

Headnote

Multilateral Instrument 11-102 *Passport System* and National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications - Securities Act* s. 88 Cease to be a reporting issuer in BC - The securities of the issuer are beneficially owned by not more than 50 persons and are not traded through any exchange or market - The issuer is not an OTC reporting issuer; the securities of the issuer are beneficially owned by fewer than 15 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders worldwide; no securities of the issuer are traded on a market in Canada or another country; the issuer is not in default of securities legislation except it has not filed certain continuous disclosure documents.

Applicable Legislative Provisions

Securities Act, R.S.B.C. 1996, c. 418, s. 88

April 3, 2023

In the Matter of
the Securities Legislation of
British Columbia and Ontario
(the Jurisdictions)

and

In the Matter of
the Process for Cease to be a Reporting Issuer Applications

and

In the Matter of
Wellteq Digital Health Inc.
(the Filer)

Order

Background

- ¶ 1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for an order under the securities legislation of the Jurisdictions (the Legislation) that the Filer has ceased to be a reporting issuer in all jurisdictions in Canada in which it is a reporting issuer (the Order Sought).

Under the Process for Cease to be a Reporting Issuer Applications (for a dual application):

- (a) the British Columbia Securities Commission is the principal regulator for this application,

(b) the Filer has provided notice that subsection 4C.5(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, and

(c) this order is the order of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

¶ 2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this order, unless otherwise defined.

Representations

¶ 3 This order is based on the following facts represented by the Filer:

1. the Filer is a corporation existing under the laws of the Province of British Columbia;
2. the head and registered office of the Filer is located at 1100 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5;
3. at 12:01 a.m. (Pacific Time) on December 6, 2022 (the Effective Time), Advanced Human Imaging Ltd (now, Advanced Health Intelligence Ltd) (the Purchaser) completed the acquisition of all of the issued and outstanding common shares (the Filer Shares) of the Filer by way of a statutory plan of arrangement (the Arrangement) under the *Business Corporations Act* (British Columbia) pursuant to an arrangement agreement between the Filer and the Purchaser dated September 2, 2022;
4. the Purchaser was incorporated on October 1, 2014 under the *Corporations Act 2001* (Commonwealth); the common shares of the Purchaser (the Purchaser Shares) are listed on the Australian Securities Exchange under the symbol “AHI”; at the Effective Time, the Purchaser became a reporting issuer in each of British Columbia, Alberta and Ontario; as of February 8, 2023, the Purchaser is an “SEC foreign issuer” within the meaning of National Instrument 71-102 *Continuous Disclosure and Other Exemptions Related to Foreign Issuers*;
5. immediately prior to the Effective Time, the Filer had the following securities issued and outstanding: (i) 106,827,795 Filer Shares; (ii) 16,706,108 share purchase warrants (the Filer Warrants), each exercisable to purchase one Filer Share; (iii) 7,490,000 stock options (the Filer Options), each exercisable to purchase one Filer Share; and (iv) 2,453,172 compensation options of the Filer, each exercisable to purchase one unit of the Filer, with each unit consisting of one Filer Share and one-half of one Filer Warrant (the Filer Agent Compensation Options);
6. the Arrangement was approved by 100% of the votes cast by shareholders of the Filer at a meeting of shareholders of the Filer held on November 24, 2022 (the Meeting);
7. the Filer distributed the meeting materials (the Meeting Materials) in respect of the Meeting

(which included, among other things, the notice of meeting and the management information circular of the Filer) on October 27, 2022 to, among others, the holders of the Filer Shares in accordance with the interim order of the Supreme Court of British Columbia dated October 21, 2022 (the Interim Order); the Filer did not distribute the Meeting Materials to holders of Filer Warrants, Filer Options or Filer Agent Compensation Options as such holders did not have the right to receive the Meeting Materials pursuant to the Interim Order or the governing documents in respect of the Filer Warrants, the Filer Options or the Filer Agent Compensation Options; the Supreme Court of British Columbia granted the final order approving the Arrangement on November 30, 2022;

8. pursuant to the Arrangement:

