

# *LifeLink Ventures Inc.*

## Business Plan

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## EXECUTIVE SUMMARY

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Colorectal cancer is the second leading cause of cancer related fatalities in the United States, claiming the lives of 56,000 Americans every year. Currently there is not an accurate, non-invasive, and cost-effective diagnostic test available to the general public. Due to this deficiency, many cases of colorectal cancer remain undetected until they are untreatable forcing approximately 4.2 million patients to undergo unnecessary, invasive and painful procedures, costing the American health care system \$1.68 billion each year. LifeLink Ventures has an exclusive license for AccuScreen™, a non-invasive test that detects colorectal cancer in its earliest stages with an accuracy of 99%. AccuScreen™ was developed by The Institute for Biodiagnostics (IBD), a world leader in non-invasive diagnostic research in collaboration with The University of Texas MD Anderson Cancer Treatment Center.

LifeLink Ventures has signed an agreement to become the commercialization company for many new technologies developed by IBD. LLV is poised to capitalize on this incredible opportunity through its strong management team, stellar advisory board and influential strategic partners. Each member of our team possesses extensive skills and experience related to their respective backgrounds and together will guide LLV to the forefront of the in vitro diagnostic industry.

Investing in LLV at this early stage presents an amazing opportunity as AccuScreen™ has a market potential of \$450 million per year in the United States alone and it is just the first test from a very powerful platform technology. An equity investment of \$2,000,000 at this early stage will provide investors the opportunity for an ROE of 70% in the fifth year of sales. AccuScreen™ will be distributed across North America in major medical centers and revenue is expected to reach \$37,500,000 by year five of sales, with profits of \$13,437,333. Starting in the third year of operations it is expected that one new test annually will begin the commercialization process further enhancing the return for our investors.

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## 1. FACT SHEET

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<b>Company Name:</b>	LifeLink Ventures Inc.
<b>Contact Information:</b>	435 Ellice Ave. Winnipeg Canada R3B 1Y6 (204) 984-6223 (phone), (204) 983-3154 (fax)
<b>Form of Business:</b>	Corporation
<b>Product Name:</b>	AccuScreen™
<b>Product Description:</b>	Colorectal Cancer screening device designed to analyze stool samples using Magnetic Resonance Spectroscopy (MRS) technology.
<b>Cost to Manufacture:</b>	
• Prototype	\$520,000 per device (US)
• Full Scale Production	\$328,000 per device (US)
<b>Management Team:</b>	
• President and CEO	Jon Meltzer
• Director of Finance and Operations	Jonathan Dyck
• Director of Marketing and Sales	Tom Harder
• Director of Information Systems	Tyson Caron
• Interim Scientific Director	Tedros Bezabeh
• Director of Clinical Trials and Regulatory affairs	Bram Ramjiawan
• Director of European Operations	Wendy Ero
<b>Total Capital Required:</b>	\$2,500,000

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## 2. COMPANY OVERVIEW

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### 2.1 OPPORTUNITY

Colorectal cancer (CRC) is the second leading cause of cancer deaths in the U.S [1]. It is expected that 150,000 Americans will be diagnosed this year with CRC and 56,000 will die due to this disease [2,3]. Even more distressing than the mortality rate is the emotional and physical suffering inflicted by this disease. Although CRC is a devastating disease, it is highly curable if found in the early stages [4]. The U.S. government has also recognized the importance of CRC screening as part of the Balanced Budget Act of 1997, guaranteeing reimbursement for colorectal screening tests. This creates an incredible opportunity for LifeLink Ventures (LLV), due to the fact that there is no screening test for CRC that is accurate, non-invasive and cost effective.

LifeLink Ventures is poised to fill the void in the CRC screening and diagnosis market in North America by developing a test that is accurate, patient friendly and economical. By providing a superior detection method, LLV will reduce mortality rates, and improve the quality of life.

### 2.2 COMPANY

LifeLink Ventures Inc. is a for profit Canadian company formed with technology licensed from The National Research Council of Canada's Institute for Biodiagnostics (**IBD**). IBD is a world leader in research and development relating to the non-invasive diagnosis of disease and has an extensive international network of commercial and academic collaborators. IBD has a mandate to conduct research that is of social and economic benefit as well as to foster local technology clusters. Recently, the Director General of IBD, Dr. Ian Smith, has created a prototyping group at IBD to ensure that promising projects have a better chance of commercial success.

The mandate of LifeLink Ventures is to commercially develop IBD platform technologies that have reached the prototype phase. This is an ideal relationship for both entities as IBD can concentrate on world-class research and LifeLink will have access to a continuous pipeline of new products.

The first product, AccuScreen(tm), is a non-invasive method to detect CRC. This platform technology is based on magnetic resonance spectroscopy (MRS) and was co-developed by IBD and The University of Texas M.D. Anderson Cancer Center (Houston, Texas), the top ranked Cancer Treatment Center in the U.S.

### 2.3 MISSION STATEMENT

*LifeLink Ventures Inc. is committed to developing innovative, cost effective medical solutions aimed at improving the quality of life for patients and generating maximum returns to investors.*

### 2.4 STRATEGIC ALLIANCE WITH IBD

The Institute for Biodiagnostics will own 22.5% of LLV through its not for profit holding company, Diaspec Holdings Inc. The IBD's contribution to LLV will include 1200 square feet for four years, development of a prototype, secondment of Dr. Tedros Bezabeh to LifeLink Ventures until the completion of clinical trials, use of IBD's MRS system (equivalent to the LLV prototype) and 100 personnel hours for various tasks on an as needed basis. LifeLink Ventures Inc. will have right of first refusal on an exclusive license for all MRS related technology and an option to negotiate for all other technologies.

LLV will pay all the patenting costs for AccuScreen(tm) and all other commercialized technologies. In addition a 3.5% royalty on gross sales of AccuScreen(tm) will be paid to the IBD and M.D. Anderson. A milestone payment of \$20,000 for the timely completion of the prototype device and another \$20,000 upon FDA approval will be paid to the IBD.

### 3. COLORECTAL CANCER

#### 3.1 THE DISEASE

Cancer is a disease caused by alterations in a cell's DNA leading to the uncontrolled proliferation of cancerous cells. Currently, cancer is the second leading cause of death in the United States killing over 500,000 people per year. Colorectal Cancer (CRC) is the second leading cause of all cancer deaths accounting for 56,000 fatalities [5]. CRC is curable if found in the early stages thus making early screening imperative. In the early (pre-cursor) stages of CRC small polyps called adenomas are formed inside the colon wall. These adenomas can progress to cancer. This cancer then advances through four distinct stages [6]:

STAGE	CHARACTERISTICS
A	The cancer is only on the inner surface of the colon or rectum.
B	The cancer involves the full thickness of the wall of the colon or rectum.
C	The cancer has spread to lymph nodes.
D	The cancer has spread from the colon or rectum to other places in the body.

If the disease is detected during the first two stages the five-year survival rate is 92%. The survival rate drops to 60% if detection occurs in the third stage, and the chances of survival are only 6% when detection occurs in the fourth stage.

#### 3.2 DIAGNOSIS AND TREATMENT

The most common symptoms for Colorectal Cancer are rectal bleeding, blood in the stool, anemia, change in bowel habits and weight loss. If CRC is found in the polyp stage, removal of the polyps during colonoscopy is sufficient, if detected in later stages surgery is the primary treatment.

Studies have shown that 33% of deaths due to CRC are preventable when CRC is detected early. Thus third party insurers like The Health Care Financing Agency (HCFA) and many Health Maintenance Organizations (HMOs) now cover screening tests for CRC (as mandated by the Balanced Budget Act of 1997). The purpose of mass screening is to select the patient population that requires colonoscopies, which is the gold standard for screening and has therapeutic and diagnostic capabilities. The current screening methods include:

**Fecal occult blood test (FOBT)** — FOBT is the most commonly used mass screening test for CRC due to its low cost (\$3-\$25 depending on the estimate) and its low level of invasiveness (a sample of 3 bowel movements in a row spread on a test card that is then analyzed to detect blood in the stool). Physicians recommend that an FOBT test be administered every year; however, there are many problems associated with this test that are well known to the medical community. Many reports demonstrate a low sensitivity for FOBT (as low as 27% [7]) indicating that many cancers go undetected. This is consistent with the inability of the FOBT to detect CRCs that do not bleed. It is common for cancer to remain undetected in the polyp stage, which is the point at which detection is optimal for the patient as the cure rate is high [8-11].

The FOBT also has a low specificity and this results in many people being sent for colonoscopies that don't have CRC (estimates demonstrate a false positive rate as high as 90% [12,13]). This high false positive rate is due to other conditions that can cause blood in the stool and that are much more prevalent than CRC. This exposes the third party-insurers to unnecessary costs.

**Flexible sigmoidoscopy** — The doctor uses a flexible lighted tube to look at the lining of the rectum and the lower part of the colon. These tests are recommended once every 4-5 years in people over 50 and cost between \$150-365 [13]. One major problem with this test is that only the bottom 50-75% of the colon is visualized, excluding the portions of the colon that give rise to at least 40% of CRCs. Another major problem is that flexible sigmoidoscopy is only 75% accurate with polyps under 5mm [13].

**Colonoscopy** — This test is done under a mild sedative and can visualize the entire colon. During this procedure biopsies can be collected, and the physician can remove polyps. The cost of a colonoscopy can range from \$400-\$1600 and is used as a screening tool for people at high risk of getting CRC. For people at normal risk and over the age of 50, colonoscopy is recommended every 10 years. Although colonoscopy is the gold standard, it is not perfect. Besides the cost, there is a 10-27% miss rate of adenomas between 5-10mm [14,15] and a complication rate as high as 0.5% [16] (1/500 perforations and 1/5000 deaths[13]). Also, a specialist must perform colonoscopy and it would be impossible for it to become a mass-screening tool as there are currently not enough qualified specialists.

**Other tests** — Other tests such as MRI, CT, ultrasound, measuring blood levels of carcinoembryonic antigen and barium enema are also used as screening tests for CRC. The problems associated with these tests include one or many of the following: they are not reimbursed for screening purposes, are too expensive, not sensitive enough, and are only effective in certain circumstances.

It is clear that the current screening methods for CRC have many drawbacks and improved methods must be devised in order to better detect CRC and prevent more unnecessary deaths.

## 4. THE PRODUCT

### 4.1 OVERVIEW

AccuScreen™ is the most sensitive and cost effective mass-screening tool for colorectal cancer. AccuScreen™ is the pre-eminent screening method due to its ability to:

- 1) Detect more cancers at early stages when treatment is more effective
- 2) Significantly reduce the amount of unnecessary colonoscopies
- 3) Provide the potential to stage the development of CRC thus improving treatment strategies

The major indicators for the efficacy of a diagnostic test are its sensitivity and specificity. A low sensitivity means that many people with CRC are diagnosed as normal and are not treated until later stages, when the disease is less likely to be cured and the cost of treatment is significantly higher. A low specificity means that many healthy people will be classified as diseased, undergoing unnecessary colonoscopies, and will be exposed to unnecessary risk, inconvenience, and costs. Research on 93 patients indicates that AccuScreen™ has a sensitivity of 95% and a specificity of 99-100% (results in preparation for peer reviewed publication). These results exceed all other mass screening tests currently available. We predict that AccuScreen™ will eventually replace FOBT, barium enema and flexible sigmoidoscopy as the method of choice for CRC screening and will reduce the number of colonoscopies for high-risk patients.

