders a facilitation fee equal to 2% of the Maximum Amount (the " Facilitation Fee "), which fee shall be earned by the DIP Lenders upon acceptance of this Interim Financing Term Sheet by the Borrower and issuance by the Ontario Superior Court of Justice (Commercial List) (the " Court ") of the Interim Financing Approval Order (as defined herein) and shall be payable by the Borrower from the initial advance. The Facilitation fee shall be distributed to each Lender <i>pro rata</i> based on each Lenders respective commitment.

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DIP Lenders' Charge and Priority:	<p>The DIP Lenders shall be granted a charge (the "DIP Lenders' Charge") over all of the Borrower's assets, rights, undertakings and properties securing all obligations owing by the Borrower to the DIP Lenders including, without limitation, all principal, interest, cost (including reasonable legal fees) and Facilitation Fee.</p> <p>The priority ranking of the DIP Lenders' Charge, from time to time, is set out on Schedule "A". For clarity, the DIP Lenders' Charge will rank ahead of the Silicon Valley Bank ("SVB") security in the amount of \$150,000. The balance of the DIP Lenders Charge will rank behind SVB's security.</p>
Repayment:	<p>The advances under the DIP Facility shall be repayable on demand in accordance with the priorities set out on Schedule "A".</p>
Evidence of Indebtedness:	<p>The DIP Lenders' accounts and records constitute, in the absence of manifest error, <i>prima facie</i> evidence of the indebtedness of the Borrowers to the DIP Lenders pursuant to the DIP Facility.</p>
Conditions Precedent:	<p>The DIP Lenders' agreement to make advances to the Borrower up to the Maximum Amount is subject to the Borrower receiving an Order of the Court in Proposal Proceedings, substantially in the form approved by the DIP Lenders, approving this Interim Financing Term Sheet and the DIP Facility and granting the DIP Lenders' Charge (the "Interim Financing Approval Order").</p>
Other Conditions:	<p>All advances are subject to the following additional conditions precedent to advance:</p> <ul style="list-style-type: none"> (i) the DIP Lenders shall have received from the Borrower a written borrowing request; (ii) the Proposal Proceedings shall not have been terminated; (iii) the Interim Financing Approval Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified (without the prior written consent of the DIP Lenders); and (iv) the Borrower shall have achieved each of the specific advance milestones related to a transaction with a strategic partner as set out on Schedule "A" and "C" <p>The DIP Lenders are not obligated to advance funds if these conditions are not satisfied or waived by the DIP Lenders in their sole discretion.</p>
Miscellaneous:	<p>Additional DIP lenders may participate in the interim financing upon approval of existing lenders.</p>
Governance:	<p>This Interim Financing Term Sheet shall be governed each of the documents contemplated by or delivered under or in connection with this Interim Financing Term Sheet are governed by and are to be construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.</p>

Binding Commitment:	Each Lender hereby agrees that execution of this Interim Financing Term Sheet constitutes a binding commitment on the part of each of the Lenders to make available to the Borrower the DIP Facility, subject to satisfaction of the terms and conditions set out herein.
Further Assurances:	Each party shall from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to the provisions and intent of this Interim Financing Term Sheet and to complete the transactions contemplated by this Interim Financing Term Sheet.

SHANA KELLEY



Date: JUL 31, 2017

CTI LIFE SCIENCES FUND

Per:

Date: _____

Name: _____

Title _____

BDC CAPITAL

Per:

Date: _____

Name: _____

Title _____

XAGENIC INC.

Per:

Date: _____

Name: _____


Title _____

SHANA KELLEY

_____ Date: _____

CTI LIFE SCIENCES FUND

Per:

 _____ Date: _____

Name: Ken Dastoe
Title GENERAL PARTNER

BDC CAPITAL

Per:

_____ Date: _____

Name:
Title

XAGENIC INC.

Per:

_____ Date: _____

Name:
Title

SHANA KELLEY

Date: _____

CTI LIFE SCIENCES FUND

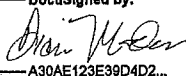
Per:

Date: _____

Name:
Title

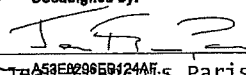
BDC CAPITAL

Per:

DocuSigned by:

A30AE123E39D4D2...

Name: Dion Madsen
Title: Senior Managing Partner

Date: 31/7/2017

DocuSigned by:


Name: Jean-Francois Pariseau
Title: Partner

Date: 1/8/2017

XAGENIC INC.

Per:

Date: _____

Name:
Title

SHANA KELLEY

_____ Date: _____

CTI LIFE SCIENCES FUND

Per:

_____ Date: _____

Name:

Title

BDC CAPITAL

Per:


_____ Date: _____

Name:

Title

XAGENIC INC.

Per:

 _____ Date: July 31, 2017

Name: EDUARDO JOHNSON

Title CFO

Schedule A

Estimated Date
of

Disbursement	DIP Lender	Amount	Milestone	Priority status (SOK)	Priority status (CTI/BDC)
4/Aug/17	Shana Kelley	\$100,000.00	Court approval	100,000 in front of SVB	
11/Aug/17	Shana Kelley	\$ 50,000.00		150,000 in front of SVB	
18/Aug/17	Shana Kelley	\$100,000.00		150,000 in front of SVB, 100,000 behind	
1/Sep/17	CTI/BDC	\$100,000.00	Term sheet issued	50,000 in front of SVB, 200,000 behind	100,000 in front of SVB
29/Sep/17	CTI/BDC	\$150,000.00	Term sheet signed, final legals	250,000 behind SVB	150,000 in front of SVB, 100,000 behind
Total DIP financing		\$500,000.00			

Xagenic Inc.

