

FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Quest PharmaTech Inc. (“Quest” or the “Company”)
8123 Roper Road NW
Edmonton, Alberta T6E 6S4

ITEM 2 Date of Material Change:

April 22, 2020

ITEM 3 News Release:

Disseminated on April 22, 2020 through CNW Newswire.

ITEM 4 Summary of Material Change:

OncoQuest Signs Definitive Agreement to Sell Drug Portfolio to Dual Industrial for U.S. \$300 Million and Commitment to Fund the Oregovomab Phase 3 Clinical Trial in Frontline Ovarian Cancer

ITEM 5 Full Description of Material Change:

Quest PharmaTech Inc. (TSX-V: QPT) (“Quest” or the “Company”), a biopharmaceutical company developing and commercializing products to improve the quality of life, today announced that its subsidiary, OncoQuest Inc., has entered into a definitive agreement to sell its clinical and preclinical immunotherapy development assets to Dual Industrial Co., Ltd., a Korean publicly traded (KOSDAQ) company (“Dual”) in exchange for U.S.\$300 million in a combination of Dual common stock and Dual perpetual convertible bonds.

Dual will also be responsible for all the cost of clinical and non-clinical development of the immunotherapy assets after the execution of the Asset Transfer Agreement until a U.S. based subsidiary is set-up to oversee all of the product and clinical development functions.

“Quest is delighted that the Dual transaction secures funding for OncoQuest’s Phase 3 trial for oregovomab in frontline ovarian cancer, maintains the senior management of OncoQuest which will continue leading the development of all of OncoQuest’s clinical programs. US subsidiary also provides a platform from which to raise the additional capital to bring the transferred earlier stage clinical programs forward. It is truly an exciting partnership.” said Madi Madiyalakan, CEO of Quest and OncoQuest. “In addition, receiving equity consideration allows Quest and its shareholders to continue to participate in what we hope will be the success of the transferred OncoQuest product portfolio through ownership in Dual”, he continued.

Terms of the Transaction

Upon the execution of the definitive agreement, Dual will be responsible for all clinical and non-clinical development expenses for OncoQuest's technology. Dual will secure U.S. 75 million for the development which is expected no later than June 30, 2020 and will trigger the First Closing. At the Execution Date, OncoQuest shall receive U.S. \$125 million in a perpetual convertible bond, which is convertible into Dual common stock or may be redeemed by Dual for cash.

Once all necessary transfers and releases have been obtained by OncoQuest, there will be a Second Closing, confirming transfer of all legal title and registrations for OncoQuest's drug portfolio to Dual. In return, Dual will issue U.S. \$175 million of Dual common stock to OncoQuest. The Second Closing is expected to occur no later than December 31, 2020.

The consideration received by OncoQuest from the transaction, net of transaction fees and expenses and income taxes, will be distributed to OncoQuest's shareholders, including Quest. Immediately prior to execution of the definitive agreement, Quest was a 36% shareholder in OncoQuest. As part of the asset transfer agreement, Dual has committed to returning its 2.5 million OncoQuest shares. As a result, Quest's ownership interest in OncoQuest will increase to over 40%.

Pursuant to the transaction, OncoQuest will have the right to nominate four board members to an eight-person Dual Board of Directors.

Details of the announcement are contained in a press release dated April 22, 2020 which is available on SEDAR at www.SEDAR.com.

ITEM 6 **Reliance on subsection 7.1(2) of National Instrument 51-102:**
N/A

ITEM 7 **Omitted Information:**
N/A

ITEM 8 **Executive Officer:**
Dr. Ragupathy Madiyalakan, CEO – ph # (780) 448-1400 ext 204

ITEM 9 **Date of Report:**
April 27, 2020