### 4.2 ADVANTAGES

AccuScreen™ has a number of advantages over other screening methods because it is economical, the sample collection is non-invasive, and it has high sensitivity and specificity. AccuScreen™ also has the potential to stage cancers thus giving physicians another tool to help determine the proper course of treatment. LLV has also structured AccuScreen™ in such a way that customers have control over their pricing strategy, thereby enabling them to generate substantial income from the use of AccuScreen™. Another advantage for LLV is that most of the R&D costs for AccuScreen™ will not be absorbed by the customer, as they were part of IBD's research mandate. The most important advantage of AccuScreen™ is the fact that it is platform technology, meaning that future diagnostic tests can be performed from an AccuScreen™ machine for other diseases.

### 4.3 THEORY

AccuScreen™ uses magnetic resonance spectroscopy (MRS) on liquefied stool samples to differentiate between people with CRC, those with polyps and the normal population. MRS uses a strong magnetic field to characterize the unique profile of a sample (liquid or solid) by determining the physical/chemical properties of the sample's hydrogen atoms. The resulting data is generated as a spectrum and then analyzed by powerful data processing techniques. These techniques/algorithms differentiate between CRC, polyps and the normal population. Despite this complicated technology, AccuScreen™ will be designed with a simple graph-

ical user interface (GUI), an automated sample processing system and a user-friendly read-out so that a person untrained in MRS can easily operate it.

#### **4.4 SAMPLE PROCESSING**

Samples will be collected using the LLV stool collection kits and when received by the lab, can be analyzed immediately or stored in a -70°C freezer for up to 6 weeks. Samples will be processed with a special buffer and prior to being analyzed, will be transferred to a disposable micropipette tube. This tube will then be placed into a reusable glass tube specific for MRS. The technician can load up to 24 samples at a time for processing, at which time the automated, bar code driven system will analyze the sample. Results will then be transferred to the patient's chart. The technician will be required only to load the samples, wash and sterilize the MRS tubes and report any problems to LLV. It is predicted that the first version of AccuScreen(tm) will be able to process a sample every 5 minutes.

#### **4.5 COMPONENTS, MANUFACTURING AND MAINTENANCE**

As displayed in the picture below, an MRS system contains a super conducting magnet (left), a computer console (right) and a user interface station (middle). AccuScreen(tm) will source these components from Bruker (via Bruker Canada Inc., Milton ON), the leading MRS manufacturer in the world. These components will be integrated with bar code driven, automated sample preparation and sample positioning units. The GUI will be designed for lab technicians not trained in MRS and the classifying software may also have to be refined and adapted accordingly. IBD's prototyping group will complete this step (with help from IBD's informatics department). Manufacturing of the automation units will be sourced to Colorado MED tech Inc. (CMED-Boulder Colorado) which will integrate these items with the MRS system and ship them to the customer.

A service agreement will be built into the lease price/per test price of the machine or calculated separately if the machine is purchased outright. If there is a technical problem with AccuScreen(tm), a representative from CMED, Bruker or IBD will be flown out to service the unit. If portions of the automation system require replacement they will be sent back to CMED for refitting into the next system and a replacement system will be sent to the customer. LLV will keep one system in inventory in case a total replacement is necessary, but this is very rare for a super-conducting magnet. The service agreements will also include quarterly maintenance of the liquid nitrogen and liquid helium levels. LLV will develop online resources for potential and current customers, physicians, technicians and patients and we will be accessible by phone, fax and email. All service work for AccuScreen(tm) service work will be performed at LLV's expense.

#### **4.6 INTELLECTUAL PROPERTY**

Applications have been filed to ensure international patent protection and all future patenting costs will be paid for by LLV. Trademarks will be filed by LLV through Dr. Krupnik, who is a member of our advisory board.

#### **4.7 FUTURE DEVELOPMENTS**

The proprietary portion of AccuScreen(tm) is the disease classifier developed by IBD. IBD currently has many projects that use MRS to differentiate between various diseases or cancers and the normal population via the analysis of different tissues and fluids. Once the classifiers are developed they can be integrated into the existing hardware and GUI, making AccuScreen(tm) a true platform technology. One other diagnostic test per year is expected to be ready for clinical trials by year 3 of operations and will use the same hardware as AccuScreen™.

### **5. INDUSTRY ANALYSIS**

#### **5.1 INDUSTRY BACKGROUND**

AccuScreen™ will compete in the in-vitro diagnostics/medical device industry. This industry is valued at \$20 billion and has a 6% growth rate [17]. Recent consolidation has resulted in seven companies (Abbott Labs, Bayer Diagnostics, Becton Dickinson, Dade Behring, Johnson and Johnson, Olympus and Roche Diagnostics) controlling 74% of the market [17]. However, this trend has the potential to reverse in certain segments as new molecular tests may render some of the current tests obsolete [17]. It is also important to

note that AccuScreen™ will compete with in-vitro diagnostic tests such as the FOBT, as well as with medical procedures such as flexible sigmoidoscopy and barium enema.

Companies in the U.S. must convince the FDA that their tests are valid and safe in order to gain regulatory approval. Approval is sought once there is sufficient scientific data to demonstrate that the test/device is safe and effective. Without approval medical devices/diagnostics tests cannot be sold in the U.S.

The FDA has three classes for medical devices/tests. Class 1 devices, such as gloves, do not require special regulatory approval, while Class 3 devices (e.g. pacemakers), require very tight scrutiny as they are invasive and present the most potential danger to the patient. Class 2 devices may undergo strict scrutiny depending on whether or not an equivalent device currently exists on the market. If it does then a 510K form is required from the FDA and approval takes an average of 2.4 months from the time of submission [18]. If it is a novel product, then a pre-market approval (PMA) is required. This takes 9 months on average for approval from the time of submission [18]. It is anticipated that AccuScreen(tm) will be classified as a class 2 device.

## 6. MARKET ANALYSIS

The Balanced Budget Act of 1997 stipulates that every American over the age of 50 can be reimbursed for CRC screening tests. However, only 30-40% of eligible Americans are screened for CRC [19,20]. Some explanations for this low compliance include incomplete knowledge on the part of the patient and the doctor, fear [21], shyness [21] and the high rate of false positives with the FOBT [22]. It is expected that the compliance for screening will increase by 10-20% annually due to cost reimbursements and an aggressive promotion and education about CRC screening by Cancer awareness agencies, HCFA and The Centers for Disease Control and Prevention [13].

### 6.1 TARGET MARKET

Based on a 40% American compliance rate with FOBT testing, and a population base of 74,375,248 individuals over the age of 50, there is a potential target market of 29,750,099 in the U.S. alone (Exhibit 1). From this data the ten states with the largest population of compliant individuals have been identified. On average each of the ten states has a compliant population of 1,698,555.

In order for an AccuScreen™ unit to be feasible in our market segment, we will initially require a medical facility that has the ability to service a minimum of 45,000 compliant individuals, which represents less than 3% of that specific compliant population (Exhibit 13). As more units are placed, the break-even point decreases dramatically to 20,145 in year 2 and eventually drops to 3,575 in year 5, or 0.21% of the compliant population thus allowing us to target smaller markets.

It is not unreasonable to expect that the initial sales requirement is attainable. M.D. Anderson has outpatient visits in excess of 400,000 each year. In addition, M.D. Anderson has contracts with other area hospitals and labs for performing additional lab work. Therefore M.D. Anderson's outpatient volume will be able to support the required 45,000 tests.

## 7. MARKETING STRATEGIES

The medical device/in vitro diagnostic sector in the United States is incredibly complex, and consequently forces organizations to target many different groups in order to achieve market acceptance.

AccuScreen™ must be accepted by the most influential hospitals in order to succeed in the U.S. medical market. Initially AccuScreen(tm) will be marketed to the four centers that were used in our clinical trials. These centers are among the highest ranked cancer research facilities in the U.S. according to a report by the U.S. News [23].

LifeLink must convince the gastroenterologists, lab directors and medical specialists that AccuScreen™ is the superior screening method, based on its ability to reduce costs and increase the quality of CRC diagnosis. The recommendations of these specialists will be a determining factor of whether or not AccuScreen™ will be used for mass screening.

In order to reach these individuals LLV will attend numerous conferences relating to CRC, publish the results of studies in peer-reviewed journals, and launch an aggressive mail campaign. The services of Fleishman Hillard International will also be retained to raise awareness of AccuScreen™ in the medical community.

The next critical issue LLV must deal with is obtaining a reimbursement rate from third party insurers such as HCFA and HMOs. The industry standard dictates that the lab should make at least a 30% profit on each test [24]. To determine the reimbursement rate HCFA (which administers Medicare) takes into account safety, efficacy and cost effectiveness [25]. As a result, HCFA has broad discretion in setting reimbursement rates [25]. Since this is perhaps the most critical step in the whole process, LLV will hire a professional consultant to provide guidance.

Another major hurdle LLV will face is determining how to sell the AccuScreen(tm) device to the more than 4,500 hospitals and labs in the United States [18]. Due to considerable consolidation in the industry, most private labs are run by two companies (Laboratory Corporation of America and Quest Diagnostics) while hospital labs (and hospitals in general) belong to or are owned by group purchasing organizations (GPOs). Contracts with GPOs provide a vendor with access to hundreds of labs (some have 900+ members) and the potential for bulk sales. In return, the GPO will get a reduced price for their membership and charge a 1-2% overhead fee on all sales. Obtaining a contract with a GPO will ensure that AccuScreen(tm) will be actively marketed to its members. Consequently, it is of utmost importance to establish strong relationships with these organizations. In order to ensure that this becomes a reality, the services of Corporate Contracts Inc., a company with strong connections to the GPOs, will be retained.

The final influential group is the general public. This group is important because they will be able to create a demand for AccuScreen™. The general public will be reached by launching an awareness campaign that will consist of press releases and a corporate web site. This campaign will be designed under the guidance of Fleishman Hillard.

As the client base for LLV grows, Sales Associates will be hired to maintain superior customer service, as well to develop new relationships with different institutions across North America.

During the development of the North American market, work will also be conducted to begin sales in Europe and Japan. Using Wendy Ero as the LLV representative in Europe will open many doors, and she will be able to initiate dialogue with the appropriate organizations in Europe.

## 8. PRICING STRATEGY

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The evaluation of new screening tests for cancer has traditionally focused almost exclusively on safety and efficacy. However, the emergence of managed care has made costs and cost-effectiveness a legitimate consideration in clinical assessments of new screening techniques.