Weekly Cash Forecast - Reduced Staff Scenario

Week #	Week Ending on Friday												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	04-Aug-17	11-Aug-17	18-Aug-17	25-Aug-17	01-Sep-17	08-Sep-17	15-Sep-17	22-Sep-17	29-Sep-17	06-Oct-17	13-Oct-17	20-Oct-17	27-Oct-17
Open Cash Balance	23,700	20,978	21,996	106,657	38,482	54,974	28,287	787	119,837	108,021	18,741	18,741	3,641
Cash Inflows													
DIP Funding		150,000	100,000		100,000			150,000					
HST Refund									-			-	
Total Inflows	-	150,000	100,000	-	100,000	-	-	150,000	-	-	-	-	-
Cash outflows													
Contractors		36,000		28,000		21,600		25,600		14,000		14,000	
Rent & Utilities		74,000			74,000					64,452		-	
Phone, Internet & IT Support	-	3,368	-	1,250	3,018	-	-	1,250	-	3,018	-	-	
Administration Costs	-	4,136	339	1,800	-	4,110	-	1,100	-	4,110	-	1,100	
Operations Costs	-	977	2,500	100	-	977	-	-	-	977	-	-	
Professional Fees (FA & Legal)	-	27,500	10,500	37,025	-	-	27,500	-	7,500	-	-	-	
Bank fees - LOC Interest	2,723				2,723					2,723			
DIP Interest Payment & Fees	-	3,000	2,000	-	3,767	-	-	3,000	4,315	-	-	-	2,671
Total Outflows	2,723	148,982	15,339	68,175	83,508	26,687	27,500	30,950	11,815	89,280	-	15,100	2,671
Closing Cash Balance	20,978	21,996	106,657	38,482	54,974	28,287	787	119,837	108,021	18,741	18,741	3,641	970

Xagenic Inc.

Weekly Cash Forecast - Reduced Staff Scenario

Week #	Week Ending on Friday												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	04-Aug-17	11-Aug-17	18-Aug-17	25-Aug-17	01-Sep-17	08-Sep-17	15-Sep-17	22-Sep-17	29-Sep-17	06-Oct-17	13-Oct-17	20-Oct-17	27-Oct-17
Expense Details													
Phone, Internet & IT Support													
Manawa - hosted email		700			350					350			
Beanfield - internet provider		168			168					168			
Catharsis - IT Support		2,500			2,500					2,500			
BluArc - VOIP Phone System				1,250				1,250	-				
Total - Phone, Internet & IT	-	3,368	-	1,250	3,018	-	-	1,250	-	3,018	-	-	-
Administration Costs													
Coffee Machine & Water filter rental		26	89										
Xerox - Photocopies/scanner				1,800	-	-		1,100	-	-		1,100	
Shred it - confidential shredder			250										
Glovia - ERP		4,110				4,110	-			4,110			
Total Administration Costs	-	4,136	339	1,800	-	4,110	-	1,100	-	4,110	-	1,100	-
Operations Costs													
Canadian Linen			-	100									
Rogue - Storage		768				768				768			
Stericycle - Medical waste			2,500										
Misc		209				209				209			
Total Operations Costs	-	977	2,500	100	-	977	-	-	-	977	-	-	-
Professional Fees (FA & Legal)													
FA - Farber		27,500	10,500	15,000			15,000		7,500				
Legal - Insolvency - FA - TBD	-			-			-						
Legal - Insolvency - BLG				12,500			12,500						
Legal - Corp - Fasken													
Legal - Patent - Cooley				9,525			-						
Tax - SR&ED - PwC													
Appraisal													
Total Professional Fees	-	27,500	10,500	37,025	-	-	27,500	-	7,500	-	-	-	-

Xagenic Inc.

Weekly Cash Forecast - Reduced Staff Scenario

Week #	Week Ending on Friday												
	1	2	3	4	5	6	7	8	9	10	11	12	13
	04-Aug-17	11-Aug-17	18-Aug-17	25-Aug-17	01-Sep-17	08-Sep-17	15-Sep-17	22-Sep-17	29-Sep-17	06-Oct-17	13-Oct-17	20-Oct-17	27-Oct-17

Notes and Assumptions:

- All remaining staff are contractors on consulting contracts
- Assumes all vendors are COD.
- The recovery of the SR&ED refund and professional fees related thereto are not included.
- Rent is prorated from NOI Proposal filing until completion of the sales process.

Schedule C

Term Sheet Milestone:

A signed term sheet from an investor or a strategic acquirer to acquire 100% of the outstanding assets of the company for an aggregate value in excess of \$10,000,000. If the offer contains future contingent payments, the company should have the resources to achieve these contingent payments without raising additional capital in excess of \$5,000,000

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**AFFIDAVIT OF EDWARD JONASSON
(Sworn August 4, 2017)**

BORDEN LADNER GERVAIS LLP
Bay Adelaide Centre, East Tower
22 Adelaide St. W.
Toronto, Ontario
M5H 4E3

ALEX MACFARLANE / LSUC # 28133Q
Tel: 416-367-6305
Email: amacfarlane@blg.com

ROGER JAIPARGAS / LSUC # 43275C
Tel: 416-367-6266
Email: rjaipargas@blg.com

Lawyers for Xagenic Inc.

