

Quest PharmaTech Provides Corporate Update

TSX Venture: QPT

EDMONTON, AB, June 2, 2023 /CNW/ - Quest PharmaTech Inc. (TSXV: QPT) ("Quest" or the "Company") provided the following corporate update today.

OQP Bio Inc. Debentures

The Company announces that it has entered into a non-binding agreement in principle (the "Agreement in Principle") with OQP Bio Inc. ("OQP Bio") which contemplates a series of transactions that would result in the receipt of cash proceeds for a portion of the bonds held by the Company in OQP Bio (the "OQP Bio Bonds") and the exchange of the balance of the Company's OQP Bio Bonds for convertible debentures of Korea-based Canaria Bio M Co. Ltd. (K-OTC – 118970) ("CABM"). The OQP Bio Bonds were received by the Company in connection with the sale of the immunotherapy technology assets of investee company OncoQuest Inc. in April 2020.

The Agreement in Principle is subject to the execution of a definitive agreement among the parties and a definitive agreement has not yet been signed. If the transaction is completed as proposed, the Company would receive aggregate gross cash proceeds of 77.5 billion KRW (approximately Cdn\$83,855,000 at current exchange rates) from sales to third parties arranged by OQP Bio in respect of a portion of the Company's OQP Bio Bonds and payable in 3 tranches: (i) 21.6 billion KRW (approximately Cdn\$23,371,200) following the signing of the definitive agreement; (ii) 25.9 billion KRW (approximately Cdn\$28,023,800) at the end of December 2023; and (iii) 30.0 billion KRW (approximately Cdn\$32,460,000) at the end of June 2024. The first tranche is specified as payable in the Agreement in Principle on May 31, 2023 and contemplated the execution of a definitive agreement prior to that date however, as a definitive agreement has not yet been entered into this payment has not yet been paid and would be anticipated to be payable shortly following the execution of a definitive agreement. The Company would also receive convertible debentures of CABM with a face principal amount of 64.6 billion KRW (Cdn\$69,897,200 at current exchange rates) and convertible into an aggregate of 20.5 million CABM shares. The Agreement in Principle also contemplates the receipt by the Company of 2.51 million shares of Canaria Bio Co, Ltd. ("CAB"), a KOSDAQ traded company (KOSDAQ trading symbol – 016790), following a merger between CABM and CAB in exchange for the Company's CABM shares. CAB is currently conducting a Phase 3 clinical trial for the treatment of ovarian cancer with the lead product candidate oregovomab. The closing price of CAB shares on June 2, 2023 was 33,700 KRW (approximately Cdn\$35).

The Company is still working on signing the definitive agreement. There can be no assurance that a definitive agreement will be signed or that the transaction will be completed as proposed or at all.

Completion of Annual Filings

The Company has recently filed its audited financial statements for the year ending January 31, 2023 and related MD&A on SEDAR (www.sedar.com) which are available for viewing and download under the Company's SEDAR profile.

Annual Meeting

The Company also announces that it will be holding its annual general meeting of shareholders on Thursday, July 13, 2023, at 11:00 am (Edmonton time). The meeting will be an in-person meeting held at the Company's new corporate office, 4342 – 97 Street NW, Edmonton, Alberta. Shareholders can also participate in the meeting via teleconference.

About Quest PharmaTech Inc.

Quest PharmaTech Inc is a publicly traded, Canadian based biopharmaceutical company (QPT: TSX-V) developing products to improve the quality of life. The Company has a 42.5% ownership interest in OncoQuest Inc. which sold its immunotherapy technology assets to Korea-based Dual Industrial Co, Ltd. in April 2020. Quest also has a 23% ownership interest in OncoVent, a Chinese joint venture developing antibody-based immunotherapeutic products for cancer for the Greater China territory. Quest is also developing proprietary MAb AR 9.6 targeting truncated MUC16 as theranostic agents for cancer. AR 9.6 was licensed from University of Nebraska and currently is in late preclinical stage. To learn more, visit www.questpharmatech.com

Forward Looking Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. All statements contained herein that are not historical in nature contain forward-looking information. Forward-looking information can be identified by words or phrases such as "may", "expect", "likely", "should", "would", "plan", "anticipate", "intend", "potential", "proposed", "estimate", "believe" or the negative of these terms, or other similar words, expressions and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen. The forward-looking information contained herein, including, without limitation, statements related to the Company's proposed transactions with OQP Bio Inc., is made as of the date of this press release and is based on assumptions management believed to be reasonable at the time such statements were made, including the Company's ability to enter into a definitive agreement with OQP Bio Inc. in a timely manner, if at all, and its ability to obtain all required regulatory approvals, as well as the assumptions and risks that are described from time to time in the Company's public securities filings, as well as other considerations that are believed to be appropriate in the circumstances. While we consider these assumptions to be reasonable based on information currently available to management, there is no assurance that such expectations will prove to be correct. By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of factors, including known and unknown risks, many of which are beyond our control, could cause actual results to differ materially from the forward-looking information in this press release. Such factors include, without limitation: the inability of the Company to sign a definitive agreement with OQP Bio Inc. in a timely manner, if at all; that any definitive agreement will contain terms that are consistent with the agreement in principle between the parties; and that the benefits of the transaction as proposed will be received, and additional risk factors that can be found in the Company's securities law filings which have been filed under the Company's SEDAR profile at www.sedar.com. Readers are cautioned not to put undue reliance on forward-looking information. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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