For these reasons, LifeLink utilized a previously published cost-effectiveness model for colorectal cancer [26] to determine our pricing strategy. The model was used to compare five screening programs: an annual fecal occult blood test (FOBT) alone, a flexible sigmoidoscopy (FS) every five years, FOBT and FS combined, an air-contrast barium enema every five years and the AccuScreen(tm) every two years. The model assumes that all positive test results arising from the above screening methods will be subsequently evaluated with a colonoscopy. The model also assumes that all patients with adenomas will undergo two surveillance exams. Cost-effectiveness was defined as the cost per cancer death prevented [27,28]. LifeLink also considered the total cost of the screening program per patient screened to evaluate its pricing strategy.

Using a 40% compliance level (reflecting current conditions [19, 20]), not only does the AccuScreen™ prevent the highest number of colorectal cancers and deaths, but it also produces the lowest cost per cancer death prevented when the price of the test is less than \$200. When the price of the test drops below \$50, the AccuScreen™ also yields the lowest cost per patient screened. By examining the costs associated with each screening program, it is revealed that the major cost savings provided by the AccuScreen™ stem from the substantial drop in the cost of cancer care and the significant reduction in unnecessary colonoscopies arising from false-positive results. A summary of the results, a sensitivity analysis for different compliance levels and price per AccuScreen™ test and a breakdown of the total costs for each screening program are displayed in Exhibit 2.

LifeLink will offer the device free of charge and recoup the costs on a per test basis because of the substantial upfront capital outlay required by the AccuScreen™ MRS system. To reduce financial risk, LifeLink will engage in a sale/leaseback agreement with National Medical Leasing, whereby LifeLink will sell to and then lease back the device from the agency. As a result costs will be passed on to individual labs on a per test basis.

To reduce our operating risk, LifeLink will require each lab to guarantee a minimum of 1,000 tests per month before granting a device. Given LifeLink's variable and fixed cost structure, pricing for the AccuScreen™ test will be set at \$30 per test and collections will be based on 60 day terms. This pricing strategy is expected to generate exemplary returns for LifeLink, while providing hospital labs with a sufficient margin after reimbursement to cover overhead and a 30% profit.

## 9. OPERATIONAL TIMELINE

### PRIOR TO COMMENCING OPERATIONS

- Source components
- Agree to terms with IBD & Diaspec
- Incorporation of LLV
- Sign agreement with IBD & Diaspec
- Begin dialogue with potential clinical trial sites, suppliers and manufacturers.

### JUNE 2001 — BEGIN OPERATIONS — PRE-APPROVAL PHASE

- Solidify relationships with suppliers and manufacturers
- Order MRS system from Bruker for IBD's prototyping group
- Outline clinical trials and regulatory approval stages
  - Design clinical trials with input from clinical trials and reimbursement consultants (*1 month–July 2001*)
  - Begin dialogue with the appropriate regulatory officials (FDA)
  - Sign agreements, finalize the pay structure at clinical trial sites, appoint clinical trial directors
  - Obtain committee approval with respect to clinical trials sites (MD Anderson, Texas; Health Sciences Center, Winnipeg Canada; Memorial Sloan-Kettering Cancer Center, New York and UCLA Medical Center, California – committee approval (*3 months–October 2001*))
- IBD will begin work on the prototype for AccuScreen™'s sample processing units (*1.5 years — complete in January 2003*)
- Begin preliminary work with PR firm
- Formulate reimbursement strategy with consultants

### OCTOBER 2001 — COMMENCE CLINICAL TRIALS

- Begin clinical trials (1,500 samples per center) (*6 months–March 2002*)
  - Samples will be obtained from patients that are scheduled to undergo a colonoscopy
  - Test package given to patient by clinical trials coordinator at that site, samples stored at site and shipped to IBD once 50 samples are collected (~once per week)
  - Coded samples received by IBD will be processed by Dr. Bezabeh
- Continue dialogue with regulatory agencies

### MARCH 2002 — COMPLETION OF CLINICAL TRIALS AND REGULATORY SUBMISSION

- Tabulate and analyze data (*3 months–May 2002*)
- Prepare final report with regulatory consultant (*1 month–June 2002*)
- FDA submission for regulatory approval (*6 months–December 2002*)
- Implement reimbursement strategy
- Dr. Bezabeh will prepare and submit manuscripts for peer review publication (*5-7 months*)

**JANUARY 2003 — COMMENCE SALES TO CLINICAL TRIALS SITES**

- Latest expected date for FDA approval
- Automation prototype to CMED for validation and production (*3 months–April 2003*)
- Sale of AccuScreen™ machine to clinical test sites

**JUNE 2003 — GROWTH**

- Hire Bram Ramjiawan as full-time director of clinical and regulatory affairs
- Expand into smaller U.S. markets and draft a plan for international expansion

**JUNE 2004**

- Hire Scientific Director
- Start commercialization process with one new product every year

**10. COMPETITION**

Intense competition exists in most sectors of the health care industry and the in-vitro diagnostic sector is no exception. Currently there are five major companies actively searching for an effective and accurate methods to screen for CRC.

**EXACT SCIENCES CORPORATION** (NASDAQ:EXAS) [www.exactlabs.com](http://www.exactlabs.com): Exact Sciences will attempt to utilize various DNA-based techniques for the detection of CRC and other cancers. Only one of these techniques, the DNA Integrity Assay (DIA), is potentially threatening to AccuScreen™. Exact claims this has the potential to become a platform technology; however, based on the cost of running these tests, the difficulty in automating this technology and the insensitivity of their most recent studies (67-78%), it is unlikely that they pose a major threat to AccuScreen™.

**INTERNATIONAL MEDICAL INNOVATIONS** (TSE:IMI) [www.imin.ca/](http://www.imin.ca/) IMI has a test (ColorecAlert) for CRC based on detecting markers in rectal mucus. The problem with this test is that it is effective (90% specific) only when combined with another test such as the FOBT test, making the claimed cost benefit unknown at this point. IMI's strengths are that the clinical trials included 670 patients and the technology is conducive to point of care testing (doctor's office) or automation.

**PROCYON BIOPHARMA INC.** (TSE:PBP) [www.procyonbiopharma.com](http://www.procyonbiopharma.com) Procyon is also developing a screening test for CRC based on markers present in rectal mucus. The strengths of this test are that it may be conducive for point of care testing or automation and it is sensitive (89%) for detecting polyps, according to their press releases. However, the details of the clinical trials for this product are unknown. Procyon has decided to initially seek approval for and market its product in Canada.

**MATRITECH INC.** (NASDAQ: NMPS) [www.matritech.com/](http://www.matritech.com/) This company was formed in 1987 and went public in 1992. Its technology is patented and is based on the detection of various types of cancer with antibody-based blood tests. The kit used for the diagnosis of CRC already has FDA approval for bladder cancer screening and is being distributed in Europe and China. Preliminary results on 37 patients show promise, however multi-center clinical trials have not been conducted. It is unknown at this point what the tests cost and if the science is dependable.

**LEXON INC.** (OTC Bulletin :LXXN) [www.lexoninc.com/](http://www.lexoninc.com/) Lexon has pending patents on antibody based blood tests for detecting CRC and other types of cancer based on specific proteins present in cancer patients. If successful, this technology poses a threat to AccuScreen™, as there is a higher patient acceptance rate for blood collection as opposed to stool collection. This test may also be conducive to automation, thereby making it quite inexpensive. Lexon has not yet completed clinical trials and it is unknown at this point if this technology is sensitive enough to detect cancer at the polyp stage.

## 11. MANAGEMENT TEAM

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**Jon Meltzer, President and CEO:** Mr. Meltzer is in his last year as a Ph.D. student in the Faculty of Medicine at The University of Manitoba. He was also founder and CEO of MRR Inc., a University spin-off company that sells reagents for genetic and proteomic research internationally. Mr. Meltzer's combination of science and business experience will guide LLV's present and future objectives and help ensure that LLV meets its target dates.

**Jonathan Dyck, Director of Finance and Operations:** Mr. Dyck will graduate this year from the I. H. Asper School of Business at the University of Manitoba with a major in Finance. For the past three years, he has sharpened his financial skills in the Treasury and Money Management branch of the City of Winnipeg. Mr. Dyck will be responsible for managing the financial status of LLV, day-to-day operations, communicating with LLV's investors, and ensuring that LLV's pipeline of suppliers and collaborators is on schedule to meet AccuScreen's™ time to market.

**Tyson Caron, Director of Information Technology, Faculty of Industrial Engineering:** Mr. Caron will graduate this year from the I. H. Asper School of Business with a double major in Management Information Systems and Marketing. He will be responsible for maintaining our website, contact with customers, training AccuScreen's™ users, arranging servicing of AccuScreen™ and helping out with sales, marketing and logistics when necessary.

**Tom Harder, Marketing and Sales Director:** Mr. Harder will graduate this year from the I. H. Asper School of Business at the University of Manitoba with a double major in Small Business and Marketing. Mr. Harder has worked for The Investment Planning Council of Canada as Director of Marketing and has vast experience as a sales representative. Mr. Harder will be responsible for coordinating the marketing and sales efforts of AccuScreen™ which includes disseminating information on AccuScreen™ (and related research) to physicians, third party insurers (private and government), non-profit agencies, group purchasing organizations (GPOs) and lobby groups.

**Tedros Bezabeh, Ph.D., Interim Scientific Director:** Dr. Bezabeh is one of the lead researchers that helped developed the AccuScreen™ technology. Dr. Bezabeh will be seconded to LLV until the completion of the clinical trials. Dr. Bezabeh will be responsible for analyzing the samples from our clinical trials, writing up the results for peer-review publication and providing other technical assistance when necessary.

**Bram Ramjiawan, Director of Clinical Trails and Regulatory Affairs:** Mr. Ramjiawan has much experience with research protocols, clinical trials and regulatory affairs during his training at IBD. He will work part time for LLV until the completion of his degree (Ph.D. student in the Faculty of Medicine at The University of Manitoba), after which he will be hired full time by LLV.

**Wendy Ero, Director of European Operations:** Ms. Ero will use her specialized training from the Eindhoven University of Technology, faculty of Industrial Engineering and Management Science to assist LLV as it expands into Europe. She will be responsible for making initial contact with European physicians, laboratories, regulatory agencies and potential distributors who are interested in AccuScreen™.

## 12. BOARD OF ADVISORS

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**Mr. Don Gales:** Mr. Gales is an investment banker with 40 years of experience in business and finance. Mr. Gales has sat on the board of many international companies and is currently on the executive board of Onex Inc., which is a publicly-traded company listed on the Toronto Stock Exchange (TSE). Mr. Gales will bring his many years of financial expertise to LLV and will be instrumental in securing 2nd and 3rd round financing.