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

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BORDEN LADNER GERVAIS LLP
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Email: rjaipargas@blg.com

Lawyers for Xagenic Inc.

Tab 3

Court File No. 31-2278723

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC. OF THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO**

FIRST REPORT OF THE PROPOSAL TRUSTEE

AUGUST 4, 2017

INTRODUCTION

1. On August 1, 2017, Xagenic Inc. (“**Xagenic**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**NOI Proceedings**”). A. Farber & Partners Inc. (“**Farber**”) was appointed as proposal trustee (the “**Proposal Trustee**”) in the NOI Proceedings.
2. Xagenic will bring a motion returnable on August 8th, 2017 for an order, *inter alia*:
 - (a) Approving the interim financing of Xagenic by the DIP Lenders (defined in the DIP Term Sheet attached as Exhibit C to the Affidavit of Edward Jonasson sworn August 4, 2017) substantially in accordance with the terms of the DIP Term Sheet (defined below) and granting the DIP Lender’s Charge (as defined below);
 - (b) Granting the Administrative Charge (as defined below) in favour of the Proposal Trustee, counsel for the Proposal Trustee, and counsel for Xagenic; and
 - (c) Extending the time within which a Proposal must be filed with the Official Receiver to October 16, 2017.

3. The primary purpose of the Proposal is to provide Xagenic with an opportunity to solicit strategic partners to invest in or purchase Xagenic's intellectual property which would allow Xagenic to continue with its research and development.

PURPOSE OF THE FIRST REPORT

4. The purpose of this report (the "**First Report**") is to:
 - (a) Report on Xagenic's cash flow projection for the period commencing August 1, 2017 and ending October 27, 2017 (the "**Cash Flow**") and Xagenic's need for a debtor in possession facility between Xagenic and the DIP Lender in the principal amount of \$500,000, which may be increased to \$750,000 (the "**DIP Facility**"), as well as a charge in favour of the DIP Lender over Xagenic's property to secure repayment of the amounts borrowed by Xagenic under the DIP Facility (the "**DIP Lender's Charge**");
 - (b) Support the request for a \$190,000 charge to secure the fees and disbursements of the Proposal Trustee, counsel for the Proposal Trustee and Xagenic's legal counsel (the "**Administrative Charge**"); and
 - (c) Support Xagenic's request for an extension of the time period to file a Proposal with the Official Receiver to October 16, 2017.

DISCLAIMER

5. In preparing this First Report, the Proposal Trustee has relied upon unaudited financial information of Xagenic, the books and records of Xagenic and discussions with representatives of Xagenic, including their lawyers. The Proposal Trustee has not performed an audit or other verification of such information. The Proposal Trustee expresses no opinion or other form of assurance with respect to the financial information presented in this First Report.

BACKGROUND

6. Xagenic, a privately-held company, developed the Xagenic X1™ platform, a diagnostic system designed to allow physicians to perform lab-quality molecular diagnostic tests within the confines of their office or clinic.
7. Xagenic is developing infectious disease diagnostic tests that will provide quick, clinically actionable results that dramatically improve patient care and reduce health care costs.
8. Xagenic is incorporated under the Ontario *Business Corporations Act* and domiciled in Canada with its head office at 55 York Street, Suite 1000, Toronto, Ontario.
9. Xagenic operates principally in Canada. In 2014, Xagenic incorporated a wholly owned US subsidiary, Xagenic Corporation, for marketing purposes.
10. Xagenic is a pre-revenue company. Funding for its research and development and general administration has been financed by debt and equity. In mid 2017, its lead debenture holder chose to not advance funds for the latest round of financing. The other partners, hesitant to move forward without the lead debenture holder, reluctantly decided to withhold further funding.
11. Xagenic, without funding is unable to honour its operating costs.
12. Accordingly, Xagenic filed an NOI on August 1, 2017, a copy of which is attached hereto as **Appendix “A”**.

DIP TERM SHEET

13. As noted above, Xagenic anticipates that it will continue to incur operational losses over the 13 week period contemplated by its projected Cash Flow. In order to provide stability

to Xagenic's cash position, the DIP Lender has agreed to provide interim financing (in a revolving demand facility) in the amount of \$500,000 to Xagenic pursuant to the terms of the DIP term sheet executed by the DIP Lender and Xagenic on July 31, 2017 (the "**DIP Term Sheet**") pending approval of the Court.

14. The Proposal Trustee understands that the DIP Lender is prepared to provide the interim financing necessary to continue operations conditional on, *inter alia*, obtaining a priority charge against the property (the "**DIP Lender's Charge**"). The DIP Lenders Charge will be bifurcated, with \$150,000 ranking only behind a portion of the Administrative Charge, and the balance ranking only behind the Administration Charge and the security held by Silicon Valley Bank (subject to the Proposal Trustee's review and report on that security).
15. A summary of the key terms to the DIP Term Sheet are as follows:
 - (a) Maximum credit amount: \$500,000 as a revolving demand
 - (b) facility, to be transferred to Xagenic on an as required basis;
 - (c) Interest rate: 15% per annum;
 - (d) Facilitation fee: 2% of the Maximum Amount (as defined in the DIP Term Sheet); and
 - (e) Possible participation of additional lenders with the consent of the existing DIP Lenders.
16. The Proposal Trustee understands that Xagenic may be able to obtain additional financing, on the same terms as the DIP Term Sheet, from the group of current debentureholders. The secured creditors affected by this additional funding are the debentureholders. Accordingly, Xagenic seeks a priority charge in favour of the DIP Lenders in the amount of \$750,000. This charge will have bifurcated priority, and will be in favour of the lenders under the DIP Term Sheet and any other debentureholders that participate on the terms set out in the DIP Term Sheet.