- (a) the Purchaser acquired all of the outstanding Filer Shares and each holder of Filer Shares became entitled to receive 1/6 of one ordinary share in the capital of the Purchaser (a Purchaser Share) for each Filer Share so held (the Exchange Ratio) immediately prior to the Effective Time;
- (b) all Filer Warrants outstanding immediately prior to the Effective Time remained outstanding immediately following the Effective Time and any Filer Warrants exercised following the Effective Time entitled the holders thereof to receive, for the same aggregate consideration, in lieu of Filer Shares such number of Purchaser Shares determined in accordance with the Exchange Ratio, on and subject to the terms and conditions of such Filer Warrants;
- (c) all Filer Agent Compensation Options outstanding immediately prior to the Effective Time remained outstanding immediately following the Effective Time and any Filer Agent Compensation Options exercised following the Effective Time entitled the holders thereof to receive, in accordance with their terms and for the same aggregate consideration therefor: (i) in lieu of each Filer Share to which such holder was entitled upon exercise, such number of Purchaser Shares determined in accordance with the Exchange Ratio; and (ii) one-half of one Filer Warrant;
- (d) each holder of one Filer Warrant issued upon exercise of a Filer Agent Compensation Options would entitle the holder upon exercise, in accordance with its terms and for the same aggregate consideration therefor, to receive such number of Purchaser Shares determined in accordance with the Exchange Ratio; and
- (e) at the Effective Time, all outstanding Filer Options were deemed to be unconditionally vested and exercisable, and such Filer Options were deemed to be assigned and transferred by the holders thereof to the Filer in exchange for a cash payment from the Filer equal to the positive difference, if any, between: (a) \$0.02134 and (b) the exercise price of each Filer Option, less applicable withholdings, and such Filer Option was immediately cancelled;

9. prior to the completion of the Arrangement, the Filer Shares were listed on the Canadian Securities Exchange (the CSE) under the symbol “WTEQ”; in connection with the

Arrangement, the Filer Shares were delisted from the CSE as of the close of business on December 6, 2022;

10. the Filer issued a news release on September 2, 2022 announcing the Arrangement and issued a news release on December 6, 2022 announcing the completion of the Arrangement, each of which included a statement that the Filer would submit an application to cease to be a reporting issuer under applicable Canadian securities laws;
11. on March 19, 2023, all of the Filer Warrants and Filer Agent Compensation Options outstanding as of the Effective Date expired unexercised; as of March 20, 2023, all of the outstanding securities of the Filer, being the Filer Shares, are held by the Purchaser;
12. the Filer is a reporting issuer in each of British Columbia, Alberta and Ontario; the Filer is not in default of its obligations as a reporting issuer under the securities legislation of any jurisdiction, except that the Filer has not filed its interim financial report and accompanying management's discussion and analysis and related CEO and CFO certificates for the period ended December 31, 2022, which were required to be filed by March 1, 2023 (the Financial Statement Default);
13. the Filer is not an OTC reporting issuer under Multilateral Instrument 51-105 *Issuers Quoted in the U.S. Over-the-Counter Markets*;
14. the Filer is not eligible to use the simplified procedure under section 19 of National Policy 11-206 *Process for Cease to be a Reporting Issuer Applications* (NP 11-206) because of the Financial Statement Default; the Filer is not eligible to use the modified procedure under section 20 of NP 11-206 because, among other things, it is not incorporated under the laws of a foreign jurisdiction;
15. no securities of the Filer, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
16. the Filer has no current intention to seek public financing by way of an offering of securities and has no intention of issuing any securities other than the issuance of securities to the Purchaser or its affiliates;
17. the Filer is applying for an order that it has ceased to be a reporting issuer in all of the jurisdictions of Canada in which it is a reporting issuer; and
18. upon granting of the Order Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

Order

- ¶ 4 Each of the Decision Makers is satisfied that the order meets the test set out in the Legislation for the Decision Maker to make the order.

The decision of the Decision Makers under the Legislation is that the Order Sought is granted.

Noreen Bent
Chief, Corporate Finance Legal Services
British Columbia Securities Commission