**Marshall J. Glesby, M.D., Ph.D.:** Dr. Glesby is the Medical Director of the Cornell Clinical Trials Unit at Chelsea Center and co-Director of the Cornell Clinical Trials Unit in New York, NY. Dr. Glesby is a well-established clinician-researcher who trained at the most prominent medical schools in North America, has many clinical and academic duties and has reviewed articles for many prominent journals. His knowledge of the clinical trials process, of the U.S. health care system and his contacts with other medical schools will be very beneficial to LLV in the start-up phase.

**Eduardo Krupnik, Ph.D., LL.B:** Dr. Krupnik has his Ph.D. in the field of colon cancer detection with MRS and is currently practicing intellectual property law at the Canadian firm Borden Ladner Gervais. Dr. Krupnik will advise LLV on various legal issues, including those concerning intellectual property.

**Bernard Levin, M.D.:** Dr. Levin is the Vice President of Cancer Prevention at The University of Texas M.D. Anderson Cancer Center which was ranked the top cancer care center in the U.S. Dr. Levin is a world renowned gastroenterologist, a co-inventor of LLV's colorectal detection technology, has authored over 200 articles and book chapters on colorectal cancer. As one of the leading authorities in the world on colorectal cancer, Dr. Levin's insight into the disease and its treatment will be invaluable to LLV and he will bring instant credibility to AccuScreen™.

**John Saunders, Ph.D.:** Dr. Saunders is President and CEO of Innovative Magnetic Resonance Imaging Systems (IMRIS) Inc. Dr Saunders is a physicist with vast experience in magnetic resonance research. He has as over 150 peer reviewed publications and his company has just received approval from the FDA for its movable MRI system. Dr. Saunders will be able to mentor LLV during various points in our development as IMRIS was at a similar stage to LLV five years prior.

**Ian Smith, Ph.D.:** Dr. Smith is the Director General of the IBD and is a co-inventor of LLV's colorectal detection technology. Dr. Smith has over 100 publications and book chapters and is a leading authority on the use of magnetic resonance in the diagnosis of disease. Dr. Smith also serves on numerous local, national and international committees including the board of a local venture fund, and 4 medical device companies. He has far-reaching, international connections in the industry and will represent IBD's interests on LLV's board. Dr. Smith will be instrumental in all aspects of LLV's development, and in ensuring a consistent product pipeline through world-class research at IBD.

### 13. CRITICAL RISKS

1. **Technical problems with AccuScreen™:** This is a remote possibility given that AccuScreen™'s software, sample positioning module and sample processing modules will be designed by the experts at IBD and independently validated by CMED prior to launch. MR spectrometers are very reliable devices and they are sourced from the industry leader, Bruker, which has many years in the business. LLV will ensure that CMED, Bruker or IBD will service AccuScreen™ within 48 hours. There will be one AccuScreen™ system at LLV in the unlikely event that there is a system beyond repair.
2. **Difficulties with suppliers and outsourcing partners:** This is a minor risk as our strategic partners are both reliable and reputable. In the event that there are problems, our partners have many reliable competitors. The most critical supplier is Bruker, as there are a limited number of MR Spectrometer manufacturers and the lead time for their product is 5-8 months. However, with consistent sales this is also a minor risk, as the lead-time will be reduced.
3. **Failure of the clinical trials:** This is a minor risk given the strength of our technology and our pre-clinical data. However, if this were to occur it would be a serious setback for LLV and would necessitate a re-evaluation of our strategy (i.e. new trials, development of another product or initiation of our exit strategy).
4. **Failure of regulatory approval:** This is a remote possibility as the FDA has already classified MR spectrometers as class 2 devices. However, constant contact will be maintained with the FDA, HPB of Canada and various consultants at every stage of AccuScreen's™ development to ensure the greatest chance of success. Failure to obtain FDA approval would also necessitate a re-evaluation of our strategy.
5. **Failure to obtain favorable reimbursement:** This is a critical risk that affects all manufacturers of diagnostic tests and can be a devastating setback. It can also occur despite obtaining FDA approval and unlike FDA approval there is no clear process on how to obtain favorable reimbursement from HCFA and other third party insurers like HMOs. We will hire reimbursement consultants (Princeton Reimbursement Group, Minneapolis, Minnesota) prior to the design of clinical trials and throughout the regulatory and reimbursement process in order to minimize this risk. If an unfavorable reimbursement rate is received, LLV may have to consider dissolution.

6. **If AccuScreen™'s patents are rejected:** The patents for AccuScreen™ are currently in the PCT application process, which may take many years (4-7) to complete. Based on the preliminary assessments it is likely that they will issue; however, even if they do not issue, AccuScreen™ will have first mover status for a product that has a high entry barrier. Also, the critical part of our technology is the classification software that will be protected by copyright and trade secret.
7. **Low market acceptance for AccuScreen™:** Failure to gain market acceptance could occur for various reasons, and would be very damaging to LLV, as all resources would have been placed into the commercialization of AccuScreen™. We will minimize this risk as much as possible by an early, aggressive marketing campaign that will include extensive help from external consultants and a PR firm (Fleishman Hillard International Communications). These efforts will focus on promoting the benefits of AccuScreen™ to physicians, third-party insurers, lobby groups, purchasing officials, and the general public.
8. **The emergence of new technologies:** This is always a concern in highly competitive, technologically-based industries. However, any new technology would have to make it past the proof of concept stage to significantly match AccuScreen™ on its medical and economic benefits for CRC screening and its potential as a platform technology. LLV must be efficient in its commercialization efforts, as some competitors are at a similar stage of development and they have secured sufficient financing for their objectives.
9. **Lawsuits from patients:** This is a reality in all areas of the health care industry. However, since AccuScreen™ will primarily be used as a screening tool for more invasive procedures such as colonoscopies, lawsuits are a remote possibility. However, \$10,000,000 of liability insurance will be purchased.
10. **Disputes over patents and copyrights:** This is also a common occurrence in the health care industry and can lead to bankruptcy irrespective of whether a company has launched the suit or is the defendant. Thus we have diligently investigated these issues and found no apparent conflicts. Any potential situation will be analyzed and decisions will be made on a case-by-case basis as to whether to litigate or settle out of court. IBD has some obligations to assist in the prosecution of parties infringing on their patents.
11. **Inexperienced management team:** This is not a major concern as LifeLink has an experienced board, experienced consultants, reliable suppliers and outsourcing partners at every stage of commercialization. Should the board determine that there is a problem with LLV's management, its members will not hesitate to bring in senior help to remedy the situation. Due to the high potential value of AccuScreen™ technology, LLV will be able to be sold at a substantial profit should the management team prove to be ineffective.

## 14. FINANCIAL SUMMARY

In the first two years of operations, LifeLink Ventures (LLV) expects to incur \$1,526,687 in losses as the Company guides the AccuScreen™ device through development, clinical trials and regulatory approval. Upon approval, LLV reasonably expects to place two AccuScreen™ devices in its third and fourth year of operations, which will generate sales of AccuScreen™ tests of \$2,073,600 and \$5,184,000 respectively. Profit margins in year 3 and year 4 are 2.67% and 33.58%, translating into a return on equity of 20.14% and 160.92% respectively.

Sales of AccuScreen™ devices and subsequent tests are expected to expand significantly after year 4, as the Company benefits from improved awareness, experience in operations and established connections within the medical community. LifeLink expects to sell an additional six devices in year 5, which will lead to a 120% year-over-year increase in AccuScreen™ test sales. Overall, LifeLink expects to place 27 AccuScreen™ devices over five years, and realize a profit of \$13,357,432 in year 7 on total sales of \$37,562,400 for a return on equity of 70%.

## 15. COMPANY OFFERING

LifeLink will require \$2,469,794 to finance operations during its two-year startup phase. Funding will be provided as follows:

- The National Research Council's Industrial Research Assistance Program (IRAP) will contribute \$214,345 in forgivable loans

- The Canadian Federal and Manitoba Provincial Governments will reimburse \$155,449 in the form of research tax credits
- Each member of LifeLink's management team will contribute \$20,000 of personal funds for a total of \$100,000. In return, each member will receive 180,000 common shares of LifeLink, which represents a combined 75% of the Company. Each member of LLV's board of advisors will be offered 5,000 common shares for a combined 2.5% of the company. The remaining 22.5% of the Company or 270,000 common shares will be held by Diaspec Holdings.
- LifeLink will raise the remaining \$2,000,000 by issuing 800,000 preferred shares at \$2.50 per share. The holder of each preferred share is entitled to receive an 8% cumulative dividend. Each preferred share is convertible into one common share at the option of the holder or upon the closing of an underwritten public offering.

## 16. HARVEST STRATEGY

LifeLink recognizes the uncertainty of our proposed strategy and has considered possible exit strategies that will lead to the dissolution of the company.

- Unfavorable clinical trial results — If the outcome of the clinical trials is unfavorable, the Company will pursue dissolution pending a review.
- Inability to obtain FDA approval or favorable reimbursement rates — If the company is unable to gain FDA approval or favorable reimbursement rates for AccuScreen™, the Company will pursue dissolution pending a review.

LifeLink also recognizes the incredible potential of this device and has considered possible harvest strategies in the interest of maximizing shareholder wealth.

- Selling the Company — If the outcome of the clinical trials is favorable, management strongly believes that LifeLink could be sold at a substantial premium to competitors such as SmithKline Beecham, Helena Laboratories or Bayer who may want to enhance or defend their positions in the colorectal cancer screening market.
- Initial Public Offering — If the Company is successful at commercializing the AccuScreen™ test in North America, management believes that the incredible potential of the test could warrant a public offering on a biotechnology-orientated exchange such as the NASDAQ or the CDNX, with the proceeds being used to finance international expansion and additional development projects.

## 17. ASSUMPTIONS

1. LLV will receive \$30 for each test performed
  - Payment will be received 60 days after the test has been performed
2. Investment income is calculated by multiplying the beginning monthly cash balance by a monthly investment rate of 0.5%.
3. Advertising and Promotion is based on the cost of a public relations firm, three medical conferences per year, promotional material, marketing video, market research and other related expenses.
4. AccuScreen™ device sales incorporates the cost of a Bruker MRS (\$230,000), Colorado MEDtech manufacturing costs for the automated sample preparation (\$60,000) and sample positioner (\$20,000), supply of 500 MRS tubes (\$5,000), Reimer Trucking shipping costs (\$5,000), installation (\$4,300) and training (\$4,500). Both Bruker and Colorado MEDtech have expressed a willingness to provide favorable payment terms dependent on the eventual sale to National Medical Leasing. Reimer Trucking requires payment before shipment is received.
5. To combat lengthy lead times from Bruker (5 months), LLV will also lease an additional device for inventory purposes, commencing February 2003. This enables LLV to ship, install, and train lab staff within one month of a sale.