17. The Proposal Trustee has reviewed the DIP Term Sheet and is of the view that, in light of the nature of the assets, operations and financial position of Xagenic, the terms and conditions outlined in the DIP Term Sheet, and the DIP Lender's Charge, are reasonable and appropriate under the circumstances.
18. Without the availability of funds from the DIP Lender, Xagenic will experience ongoing liquidity challenges and will be unable to continue its operations. If ongoing business operations cease, the Proposal Trustee is of the opinion that the value of Xagenic's assets will be diminished.
19. It is the Proposal Trustee's opinion that the DIP Term Sheet and DIP Lender's Charge are necessary to enable Xagenic to make a viable proposal to its unsecured creditors.

ADMINISTRATIVE CHARGE

20. Xagenic is seeking an Administrative Charge in the amount of \$190,000. The Administrative Charge will have bifurcated priority, with \$40,000 having priority over all claims against Xagenic (including the DIP Lender's Charge) and \$150,000 having priority over all claims against Xagenic except the priority portion of the DIP Lender's Charge and the security in favour of Silicon Valley Bank (subject to the Proposal Trustee reviewing and reporting on that security).
21. The beneficiaries of the Administrative Charge are the Proposal Trustee, the Proposal Trustee's legal counsel and Xagenic's legal counsel.
22. The Administrative Charge is supported by the DIP Lender.

REQUEST FOR AN EXTENSION

23. As a result of the filing of the NOI, there is a stay of proceedings with respect to Xagenic, which requires it to file a Proposal by August 30, 2017 or obtain from the Court an order extending the period to file a Proposal.
24. Xagenic is currently in discussions with strategic partners to invest in the business and/or purchase the intellectual property. Xagenic requires additional time to continue these discussions and secure an investor and/or purchaser.
25. The Cash Flow includes weekly cash flow projections of Xagenic from August 1, 2017 to October 27, 2017. This includes the initial 30-day stay period and the extension of the stay period requested by Xagenic. The Proposal Trustee notes that, without the availability of the DIP Facility, in the 13 week of the Cash Flow, ending October 27, 2017, Xagenic is projected to be in a cash flow deficit position, with the cash position projection to fluctuate over the following 13 weeks, and ending in a deficit position at the end of the first week. The Cash Flow projects a deficit of approximately \$499,000 for the week ending October 27, 2017; however, if the DIP Facility is approved, the Debtors are projected to remain cash flow positive until an investor or purchaser for the intellectual property is obtained.
26. It is the view of the Proposal Trustee that an extension of the time for Xagenic to make a Proposal is necessary to provide Xagenic with sufficient time to continue these discussions and formulate a viable Proposal. Xagenic has therefore asked for the maximum extension to Monday, October 16, 2017 (the 45 day extension period will expire on a Sunday and, accordingly, Xagenic seeks an extension to the next business day).
27. If the requested extension is not granted, Xagenic will not be able to complete its restructuring and formulate a Proposal, which will cause it to become bankrupt. The Proposal Trustee is of the view that this would be to the detriment of all of Xagenic's stakeholders.

28. The Proposal Trustee is satisfied that Xagenic has acted, and is acting, in good faith and with due diligence in these proceedings to date, if the extension sought is granted, this will allow Xagenic to continue its discussions with the strategic partners mentioned above and formulate a viable Proposal to their creditors. Additionally, no creditor would be materially prejudiced if the extension being applied for is granted.

RECOMMENDATIONS

29. Based on the foregoing, the Proposal Trustee respectfully recommends that this Honourable Court issue an order:
- (a) Approving the DIP Term Sheet and grant the DIP Lender's Charge;
 - (b) Granting the Administrative Charge over the assets for the fees and expenses of the Proposal Trustee, its legal counsel and Xagenic's legal counsel; and
 - (c) Extending the time within which Xagenic has to file a Proposal with the Official Receiver to October 16, 2017.

All of which is respectfully submitted this 4th day of August, 2017.

A. FARBER & PARTNERS INC.

**The Trustee acting in re the proposal of
Xagenic Inc.**

Per: *A. Farber*

A. Farber & Partners Inc.

APPENDIX "A"



Industry Canada

Industrie Canada

Office of the Superintendent
of Bankruptcy CanadaBureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Toronto
Court No. 31-2278723
Estate No. 31-2278723

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

Xagenic Inc.
Insolvent Person

A. FARBER & PARTNERS INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: August 01, 2017

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

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

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

Date: August 02, 2017, 07:42

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

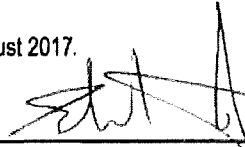
District of:
Division No. -
Court No.
Estate No.

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)
In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

Take notice that:

1. I, Xagenic Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. A. FARBER & PARTNERS INC., LIT of 150 York Street, Suite 1600, Toronto, ON, M5H 3S5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 1st day of August 2017.



