

BANKRUPTCY AND INSOLVENCY ACT

Form 87

Notice and Statement of the Receiver
(Subsection 245(1) of the Act)

**In the Matter of the Receivership of
ARC Pharmaceuticals Inc.**

TAKE NOTICE THAT:

1. On the 20th day of April 2010, we the undersigned, Boale, Wood & Company Ltd. became the Receiver of all personal property, assets and undertakings of ARC Pharmaceuticals Inc.
2. The undersigned became a Receiver pursuant to the General Security Agreement held by Bruce Hay which security was registered in the Personal Property Registry on September 29, 2009.
3. The undersigned took possession and control of the property described above on the 20th day of April, 2010.
4. The following information relates to the Receivership:
 - (a) Address of the Company: 102-2386 East Mall
Vancouver, BC
 - (b) Principal Line of Business: Development of Medical Devices
 - (c) Location(s) of Business: As above
 - (d) Amount owed by insolvent person to each creditor who holds security on the property described above:

Bruce Hay

\$161,376

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- (e) The list of other known creditors in respect of the property and the amounts owed to each creditor are as follows:

Chris Springate	\$ 200,212
Canada Revenue Agency	1,668
Marinova Pty Limited	200,000 US
University of British Columbia	Unknown
Worksafe BC	Unknown

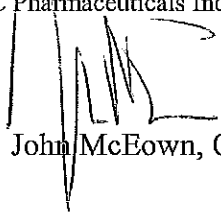
- (f) The intended plan of action of the Receiver during the Receivership is to realize on the assets and distribute the funds to the creditors in accordance with their respective priorities.

- (g) Contact Person for Receiver: John McEown, CA, CIRP
Boale, Wood & Company Ltd.
410 – 800 West Pender Street
Vancouver, BC V6C 2V6
Telephone: (604) 605-3335
Facsimile: (604) 605-3359

Dated at Vancouver, British Columbia, this 21st day of April, 2010.

Boale, Wood & Company Ltd.

Receiver of the Property of
ARC Pharmaceuticals Inc.


Per: John McEown, CA • CIRP