6. AccuScreen™ Test Kits include the variable costs of a capillary test tube (\$0.01), labels (\$0.0176), patient test tube (\$0.343), ice pack (\$0.95), packaging box (\$2.31) and saline reagent (\$1.00). It is assumed that suppliers will provide 30-day payment terms.
7. Shipping costs for AccuScreen™ tests during clinical trials are based on Fedex quotes for shipping a 20lb box (\$130) and a 50lb box (\$250) and local courier rates per test (\$5). It is assumed that Fedex will provide 30-day payment terms. Shipping costs for AccuScreen™ equipment are estimated to be \$5,000 per sale.
8. Service & Maintenance assumes four service calls per year (\$2,800/call) and four nitrogen and helium refills per year (\$300/refill), performed through a local contractor.
9. Licensing Fees required by the IBD and M.D. Anderson include 3.5% of gross sales, and milestone payments to the IBD of \$20,000 upon completion of a working prototype and \$20,000 upon FDA approval (January 2003). Payment terms will reflect receivables.
10. Sales Commissions amounting to 2.0% of sales are required by Group Purchasing Organizations. Payment terms will reflect receivables.
11. Insurance policies will be provided by Hallmark Insurance Brokers and cover clinical trials (\$5,000) and a \$10 million liability insurance policy (\$5,500).
12. Patent costs reflect international filing, maintenance, prosecution and exam fees for the United States, Canada, the European Union, Japan and Great Britain.
13. Clinical Trials involve committee approval (\$24,000), clinical trial coordinators (\$180,000) and hospital overhead (\$51,000).
14. Consulting services are required for Food and Drug Administration, Health Care Financing Administration and Group Purchasing Organizations.
15. Interest Payments are calculated by multiplying the beginning monthly cash balance by a monthly borrowing rate of 0.75%.
16. Income Taxes are based on an effective tax rate of 45%. Note that losses in previous years can be carried forward to offset current profits.
17. The AccuScreen™ device has the capacity to analyze 8,640 samples per month. It is assumed that baseline utilization will be 50% of capacity.
18. LLV will incur costs for commercializing new products (R&D) starting in year three of operations.

## 18. REFERENCE LIST

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**LIFELINK VENTURES — EXHIBIT 1****CENSUS DATA AND ESTIMATED COMPLIANCE RATES FOR TOP TEN STATES (2000)**

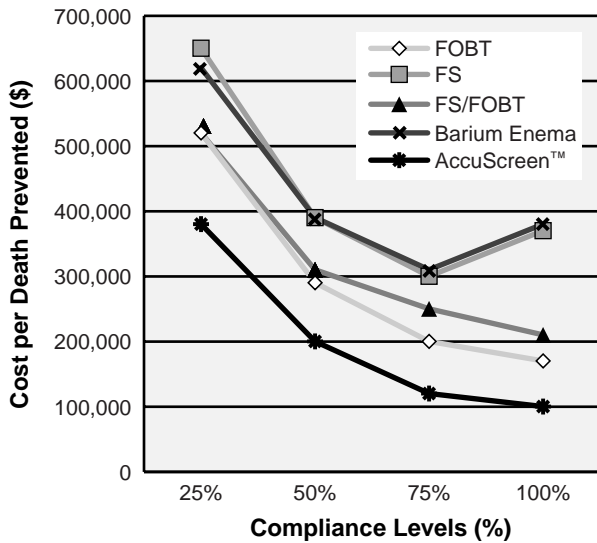
	<b>Total Population</b>	<b>Total Population over 50</b>	<b>FOBT Compliance Rate (%)</b>	<b>Total FOBT Compliance</b>
California	33,145,121	7,940,431	33.5%	2,657,016
New York	18,196,601	5,196,962	50.6%	2,629,708
Florida	15,111,244	5,057,065	49.0%	2,476,373
Texas	20,044,141	4,798,635	40.0%	1,919,023
Pennsylvania	11,994,016	3,727,561	44.9%	1,673,223
Michigan	9,863,775	2,664,036	45.7%	1,217,571
Ohio	11,256,654	3,179,636	37.5%	1,193,717
North Carolina	7,650,789	2,111,627	55.5%	1,171,905
New Jersey	8,143,412	2,349,583	44.3%	1,040,296
Massachusetts	6,175,169	1,755,890	57.3%	1,006,723
<b>United States</b>	<b>272,690,813</b>	<b>74,375,248</b>	<b>40.0%</b>	<b>29,750,099</b>
<b>Total Compliance of Top Ten States:</b>				<b>16,985,555</b>
<b>Average Compliance of Top Ten States:</b>				<b>1,698,555</b>

**LIFELINK VENTURES — EXHIBIT 2**  
**COST-EFFECTIVENESS SUMMARY AND SENSITIVITY ANALYSIS**

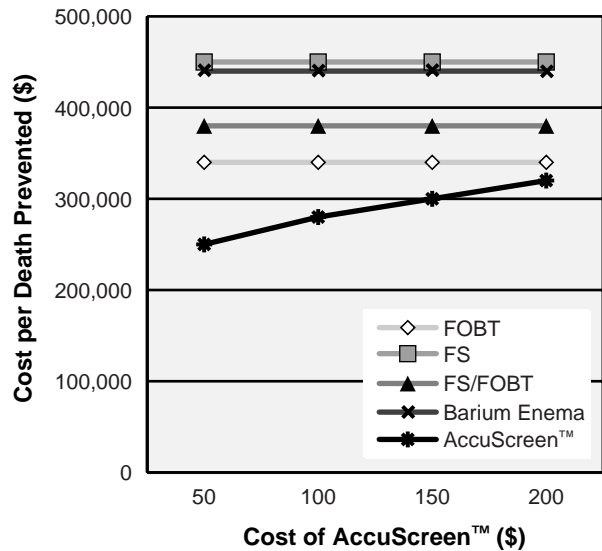
**COST-EFFECTIVENESS SUMMARY**  
**(AT 40% COMPLIANCE AND \$30 PER ACCUSCREEN™ TEST)**

	Cancers Prevented	Deaths Prevented	Unnecessary Colonoscopies	Cost per Death Prevented	Cost per Screenee
FOBT	15.0%	23.0%	8.0%	\$343,530	\$ 790
FS	15.0%	21.0%	0.0%	449,048	943
FS/FOBT	20.1%	26.5%	6.0%	374,830	992
Barium Enema	15.0%	23.0%	4.0%	442,765	1,018
<b>AccuScreen</b>	<b>27.0%</b>	<b>31.9%</b>	<b>0.0%</b>	<b>235,795</b>	<b>753</b>

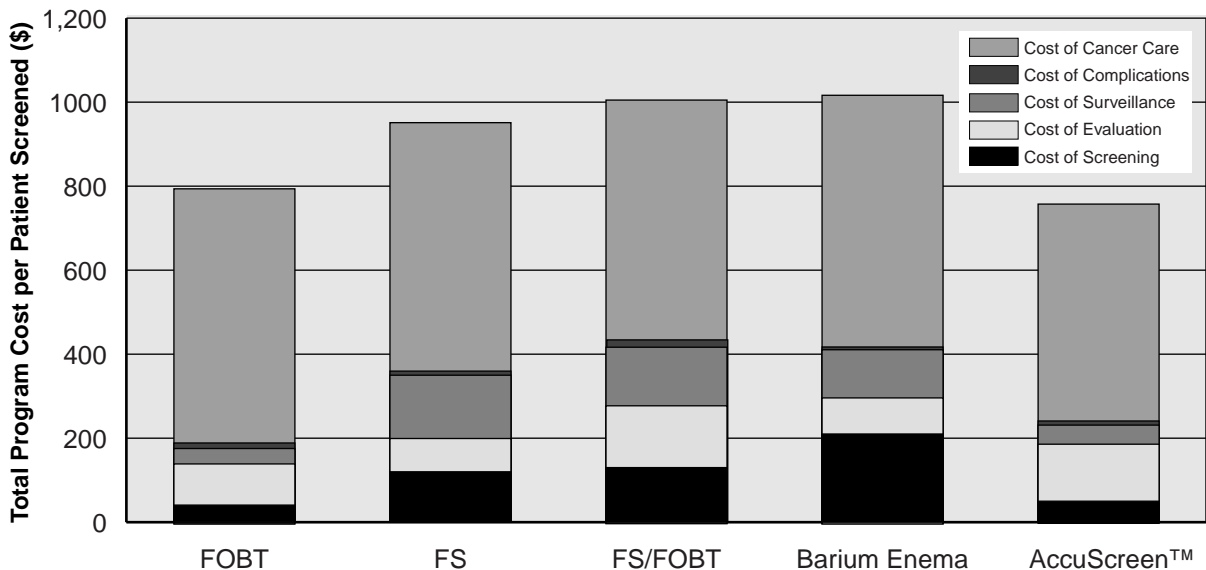
**EFFICACY OF SCREENING PROGRAMS**



**COST EFFECTIVENESS OF ACCUSCREEN™**



**TOTAL COST BREAKDOWN OF EACH SCREENING PROGRAM**



**LIFELINK VENTURES — EXHIBIT 3**  
**PRO FORMA MONTHLY CASH FLOW STATEMENTS FOR START UP PHASE**  
**June 1, 2001 to May 2002**

	June	July	August	September	October	November	December	January	February	March	April	May
<b>CASH INFLOWS</b>												
Investment Income	-	7,250	6,565	6,357	6,180	5,883	5,558	3,677	3,307	2,922	2,321	2,074
<b>TOTAL CASH INFLOWS</b>	\$ -	\$ 7,250	\$ 6,565	\$ 6,357	\$ 6,180	\$ 5,883	\$ 5,558	\$ 3,677	\$ 3,307	\$ 2,922	\$ 2,321	\$ 2,074
<b>CASH OUTFLOWS</b>												
Advertising and Promotion	15,300	100,300	6,823	6,050	6,823	6,050	7,330	6,300	5,300	5,300	5,300	5,300
Travel -	4,800	2,400	-	7,200	-	-	7,200	7,600	14,800	-	7,600	-
Lease Payments	-	-	-	-	-	-	-	-	-	-	-	-
AccuScreen Test Kit Purchases	-	-	-	-	-	6,014	5,454	5,454	5,454	5,454	5,454	-
Shipping	-	-	-	-	-	12,700	12,700	12,700	12,700	12,700	12,700	-
Wages and Benefits	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250	21,250
Office Supplies & Equipment	700	700	700	700	700	700	700	700	700	700	700	700
Insurance	-	-	-	5,000	-	-	-	-	-	-	-	-
Communications	438	438	438	438	438	438	438	438	438	438	438	438
Clinical Trials	-	12,000	12,000	-	30,000	30,000	30,000	30,000	30,000	81,000	-	-
Consulting Costs	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Licensing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Legal & Accounting Fees	4,650	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH OUTFLOWS</b>	\$ 54,838	\$ 154,488	\$ 58,610	\$ 48,438	\$ 81,410	\$ 92,151	\$ 92,871	\$ 99,041	\$ 98,441	\$ 156,641	\$ 60,841	\$ 50,288
<b>CAPITAL</b>												
Purchase of Fixed Assets	-	-	-	-	-	-	310,000	-	-	-	-	-
<b>CHANGE FROM CAPITAL</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FINANCING</b>												
Contributions from IRAP	6,750	10,350	10,350	6,750	15,750	21,364	21,196	21,196	18,196	33,496	9,196	3,750
Research Tax Credits	-	-	-	-	-	-	-	-	-	-	-	126,048
Bank Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Common Shares	100,000	-	-	-	-	-	-	-	-	-	-	-
Issuance of Preferred Shares	1,400,000	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE FROM FINANCING</b>	\$ 1,506,750	\$ 10,350	\$ 10,350	\$ 6,750	\$ 15,750	\$ 21,364	\$ 21,196	\$ 21,196	\$ 18,196	\$ 33,496	\$ 9,196	\$ 129,798
<b>CASH AT BEGINNING OF PERIOD</b>	\$ -	\$ 1,451,913	\$ 1,315,025	\$ 1,273,330	\$ 1,237,999	\$ 1,178,519	\$ 1,113,614	\$ 737,497	\$ 663,329	\$ 586,391	\$ 466,167	\$ 416,843
<b>CASH AT END OF PERIOD</b>	\$ 1,451,913	\$ 1,315,025	\$ 1,273,330	\$ 1,237,999	\$ 1,178,519	\$ 1,113,614	\$ 737,497	\$ 663,329	\$ 586,391	\$ 466,167	\$ 416,843	\$ 498,428