Xagenic Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of:
 Division No. -
 Court No.
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Xagenic Inc.
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
55 YORK STREET INC.	SIMPSON TOWER, 401 BAY STREET, 11th FLOOR, MAILBOX 11 TORONTO ON M5H 2Y4	Landlord	64,000.00
AGILE MANUFACTURING INC.	141 REACH STREET, UNIT 9 UXBRIDGE ON L3P 1L3		6,155.51
ANDRZEJ MACZUSZENKO	#605-240 Scarlett Road TORONTO ON M6N 4X4		5,491.80
AT&S AUSTRIA TECHNOLOGIE & SYSTEMTE	FABRIKSGASSE 13 LEOBEN 8700		25,679.20
ATT CERTIFIED TRADES INC	1565 HURONTARIO STREET MISSISSAUGA ON L5G 3H7		355.95
BCF LLP	1100 BOUL. RENE-LEVESQUE QUEST, 25 MONTREAL QC H3B 5C9		3,961.01
BDC Capital Inc.	380 Saint-Antoine Street West Montreal QC H2Y 3X7		311,361.24
BEANFIELD METROCONNECT	506-77 MOWAT AVENUE TORONTO ON M6K 3E3		336.74
BORDEN LADNER GERVAIS LLP	22 ADELAIDE STREET WEST, BAY ADELAIDE CENTRE, EAST TOWER TORONTO ON M5H 4E3		133,253.52
CANADIAN LINEN & UNIFORM SERVICE CO	BOX 51073 RPO TYNDALL WINNIPEG MB R2X 3C6		3,013.48
CARAVEL LAW	366 ADELAIDE STREET WEST TORONTO ON M5V 1R9		2,828.35
CATHARSIS MANAGED IT LTD	49 SPADINA AVE SUITE 402 TORONTO ON M5V 2J1		41,828.89
CEDARLANE	4410 PALETTO COURT BURLINGTON ON L7L 5R2		1,428.86
CLEATECH LLC	221 W DYER RD SANTA ANA CA 92707		883.05

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Notice of Intention To Make a Proposal
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In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
COMMERCIAL AIR COMPRESSOR LTD	95 KONRAD CRESCENT MARKHAM ON L3R 8T8		1,288.19
COOLEY LLP	101 CALIFORNIA, 5TH FLOOR SAN FRANCISCO CA 94111-5800		232,474.77
CRA - Tax - Ontario Quebec Insolvency Intake Centre	Shawinigan - Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-sud QC G9P 5H9	820536381RP0001	7,431.71
CTI Life Sciences Fund, L.P.	1 Place Ville-Marie, Suite 1050 Montreal QC H3B 4S6		422,842.50
DESIGN RESOURCE GROUP	1896 DANFORTH AVENUE TORONTO ON M4C 1J4		18,990.78
DIAMED LAB SUPPLIES INC	3069 UNIVERSAL DRIVE MISSISSAUGA ON L4X 2E2		668.42
Domain Partners VIII, L.P.	One Palmer Square, Suite 515 Princeton NJ 08542 USA		712,665.63
DP VIII Associates, L.P.	One Palmer Square, Suite 515 Princeton NJ 08542 USA		5,288.13
Dr. Shana Kelley	Personal & Confidential		227,500.00
Edward Jonasson	Personal & Confidential		10,000.00
EPPENDORF CANADA LTD	2810 ARGENTIA ROAD, #2 MISSISSAUGA ON L5N 8L2		675.74
ER PRECISION LTD	4-1255 TERWILLEGAR AVE. OSHAWA ON L1J 7A4		20,213.10
EVOQUA WATER TECHNOLOGIES LTD.	STATION A, PO BOX 15738 TORONTO ON M5W 1C1		3,561.08
Federal Business Development Bank	139 Northfield Drive West, Unit 101 Waterloo ON N2L 5A6	5001102411	728,750.00
FEDEX BROKERAGE (CANADA) INC.	BOX 916200 P.O. BOX 4090 TORONTO ON M5W 0E9		674.02

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Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Xagenic Inc.
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
FERGHANA SECURITIES, INC	420 LEXINGTON AVENUE NEW YORK NY 10170		31,262.24
FUJITSU GLOVIA, INC	14751 COLLECTIONS CENTER DRIVE CHICAGO IL 60693		21,275.42
FULL SPECTRUM SOFTWARE LLC	25 TURNPIKE ROAD SOUTHBOROUGH MA 01772		36,169.62
G & M AUTOMATION LTD	7370 Bramalea Road Mississauga ON L5S 1N6		508.50
IDEAGEN PLC	BRAMAH AVENUE, ORION HOUSE GLASGOW G75 0RD		7,708.34
IMPERIAL COFFEE	12 KODIAK CRESCENT TORONTO ON M3J 3G5		1,044.21
INGERSOLL RAND	51 WORCESTER ROAD TORONTO ON M9W 4K2		2,179.88
INGRID MANAGEMENT CONSULTING	87 MEDLAND CRESCENT TORONTO ON M6P 2N3		2,389.95
INTEGRATED DNA TECHNOLOGIES INC.	8141 GATEWAY DR, STE 240 ARGYLE TX 76226		1,736.94
INTERNATIONAL POINT OF CARE INC	135 THE WEST MALL, UNIT 9 TORONTO ON M9C 1C2		70,567.01
KNG TECHNICAL INC.	475 LINE 2 S RR#2 ORO-MEDONTE ON LCL 2L0		15,750.00
LATHAM & WATKINS LLP	140 SCOTT DRIVE MELP PARK CA 94025		4,167.12
Lauren Whyte	Personal & Confidential		500.00
LIFE TECHNOLOGIES INC.	BANK OF AMERICA LOCKBOX SERVICES C/O 911000 PO BOX 4090 STN A TORONTO ON M5W 0E9		2,439.19
LINKEDIN IRELAND	PO BOX 4090 STN A C/O 913750 TORONTO ON M5W 0E9		2,250.00