## LIFELINK VENTURES — EXHIBIT 4 PRO FORMA MONTHLY CASH FLOW STATEMENTS FOR START UP PHASE

June 1, 2002 to May 2003

	June	July	August	September	October	November	December	January	February	March	April	May
<b>CASH INFLOW</b>												
Investment Income	2,482	2,119	1,891	1,607	1,346	1,079	814	542	3,074	2,760	2,425	2,126
<b>TOTAL CASH INFLOW</b>	<b>\$2,482</b>	<b>\$2,119</b>	<b>\$1,891</b>	<b>\$1,607</b>	<b>\$1,346</b>	<b>\$1,079</b>	<b>\$814</b>	<b>\$542</b>	<b>\$3,074</b>	<b>\$2,760</b>	<b>\$2,425</b>	<b>\$2,126</b>
<b>CASH OUTFLOWS</b>												
Advertising and Promotion	5,300	5,300	6,823	6,050	6,823	6,050	7,330	6,300	5,300	5,300	5,300	5,300
Travel	2,400	12,000	-	-	-	-	-	7,600	7,600	-	7,600	7,600
Lease Payments	-	-	-	-	-	-	-	-	6,849	6,849	6,849	6,849
AccuScreen Test Kit Purchases	-	-	-	-	-	-	-	-	-	1,736	1,736	1,736
Shipping	-	-	-	-	-	-	-	-	-	5,700	5,700	5,700
Wages and Benefits	57,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500
Office Supplies & Equipment	700	700	700	700	700	700	700	700	700	700	700	700
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Communications	438	438	438	438	438	438	438	438	438	438	438	438
Clinical Trials	-	-	-	-	-	-	-	-	-	-	-	-
Consulting Costs	12,500	12,500	12,500	20,500	20,500	20,500	20,500	20,500	13,000	13,000	13,000	13,000
Licensing Fees	-	-	-	-	-	-	-	40,000	-	-	-	-
Legal & Accounting Fees	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	6,000	2,500	2,500	2,500
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH OUTFLOWS</b>	<b>\$78,938</b>	<b>\$51,338</b>	<b>\$62,460</b>	<b>\$57,688</b>	<b>\$58,460</b>	<b>\$57,688</b>	<b>\$58,968</b>	<b>\$97,938</b>	<b>\$67,386</b>	<b>\$71,323</b>	<b>\$63,723</b>	<b>\$71,323</b>
<b>CAPITAL</b>												
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE FROM CAPITAL</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>FINANCING</b>												
Contributions from IRAP	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	1,500	1,500	1,500	1,500
Research Tax Credits	-	-	-	-	-	-	-	-	-	-	-	29,400
Bank Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Common Shares	-	-	-	-	-	-	-	600,000	-	-	-	-
Issuance of Preferred Shares	-	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE FROM FINANCING</b>	<b>\$3,750</b>	<b>\$3,750</b>	<b>\$3,750</b>	<b>\$3,750</b>	<b>\$3,750</b>	<b>\$3,750</b>	<b>\$3,750</b>	<b>\$603,750</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$1,500</b>	<b>\$30,900</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>\$498,428</b>	<b>\$425,723</b>	<b>\$380,254</b>	<b>\$323,435</b>	<b>\$271,105</b>	<b>\$217,740</b>	<b>\$164,882</b>	<b>\$110,478</b>	<b>\$616,833</b>	<b>\$554,021</b>	<b>\$486,958</b>	<b>\$427,160</b>
<b>CASH AT END OF PERIOD</b>	<b>\$425,723</b>	<b>\$380,254</b>	<b>\$323,435</b>	<b>\$271,105</b>	<b>\$217,740</b>	<b>\$164,882</b>	<b>\$110,478</b>	<b>\$616,833</b>	<b>\$554,021</b>	<b>\$486,958</b>	<b>\$427,160</b>	<b>\$388,863</b>

**LIFELINK VENTURES — EXHIBIT 5****PRO FORMA ANNUAL CASH FLOW STATEMENT FOR START UP PHASE**

June 1, 2001 to May 31, 2003

	Year 1	Year 2
<b>CASH INFLOW</b>		
Investment Income	52,093	22,265
<b>TOTAL CASH INFLOW</b>	<b>\$52,093</b>	<b>\$22,265</b>
<b>EXPENSES</b>		
Advertising and Promotion	176,175	71,175
Travel	51,600	37,200
Lease Payments	-	27,396
AccuScreen Test Kit Purchases	33,284	5,209
Shipping	76,200	17,100
Wages and Benefits	255,000	360,000
Office Supplies & Equipment	8,400	8,400
Insurance	5,000	-
Communications	5,250	5,250
Clinical Trials	255,000	-
Consulting Costs	150,000	192,000
Licensing Fees	-	40,000
Legal & Accounting Fees	32,150	33,500
Interest Payments	-	-
<b>TOTAL EXPENDITURES</b>	<b>\$1,048,059</b>	<b>\$797,230</b>
<b>CAPITAL</b>		
Purchase of Fixed Assets	310,000	-
<b>CHANGE FROM CAPITAL</b>	<b>\$310,000</b>	<b>\$ -</b>
<b>FINANCING</b>		
Contributions from IRAP	178,345	36,000
Research Tax Credits	126,048	29,400
Inflow of Cash From Bank Loan	-	-
Issuance of Common Shares	100,000	-
Issuance of Preferred Shares	1,400,000	600,000
<b>CHANGE FROM FINANCING</b>	<b>\$1,804,394</b>	<b>\$665,400</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>\$ -</b>	<b>\$498,428</b>
<b>CASH AT END OF PERIOD</b>	<b>\$498,428</b>	<b>\$388,863</b>

**LIFELINK VENTURES – EXHIBIT 6**  
**ACCUSCREEN SALES PROJECTIONS**  
 June 1, 2003 to May 31, 2008

MACHINE CAPACITY	
Minutes per Sample	5
Samples per Hour	12
Samples per Day	288
Samples per Month	8,640
Samples per Year	103,680

Baseline Utilization Rate	50%
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	2003 – 2004	2004 – 2005	2005 – 2006	2006 – 2007	2007 – 2008	Total	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Machines	1	1	1	1	1	5	2	2	6	8	9	27
Tests	-	8,640	17,280	43,200	77,760	103,680	69,120	172,800	362,880	708,480	1,153,440	2,466,720
	June	June	June	June	June	June	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	July	July	July	July	July	July	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	August	August	August	August	August	August	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	September	September	September	September	September	September	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	October	October	October	October	October	October	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	November	November	November	November	November	November	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	December	December	December	December	December	December	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	January	January	January	January	January	January	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	February	February	February	February	February	February	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	March	March	March	March	March	March	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	April	April	April	April	April	April	Year 3	Year 4	Year 5	Year 6	Year 7	Total
	May	May	May	May	May	May	Year 3	Year 4	Year 5	Year 6	Year 7	Total

**LIFELINK VENTURES — EXHIBIT 7**  
**PRO FORMA MONTHLY CASH FLOW STATEMENTS**  
**June 1, 2003 to May 2004**

	June	July	August	September	October	November	December	January	February	March	April	May
<b>CASH INFLOW</b>												
Payments for AccuScreen Equipment Sales	328,800	-	-	-	-	-	328,800	-	-	-	-	-
Payments for AccuScreen Tests Conducted	-	-	-	129,600	129,600	129,600	129,600	129,600	129,600	259,200	259,200	259,200
Investment Income	1,934	1,172	654	16	-	0	0	-	-	-	-	-
<b>TOTAL CASH INFLOW</b>	<b>\$330,734</b>	<b>\$1,172</b>	<b>\$654</b>	<b>\$129,616</b>	<b>\$129,600</b>	<b>\$129,600</b>	<b>\$458,400</b>	<b>\$129,600</b>	<b>\$129,600</b>	<b>\$259,200</b>	<b>\$259,200</b>	<b>\$259,200</b>
<b>CASH OUTFLOWS</b>												
Advertising and Promotion	5,300	5,300	6,823	94,650	6,823	6,050	7,330	6,300	5,300	5,300	5,300	5,300
Travel	2,400	-	-	-	-	-	2,400	-	7,600	7,600	-	7,600
AccuScreen Test Kit Purchases	-	-	20,004	20,004	20,004	20,004	20,004	20,004	40,008	40,008	40,008	40,008
AccuScreen Equipment Costs	310,000	-	-	-	-	-	310,000	-	-	-	-	-
MRS Tubes	5,000	-	-	-	-	-	5,000	-	-	-	-	-
Shipping	5,000	-	-	-	-	-	5,000	-	-	-	-	-
Installation & Training	8,800	-	-	-	-	-	8,800	-	-	-	-	-
Service & Maintenance Expense	-	-	-	3,500	-	-	3,500	-	-	7,000	-	-
Licensing Fees	-	-	-	4,536	4,536	4,536	4,536	4,536	4,536	9,072	9,072	9,072
Sales Commissions	-	-	-	2,592	2,592	2,592	2,592	2,592	2,592	5,184	5,184	5,184
Lease Payments	13,698	13,698	13,698	13,698	13,698	13,698	20,547	20,547	20,547	20,547	20,547	20,547
Wages and Benefits	104,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167
Office Supplies & Equipment	700	700	700	700	700	700	700	700	700	700	700	700
Rent	-	-	-	-	-	-	-	-	-	-	-	-
Communications	438	438	438	438	438	438	438	438	438	438	438	438
Insurance	5,500	-	-	-	-	-	5,000	-	-	-	-	-
Patent	10,000	-	2,000	-	900	-	9,000	-	1,700	-	2,000	-
Consulting Costs	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Legal & Accounting Fees	4,100	2,500	2,500	2,500	2,500	2,500	4,100	2,500	2,500	2,500	2,500	2,500
Research & Development	-	-	-	-	-	-	-	12,000	12,000	-	30,000	30,000
Interest Payments	-	-	-	-	690	731	759	1,010	1,157	1,518	939	419
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH OUTFLOWS</b>	<b>\$483,102</b>	<b>\$104,802</b>	<b>\$128,329</b>	<b>\$224,784</b>	<b>\$135,046</b>	<b>\$133,415</b>	<b>\$491,872</b>	<b>\$152,793</b>	<b>\$181,245</b>	<b>\$182,033</b>	<b>\$198,854</b>	<b>\$203,934</b>
<b>FINANCING</b>												
Contributions from IRAP	-	-	-	-	-	-	-	3,600	3,600	-	9,000	9,000
Research Tax Credits	-	-	-	-	-	-	-	-	-	-	-	20,580
Bank Line of Credit	-	-	-	91,977	5,446	3,815	33,472	19,593	48,045	(77,167)	(69,346)	(55,835)
Issuance of Common Shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Preferred Shares	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Dividends	-	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE FROM FINANCING</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$91,977</b>	<b>\$5,446</b>	<b>\$3,815</b>	<b>\$33,472</b>	<b>\$23,193</b>	<b>\$51,645</b>	<b>\$77,167</b>	<b>\$(60,346)</b>	<b>\$(26,255)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>\$388,863</b>	<b>\$236,495</b>	<b>\$132,866</b>	<b>\$5,192</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>
<b>CASH AT END OF PERIOD</b>	<b>\$236,495</b>	<b>\$132,866</b>	<b>\$5,192</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$31,011</b>