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 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Xagenic Inc.
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MAGNET STRATEGY GROUP INC	25 ORIOLE GARDENS TORONTO ON M4V 1V8		3,025.58
MANAWA NETWORKS	801 YORK MILLS ROAD, SUITE 301 TORONTO ON M3B 1X7		1,378.60
Manulife Financial Lianne Stumpf	500 King Street North, PO Box 1602 Waterloo ON N2J 4C8		1,628.98
MaRS Innovation	661 University Avenue, Suite 465 Toronto ON M5G 1M1		359,713.00
MCMASTER CARR	PO BOX 7690 CHICAGO IL 60680-7690		1,939.48
MDC ASSOCIATES LLC	180 CABOT STREET BEVERLY MA 01915		4,514.88
METER GROUP INC. USA	2365 NE HOPKINS COURT PULLMAN WA 99163		11,474.36
MICRALYNE INC.	1911 94 St NW Edmonton AB T6N 1E6		146,669.25
MINISTER OF FINANCE	33 KING STREET WEST Oshawa ON L1H 0E9	812569655TE0001	6,786.61
NEWARK ELEMENT 14	POSTAL STATION " A ", C/O T27537 PO BOX 4275 TORONTO ON M5W 5V8		512.29
Ontario Capital Growth Corp.	250 Yonge Street, 35th Floor Toronto ON M5B 2L7		422,842.50
OSLER, HOSKIN & HARCOURT LLP	1 FIRST CANADIAN PLACE PO BOX 50 TORONTO ON M5X 1B8		10,932.75
PNA BIO, INC.	5189 VIA CAPOTE THOUSAND OAKS CA 91320		17,488.47
PRAXAIR CANADA INC.	STATION D, PO BOX 400 SCARBOROUGH ON M1R 5M1		1,844.20
PRICEWATERHOUSECOOP ERS LLP	PWC CENTRE 354 DAVIS ROAD SUITE 600 OAKVILLE ON L6J 0C5		47,783.18

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In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PROTO LABS, INC	5540 PIONEER CREEK DRIVE MAPLE PLAIN MN 55359		1,843.41
PWC LAW LLP	PWC CAC, PWC CENTRE 354 DAVIS ROAD, SUITE 600 OAKVILLE ON L6J 0C5		38,542.13
QUICKPARTS 3D SYSTEMS CO.	PO BOX 534963 ATLANTA GA 30353-4963		34,356.09
REED SMITH LLP	P.O. BOX 39000 DEPARTMENT 33489 SAN FRANCISCO CA 94139		597.56
ROGERS	P.O. BOX 4100 DON MILLS ON M3C 3N9	230-314060707	284.64
ROGUE SPECIALTY TRANSPORTATION	255 COURTNEYPARK DRIVE WEST MISSISSAUGA ON L5W 0A5		3,124.24
ROPES & GRAY LLP	P.O. BOX 414265 BOSTON MA 414265		206,602.21
SAS INSTITUTE (CANADA) INC	POSTAL STATION A, PO BOX 9706 TORONTO ON M5W 1R6		3,380.96
SCIENION US INC	11 DEER PARK DRIVE, SUITE 100 MONMOUTH JUNCTION NJ 08852		42,678.71
SHERMAINE TILLEY	64 SAINT PAUL STREET WEST SUITE 301 MONTREAL QC H2Y 4B8		1,428.66
SHRED-IT INTERNATIONAL INC.	PO BOX 15617, STN A TORONTO ON M5W 1C1		627.82
SIGMA ALDRICH CANADA CO.	P.O. BOX 6100, POSTAL STATION "F" TORONTO ON M4Y 2Z2		1,503.30
SILICON VALLEY BANK Kyle Plunkett	c/o Aird & Berlis LLP Brookfield Place, 181 Bay Street, Suite 1800 Toronto ON M5J 2T9		396,000.00
SINCLAIR & RUSH, INC	4149 PAYSHERE CIRCLE ARNOLD MO 63010-4727		3,216.84

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 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Xagenic Inc.
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SMC LTD.	PO BOX 1450 MINNEAPOLIS MN 55485-5846		46,287.89
SOLIUM CAPITAL INC.	800 6TH AVENUE SW SUITE 1500 CALGARY AB T2P 3G3		6,798.90
SPRIGG HR INC	619 GLENHURST CRESCENT OTTAWA ON K1J 7B6		1,186.50
STAPLES ADVANTAGE	PO BOX 4446 STN A TORONTO ON M5W 4A2		322.35
STERICYCLE , INC.	BP/PO BOX 1531 STATION A TORONTO ON M5W3N9		57,521.64
STERLING TALENT SOLUTIONS CANADA	19433 96TH AVENUE SUITE 200 SURREY BC V4N 4C4		1,760.83
TD Canada Trust Visa c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2		3,800.00
THE GOVERNING COUNCIL OF THE U OF T - INNOVATIONS & PARTNERSHIPS OFFICE	UNIVERSITY OF TORONTO TORONTO ON M5G 1L5		45,000.00
THE LEE COMPANY TECHNICAL CENTER	P.O. BOX 424 WESTBROOK CT 06498-0424		21,578.37
The Ruth Group	757 3rd Avenue New York NY 10017 USA		765.00
U OF T RESEARCH OVERSIGHT	2ND FLOOR, MCMURRICH BLDG TORONTO ON M5S 1S8		17,500.00
ULINE CANADA CORPORATION	RPO STREETSVILLE, BOX 3500 MISSISSAUGA ON L5M 0S8		564.05
UNIVERSITY OF TORONTO - MEDSTORE	1 KING'S COLLEGE SUITE: 1326A TORONTO ON M5S 1A8		1,260.59
VEXOS	195 ROYAL CREST COURT MARKHAM ON L3R 9X6		145,783.60

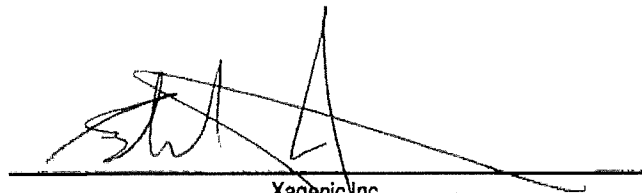
District of:
 Division No.
 Court No.
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- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of
 Xagenic Inc.
 of the City of Toronto, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
VWR INTERNATIONAL CO.	COMMERCE COURT POSTAL STATION PO BOX 1137 TORONTO ON M5L 1K1		3,040.90
WESTERN INSTITUTIONAL REVIEW BOARD	PO BOX 150434 DEPT 106091 HARTFORD CT 06115-0434		337.62
WORKPLACE MEDICAL CORPORATION	130 WILSON STREET 2nd FLOOR HAMILTON ON L8R 1E2		3,607.07
WORKPLACE SAFETY & INSURANCE BOARD	STATION A PO BOX 4115 TORONTO ON M5W2V3		533.20
XEROX CANADA LTD.	PO BOX 4539 STATION A TORONTO ON M5W 4P5		1,327.19
XING YANG	39 YINXIAO ROAD, BULDG 4, #2601, PUDONG DISTRICT SHANGHAI		6,639.50
ZEPTOMETRIX CORPORATION	872 Main Street Buffalo NY 14202 USA		1,108.80
Total			5,334,994.81


 Xagenic Inc.
 Insolvent Person

Court No.

File No.

In the matter of the proposal of
Xagenic Inc.
of the City of Toronto, in the Province of Ontario

Form 33
Notice of intention to make a proposal

A. FARBER & PARTNERS INC., LIT - Licensed
Insolvency Trustee

150 York Street, Suite 1600
Toronto ON M5H 3S5
Phone: (416) 497-0150 Fax: (416) 496-3839

IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

**FIRST REPORT OF
PROPOSAL TRUSTEE**

**A Farber & Partners Inc.
Trustee acting *in re* the proposal of
Xagenic Inc.**

**150 York Street, Suite 1600
Toronto ON M5H 3S5**

**Hylton Levy, CPA, CA, CIRP, LIT
Tel 416-496-3774
Fax 416-496-3839**

Tab 4

Court File No. 31-2278723

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	TUESDAY THE 8 th
)	
• JUSTICE •)	DAY OF AUGUST, 2017

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF
TORONTO, IN THE PROVINCE OF ONTARIO**

ORDER

THIS MOTION made by Xagenic Inc. (the “**Company**”) for an Order pursuant to sections 50.4(9) and 50.6 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Edward Jonasson sworn August 4, 2017 (the “**Jonasson Affidavit**”) and the first report of A. Farber & Partners Inc. (the “**Proposal Trustee**”) in its capacity as proposal trustee, dated August 4, 2017 and on hearing the submissions of counsel for the Company and such other parties as may be in attendance and no one appearing for another party on the service list, although duly served as appears from reading the affidavit of service of _____ sworn August ___, 2017, filed;

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

DIP FINANCING

2. **THIS COURT ORDERS** that the Company is hereby authorized and empowered to borrow under a credit facility (the “**DIP Facility**”) from Shana Kelley, CTI Life Sciences Fund, BDC Capital Inc. and such other debentureholders as may agree to provide financing (collectively, the “**DIP Lenders**”) in order to finance the continuation of the Company’s

business and preservation of the Company's current and future assets, undertakings and properties of every nature and kind whatsoever and wherever situate, including all proceeds thereof (the "**Property**") provided that the borrowings under the DIP Facility shall not exceed \$750,000 unless permitted by further Order of this Court.

3. **THIS COURT ORDERS** that the DIP Facility shall be made on the terms and subject to the conditions set out in the term sheet dated July 31, 2017, save and except that the maximum amount that may be borrowed under the facility is hereby increased from \$500,000 to \$750,000 (the "**DIP Term Sheet**") between the Company as borrower and Shana Kelley, CTI Life Sciences Fund and BDC Capital Inc. as lenders, a copy of which is attached as Exhibit C to the Jonasson Affidavit.

4. **THIS COURT ORDERS** that the Company is authorized and empowered to execute and deliver such credit agreements, mortgages, charges, deeds of trust, assignments of rents, deposit account control agreements, pledge agreements, security agreements, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**DIP Documents**") as are contemplated by the DIP Term Sheet or as the DIP Lenders may reasonably require pursuant to the terms of the DIP Term Sheet.