**LIFELINK VENTURES — EXHIBIT 8**  
**PRO FORMA MONTHLY CASH FLOW STATEMENTS**  
**June 1, 2004 to May 2005**

	June	July	August	September	October	November	December	January	February	March	April	May
<b>CASH INFLOW</b>												
Payments for AccuScreen Equipment												
Sales	328,800	-	-	388,800	388,800	388,800	328,800	388,800	388,800	518,400	518,400	518,400
Payments for AccuScreen Tests Conducted	259,200	259,200	259,200	388,800	388,800	388,800	388,800	388,800	388,800	518,400	518,400	518,400
Investment Income	145	215	544	761	1,370	2,313	3,266	3,997	4,818	5,480	6,759	8,013
<b>TOTAL CASH INFLOW</b>	<b>\$588,145</b>	<b>\$259,415</b>	<b>\$259,744</b>	<b>\$389,561</b>	<b>\$390,170</b>	<b>\$391,113</b>	<b>\$720,866</b>	<b>\$392,797</b>	<b>\$393,618</b>	<b>\$523,880</b>	<b>\$525,159</b>	<b>\$526,413</b>
<b>CASH OUTFLOWS</b>												
Advertising and Promotion	5,300	5,300	6,823	6,050	6,823	6,050	7,330	6,300	5,300	5,300	5,300	5,300
Travel	2,400	-	-	-	-	-	2,400	-	10,000	7,600	2,400	7,600
AccuScreen Test Kit Purchases	40,008	40,008	60,013	60,013	60,013	60,013	60,013	60,013	80,017	80,017	80,017	80,017
AccuScreen Equipment Costs	310,000	-	-	-	-	-	310,000	-	-	-	-	-
MRS Tubes	10,000	-	-	-	-	-	10,000	-	-	-	-	-
Shipping	5,000	-	-	-	-	-	5,000	-	-	-	-	-
Installation & Training	8,800	-	-	-	-	-	8,800	-	-	-	-	-
Service & Maintenance Expense	7,000	-	-	-	-	-	8,800	-	-	-	-	-
Licensing Fees	9,072	9,072	9,072	10,500	13,608	13,608	10,500	13,608	13,608	14,000	18,144	18,144
Sales Commissions	5,184	5,184	5,184	7,776	7,776	7,776	7,776	7,776	7,776	10,368	10,368	10,368
Lease Payments	27,396	27,396	27,396	27,396	27,396	27,396	34,245	34,245	34,245	34,245	34,245	34,245
Wages and Benefits	104,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167	74,167
Office Supplies & Equipment	700	700	700	700	700	700	700	700	700	700	700	700
Rent	-	-	-	-	-	-	-	-	-	-	-	-
Communications	438	438	438	438	438	438	438	438	438	438	438	438
Insurance	5,500	-	-	-	-	-	5,000	-	-	-	-	-
Patent	-	-	1,000	-	-	-	-	-	2,000	-	3,000	-
Consulting Costs	8,000	8,000	8,000	8,000	8,000	8,000	20,500	20,500	20,500	20,500	20,500	20,500
Legal & Accounting Fees	4,100	2,500	2,500	2,500	2,500	2,500	4,100	2,500	4,100	2,500	4,100	2,500
Research & Development	30,000	30,000	30,000	81,000	-	-	-	12,000	12,000	-	30,000	30,000
Interest Payments	-	-	-	-	-	-	-	-	-	-	-	-
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	350,009
<b>TOTAL CASH OUTFLOWS</b>	<b>\$583,064</b>	<b>\$202,764</b>	<b>\$225,291</b>	<b>\$292,146</b>	<b>\$201,419</b>	<b>\$200,646</b>	<b>\$574,575</b>	<b>\$232,245</b>	<b>\$264,849</b>	<b>\$267,977</b>	<b>\$283,377</b>	<b>\$633,987</b>
<b>FINANCING</b>												
Contributions from IRAP	9,000	9,000	9,000	24,300	-	-	-	3,600	3,600	-	9,000	9,000
Research Tax Credits	-	-	-	-	-	-	-	-	-	-	-	62,475
Bank Line of Credit	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Common Shares	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Preferred Shares	-	-	-	-	-	-	-	-	-	-	-	-
Preferred Dividends	-	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE FROM FINANCING</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$24,300</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$3,600</b>	<b>\$3,600</b>	<b>\$-</b>	<b>\$9,000</b>	<b>\$71,475</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>\$31,011</b>	<b>\$45,092</b>	<b>\$110,743</b>	<b>\$154,196</b>	<b>\$275,910</b>	<b>\$464,661</b>	<b>\$655,128</b>	<b>\$801,418</b>	<b>\$965,570</b>	<b>\$1,097,939</b>	<b>\$1,353,841</b>	<b>\$1,604,623</b>
<b>CASH AT END OF PERIOD</b>	<b>\$45,092</b>	<b>\$110,743</b>	<b>\$154,196</b>	<b>\$275,910</b>	<b>\$464,661</b>	<b>\$655,128</b>	<b>\$801,418</b>	<b>\$965,570</b>	<b>\$1,097,939</b>	<b>\$1,353,841</b>	<b>\$1,604,623</b>	<b>\$1,568,524</b>

## LIFELINK VENTURES — EXHIBIT 9

## PRO FORMA ANNUAL CASH FLOW STATEMENTS

June 1, 2003 to May 31, 2008

	Year 3	Year 4	Year 5	Year 6	Year 7
<b>CASH INFLOW</b>					
Payments for AccuScreen Equipment Sales	657,600	657,600	1,972,800	2,630,400	2,959,200
Payments for AccuScreen Tests Conducted	1,555,200	4,665,600	9,460,800	19,310,400	32,270,400
Investment Income	3,777	37,681	162,003	465,830	1,079,140
<b>TOTAL CASH INFLOW</b>	<b>\$2,216,577</b>	<b>\$5,360,881</b>	<b>\$11,595,603</b>	<b>\$22,406,630</b>	<b>\$36,308,740</b>
<b>CASH OUTFLOWS</b>					
Advertising and Promotion	159,775	71,175	71,175	71,175	71,175
Travel	27,600	32,400	39,600	44,400	44,400
AccuScreen Test Kit Purchases	280,059	760,159	1,560,327	3,140,658	5,161,082
AccuScreen Equipment Costs	620,000	620,000	1,860,000	2,480,000	2,790,000
MRS Tubes	10,000	20,000	50,000	90,000	135,000
Shipping	10,000	10,000	30,000	40,000	45,000
Installation & Training	17,600	17,600	52,800	70,400	79,200
Service & Maintenance	14,000	42,000	91,000	182,000	301,000
Licensing Fees	54,432	163,296	331,128	675,864	1,129,464
Sales Commissions	31,104	93,312	189,216	386,208	645,408
Lease Payments	205,467	369,841	698,588	1,260,198	1,972,484
Wages and Benefits	920,000	920,000	1,390,000	1,390,000	1,390,000
Office Supplies & Equipment	8,400	8,400	8,400	8,400	8,400
Rent	-	-	24,000	24,000	24,000
Communications	5,250	5,250	5,250	5,250	5,250
Insurance	10,500	10,500	10,500	10,500	10,500
Patent	25,600	6,000	5,500	9,600	35,700
Consulting Costs	96,000	171,000	120,000	120,000	120,000
Legal & Accounting Fees	33,200	36,400	41,200	44,400	36,400
Research & Development	84,000	255,000	255,000	255,000	255,000
Interest Payments	7,223	-	-	-	-
Income Taxes	-	350,009	2,719,787	6,238,236	10,877,692
<b>TOTAL CASH OUTFLOWS</b>	<b>\$2,620,209</b>	<b>\$3,962,342</b>	<b>\$9,553,471</b>	<b>\$16,546,290</b>	<b>\$25,137,155</b>
<b>FINANCING</b>					
Contributions from IRAP	25,200	76,500	76,500	76,500	76,500
Research Tax Credits	20,580	62,475	62,475	62,475	62,475
Bank Line of Credit	-	-	-	-	-
Issuance of Common Shares	-	-	-	-	-
Issuance of Preferred Shares	-	-	-	-	-
Preferred Dividends	-	-	(648,000)	(160,000)	(160,000)
<b>CHANGE FROM FINANCING</b>	<b>\$45,780</b>	<b>\$138,975</b>	<b>\$(509,025)</b>	<b>\$(21,025)</b>	<b>\$(21,025)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>\$388,863</b>	<b>\$31,011</b>	<b>\$1,568,524</b>	<b>\$3,101,631</b>	<b>\$8,940,946</b>
<b>CASH AT END OF PERIOD</b>	<b>\$31,011</b>	<b>\$1,568,524</b>	<b>\$3,101,631</b>	<b>\$8,940,946</b>	<b>\$20,091,506</b>