5. **THIS COURT ORDERS** that the Company is authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lenders under and pursuant to the DIP Term Sheet and the DIP Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

6. **THIS COURT ORDERS** that the DIP Lenders are entitled to the benefit of and are granted a charge on the Property in an amount equal to \$750,000, which charge shall have the priority set out below, and in particular shall be bifurcated into a priority amount of \$150,000 (the "**Priority DIP Charge**") and a subordinate amount of \$600,000 (the "**Subordinate DIP Charge**" and, together with the Priority DIP Charge, the "**DIP Charge**").

7. **THIS COURT ORDERS AND DECLARES** that, unless otherwise agreed by the DIP Lenders (in their sole discretion), the DIP Lenders shall be treated as unaffected in any proposal filed by the Company under the BIA with respect to any advances under the DIP Documents.

8. **THIS COURT ORDERS** that the DIP Charge shall secure amounts owing to the DIP Lenders pursuant to the DIP Facility, and shall not secure any amounts owing to the DIP Lenders by the Company prior to the date of this Order.

ADMINISTRATION CHARGE

9. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Company as part of the cost of these proceedings. The Company is hereby authorized and directed to pay the accounts of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company on a periodic basis.

10. **THIS COURT ORDERS** that the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company are entitled to the benefit of and are granted a charge on the Property, which charge shall not exceed an aggregate amount of \$190,000, which charge shall have the priority set out below, and in particular shall be bifurcated into a priority amount of \$40,000 (the “**Priority Administration Charge**”) and a subordinate amount of \$150,000 (the “**Subordinate Administration Charge**” and together with the Priority Administration Charge, the “**Administration Charge**”).

11. **THIS COURT ORDERS** that the Administration Charge shall be security for the fees and disbursements of the Proposal Trustee, counsel to the Proposal Trustee and counsel to the Company, each incurred at their respective standard rates and charges, both before and after the making of this Order, which are related to these proceedings.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

12. **THIS COURT ORDERS** that the priorities of the Administration Charge, the DIP Charge, and the security granted by the Company in favour of Silicon Valley Bank (the “**SVB Charge**”) as among them, shall be as follows:

First – Priority Administration Charge;

(a) Second – Priority DIP Charge;

Third – SVB Charge (subject to the review and report of the Proposal Trustee on the security in favour of Silicon Valley Bank supporting the SVB Charge);

Fourth – Subordinate Administration Charge; and

Fifth – Subordinate DIP Charge.

13. **THIS COURT ORDERS THAT** any security documentation evidencing, or the filing, registration or perfection of the Administration Charge and the DIP Charge (collectively, the “**Charges**”) shall not be required and the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered or perfected subsequent to the Charges coming into existence, notwithstanding any failure to file, register or perfect any such Charges.

14. **THIS COURT ORDERS THAT** each of the Priority Administration Charge and the Priority DIP Charge (together, the “**Priority Charges**”) (all as constituted and defined in this Order) constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Priority Charges rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any person, party or entity.

15. **THIS COURT ORDERS THAT** each of the Subordinate Administration Charge and the Subordinate DIP Charge (together, the “**Subordinate Charges**”) (all as constituted and defined in this Order) constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Priority Charges rank in priority to all Encumbrances in favour of any person, party or entity, other than the SVB Charge (subject to the Proposal Trustee’s review and report on the security in favour of Silicon Valley Bank).

16. **THIS COURT ORDERS THAT** except as otherwise expressly provided herein, or as may be approved by this Court, the Company shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to or *pari passu* with the Charges unless the Company obtains the prior written consent of the beneficiaries of the applicable Charges and the SVB Charge.

17. **THIS COURT ORDERS THAT** the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the charges entitled to the benefit of the Charges (collectively, the “**Chargees**”) by (a) the pendency of these proceedings and any declarations of insolvency made herein; (b) any applications for bankruptcy orders issued pursuant to the BIA; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; or (d) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances contained in any existing loan document, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, the “**Agreements**”) which binds the Company and notwithstanding any provision to the contrary in any Agreements the creation of the Charges shall not create or be deemed to constitute a breach by the Company of any Agreements to which it is a party and payments pursuant to this Order or the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct or other challengeable or voidable transactions under any applicable law.

18. **THIS COURT ORDERS THAT** any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Company’s interest in such real property leases.

19. STAY OF PROCEEDINGS

20. **THIS COURT ORDERS** that the stay of proceedings as a result of the Company having filed a notice of intention to make a proposal pursuant to the BIA on August 1, 2017 is hereby continued and extended to 11:59pm on Monday, October 16, 2017.

SERVICE AND NOTICE

21. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL: <http://www.farberfinancial.com/insolvency-engagements/xagenicinc>

22. **THIS COURT ORDERS** that the E-Service List Keeper (as defined in the Protocol) for the purpose of this proceeding shall be the Proposal Trustee.

23. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Company and the Proposal Trustee are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Company's creditors or other interested parties at their respective addresses as last shown on the records of the Company and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

24. **THIS COURT ORDERS** that nothing in this Order shall prevent the Proposal Trustee from acting as an interim receiver, a receiver, a receiver and manager, a trustee in bankruptcy or a monitor of the Company or the Property.

AID AND RECOGNITION

25. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Company and the Proposal Trustee and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Company and the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Company, the Proposal Trustee and their agents in carrying out the terms of this Order.

IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

ORDER

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Lawyers for Xagenic Inc.

Court File No.: 31-2278723

**IN THE MATTER OF THE PROPOSAL OF XAGENIC INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF
ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**MOTION RECORD OF XAGENIC INC.
(Motion Returnable August 8, 2017)**

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