## LIFELINK VENTURES — EXHIBIT 10

**PRO FORMA ANNUAL INCOME STATEMENTS**  
**June 1, 2001 to May 31, 2008**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>SALES</b>							
AccuScreen Test Sales (\$)	-	-	2,073,600	5,184,000	10,886,400	21,254,400	34,603,200
AccuScreen Equipment Sales (\$)	-	-	657,600	657,600	1,972,800	2,630,400	2,959,200
<b>TOTAL SALES</b>	-	-	<b>2,731,200</b>	<b>5,841,600</b>	<b>12,859,200</b>	<b>23,884,800</b>	<b>37,562,400</b>
<b>COST OF GOODS SOLD</b>							
Cost of AccuScreen Tests Sold:	-	-	320,067	800,168	1,680,352	3,280,687	5,341,119
Cost of AccuScreen Equipment Sold:	-	-	620,000	620,000	1,860,000	2,480,000	2,790,000
<b>TOTAL COST OF GOODS SOLD</b>	-	-	<b>940,067</b>	<b>1,420,168</b>	<b>3,540,352</b>	<b>5,760,687</b>	<b>8,131,119</b>
<b>GROSS MARGIN</b>	\$ -	\$ -	<b>\$1,791,133</b>	<b>\$4,421,432</b>	<b>\$9,318,848</b>	<b>\$18,124,113</b>	<b>\$29,431,281</b>
<b>VARIABLE EXPENSES</b>							
Travel	51,600	37,200	27,600	32,400	39,600	44,400	44,400
MRS Tubes	-	-	10,000	20,000	50,000	90,000	135,000
Shipping	76,200	17,100	10,000	10,000	30,000	40,000	45,000
Installation & Training Expense	-	-	17,600	17,600	52,800	70,400	79,200
Service and Maintenance Expense	-	-	14,000	42,000	91,000	182,000	301,000
Licensing Fees	-	40,000	72,576	181,440	381,024	743,904	1,211,112
Sales Commissions	-	-	41,472	103,680	217,728	425,088	692,064
Lease Payments	-	27,396	205,467	369,841	698,588	1,260,198	1,972,484
<b>TOTAL VARIABLE EXPENSES</b>	<b>127,800</b>	<b>121,696</b>	<b>398,715</b>	<b>776,961</b>	<b>1,560,740</b>	<b>2,855,990</b>	<b>4,480,260</b>
<b>FIXED EXPENSES</b>							
Advertising and Promotion	176,175	76,384	159,775	71,175	71,175	71,175	71,175
Wages and Benefits	288,284	360,000	920,000	920,000	1,390,000	1,390,000	1,390,000
Office Supplies and Equipment	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Rent	-	-	-	-	24,000	24,000	24,000
Communications	5,250	5,250	5,250	5,250	5,250	5,250	5,250
Insurance	5,000	-	10,500	10,500	10,500	10,500	10,500
Consulting Costs	150,000	192,000	96,000	171,000	120,000	120,000	120,000
Legal and Accounting Fees	32,150	33,500	33,200	36,400	41,200	44,400	36,400
Research and Development	255,000	-	84,000	255,000	255,000	255,000	255,000
Interest Expense	-	-	7,223	-	-	-	-
Depreciation	46,500	79,050	55,335	38,735	27,114	18,980	13,286
<b>TOTAL FIXED EXPENSES</b>	<b>966,759</b>	<b>754,584</b>	<b>1,379,683</b>	<b>1,516,460</b>	<b>1,952,639</b>	<b>1,947,705</b>	<b>1,934,011</b>
<b>NET OPERATING PROFIT (LOSS)</b>	<b>\$(1,094,559)</b>	<b>\$(876,280)</b>	<b>\$12,735</b>	<b>\$2,128,012</b>	<b>\$5,805,469</b>	<b>\$13,320,417</b>	<b>\$23,017,009</b>
<b>OTHER INCOME</b>							
Contributions from IRAP	178,345	36,000	25,200	76,500	76,500	76,500	76,500
Investment Income	52,093	22,265	3,777	37,681	162,003	465,830	1,079,140
<b>TOTAL OTHER INCOME</b>	<b>230,438</b>	<b>58,265</b>	<b>28,977</b>	<b>114,181</b>	<b>238,503</b>	<b>542,330</b>	<b>1,155,640</b>
<b>TOTAL TAXABLE INCOME</b>	<b>\$(864,120)</b>	<b>\$(818,015)</b>	<b>\$41,712</b>	<b>\$2,242,193</b>	<b>\$6,043,971</b>	<b>\$13,862,747</b>	<b>\$24,172,650</b>
Income Tax	-	-	-	350,009	2,719,787	6,238,236	10,877,692
Research Tax Credit	126,048	29,400	20,580	62,475	62,475	62,475	62,475
<b>NET INCOME</b>	<b>\$(738,072)</b>	<b>\$(788,615)</b>	<b>\$62,292</b>	<b>\$1,954,659</b>	<b>\$3,386,659</b>	<b>\$7,686,986</b>	<b>\$13,357,432</b>
Preferred Dividends	-	-	-	-	648,000	160,000	160,000
<b>TO RETAINED EARNINGS</b>	<b>(738,072)</b>	<b>(788,615)</b>	<b>62,292</b>	<b>1,954,659</b>	<b>2,738,659</b>	<b>7,526,986</b>	<b>13,197,432</b>

**LIFELINK VENTURES — EXHIBIT 11****PRO FORMA ANNUAL BALANCE SHEET**  
June 1, 2001 to May 31, 2008

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>CURRENT ASSETS</b>							
Cash	498,428	388,863	31,011	1,568,524	3,101,631	8,940,946	20,091,506
Accounts Receivable	-	-	518,400	1,036,800	2,462,400	4,406,400	6,739,200
<b>TOTAL CURRENT ASSETS</b>	<b>498,428</b>	<b>388,863</b>	<b>549,411</b>	<b>2,605,324</b>	<b>5,564,031</b>	<b>13,347,346</b>	<b>26,830,706</b>
<b>FIXED ASSETS</b>							
Patents	-	-	25,600	31,600	37,100	46,700	82,400
Equipment	310,000	310,000	310,000	310,000	310,000	310,000	310,000
less depreciation	46,500	125,550	180,885	219,620	246,734	265,714	278,999
<b>TOTAL FIXED ASSETS</b>	<b>263,500</b>	<b>184,450</b>	<b>154,715</b>	<b>121,981</b>	<b>100,366</b>	<b>90,986</b>	<b>113,401</b>
<b>TOTAL ASSETS</b>	<b>\$761,928</b>	<b>\$573,313</b>	<b>\$704,126</b>	<b>\$2,727,305</b>	<b>\$5,664,397</b>	<b>\$13,438,332</b>	<b>\$26,944,107</b>
<b>CURRENT LIABILITIES</b>							
Accounts Payable	-	-	68,520	137,041	335,474	582,423	890,765
Bank Loans	-	-	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>68,520</b>	<b>137,041</b>	<b>335,474</b>	<b>582,423</b>	<b>890,765</b>
<b>LONG TERM DEBT</b>							
Long Term Debt	-	-	-	-	-	-	-
<b>TOTAL LONG TERM DEBT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>68,520</b>	<b>137,041</b>	<b>335,474</b>	<b>582,423</b>	<b>890,765</b>
<b>SHAREHOLDERS' EQUITY</b>							
Common Shares	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Preferred Shares	1,400,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Retained Earnings	(738,072)	(1,526,687)	(1,464,395)	490,264	3,228,923	10,755,909	23,953,342
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>761,928</b>	<b>573,313</b>	<b>635,605</b>	<b>2,590,264</b>	<b>5,328,923</b>	<b>12,855,909</b>	<b>26,053,342</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$761,928</b>	<b>\$573,313</b>	<b>\$704,126</b>	<b>\$2,727,305</b>	<b>\$5,664,397</b>	<b>\$13,438,332</b>	<b>\$26,944,107</b>

**LIFELINK VENTURES — EXHIBIT 12****SELECTED FINANCIAL RATIOS**  
June 1, 2003 to May 31, 2008

	Year 3	Year 4	Year 5	Year 6	Year 7
<b>Annual Sales Growth</b>	N/A	113.88%	120.13%	85.74%	57.26%
<b>Gross Margin</b>	65.58%	75.69%	72.47%	75.88%	78.35%
<b>Operating Margin</b>	0.47%	36.43%	45.15%	55.77%	61.28%
<b>Profit Margin</b>	2.28%	33.46%	26.34%	32.18%	35.56%
<b>Current Ratio</b>	1.39	4.17	16.59	22.92	30.12
<b>Return on Assets</b>	9.75%	113.93%	80.71%	80.48%	66.15%
<b>Return on Equity</b>	17.48%	162.22%	91.15%	84.54%	68.66%

**LIFELINK VENTURES — EXHIBIT 13****BREAKEVEN ANALYSIS**  
June 1, 2003 to May 31, 2008

	2003	2004	2005	2006	2007
<b>Fixed Costs (\$)</b>	\$1,379,683	\$1,516,460	\$1,952,639	\$1,947,705	\$1,934,011
<b>Contribution Margin Ratio</b>	50.98%	62.39%	60.33%	63.92%	66.43%
<b>Level of Sales Required to Breakeven (Annually)</b>	\$2,706,220	\$2,430,682	\$3,236,534	\$3,046,907	\$2,911,548
<b>Number of Tests Required to Breakeven (Annually)</b>	90,207	81,023	107,884	101,564	97,052
<b>Number of Machines Sold</b>	2	4	10	18	27
<b>Number of Tests Required per Machine to Breakeven (Monthly)</b>	3,759	1,688	899	470	300
<b>Number of Tests Required per Machine to Breakeven (Annually)</b>	45,104	20,256	10,788	5,642	3,595

**LIFELINK VENTURES — EXHIBIT 14****SENSITIVITY ANALYSIS FOR SELECTED VARIABLES ON ANNUAL NET INCOME**  
June 1, 2003 to May 31, 2008

<b>MACHINE UTILIZATION</b>	<b>NET INCOME</b>				
	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
<b>80%</b>	\$1,059,687	\$2,912,041	\$6,331,561	\$13,479,466	\$22,886,224
<b>70%</b>	727,902	2,592,631	5,349,941	11,548,653	19,709,974
<b>60%</b>	395,480	2,273,485	4,368,308	9,617,828	16,533,711
<b>50%</b>	62,292	1,954,659	3,386,659	7,686,986	13,357,432
<b>40%</b>	(271,340)	1,449,503	2,555,511	5,754,914	10,179,881
<b>30%</b>	(604,972)	585,643	2,089,663	3,823,065	7,002,561
<b>20%</b>	(938,604)	(283,485)	617,094	2,800,316	3,821,751
<b>10%</b>	(1,272,236)	(1,152,613)	(1,252,065)	(425,185)	789,697

<b>PRICE PER TEST</b>	<b>NET INCOME</b>				
	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>
<b>\$50.00</b>	\$1,387,178	\$3,227,571	\$7,300,903	\$15,386,424	\$26,023,526
<b>\$40.00</b>	725,801	2,590,672	5,343,802	11,536,727	19,690,502
<b>\$30.00</b>	62,292	1,954,659	3,386,659	7,686,986	13,357,432
<b>\$20.00</b>	(603,030)	590,263	2,092,482	3,834,965	7,022,005
<b>\$10.00</b>	(1,268,353)	(1,143,372)	(1,231,907)	(385,868)	854,690