AMENDED AND RESTATED PRELIMINARY PROSPECTUS

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada has in anyway passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. These securities have not and will not be registered under the United States Securities Act of 1933, as amended, or any State securities laws, and, subject to certain exceptions, may not be offered or sold in the United States or to U.S. persons.

New Issue

Dated April 28, 2000,
As Amended June 30, 2000

BIOMAX TECHNOLOGIES INC.

("Biomax" or the "Company")

Suite 300, 1190 Hornby Street
Vancouver, BC V6Z 2K5
Tel: (604) 638-2770
Fax: (604) 638-2771

● Units
$ ● per Unit

This prospectus relates to the distribution of ● Units (the "Units" or individually, a "Unit"). Each Unit consists of one common share (a "Share") and one-half of one share purchase warrant (an "Offering Warrant"). Each whole Offering Warrant will entitle the holder to purchase one additional common share at a price of $● for a period of one year from the closing of the Offering.

	Price to the Public[(1)]	Agents' Commission[(2)]	Net Proceeds to the Company
Per Unit	$●	$●	$●
Total Offering[(3)]	$●	$●	$●

Notes:

(1) The offering price of the securities offered herein was established by negotiation between the Agents and the Company.

(2) The Agents' commission is equal to 8.5% of the gross proceeds from the Offering payable in cash. In addition to the Agents' commission, the Company will issue to the Agents that number of Agents' warrants (the "Agents' Warrants") which equals 12% of the number of Units sold by the Agents under the Offering (up to a maximum of ● Agents' Warrants). Each Agents' Warrant will entitle the Agents to acquire one Agents' unit (the "Agents' Unit" or "Agents' Units") at the price of $● per Agents' Unit for a period of one year from the closing of the Offering. Each Agents' Unit will consists of one common share of the Company and one half of one share purchase warrant (the "Agents' Unit Warrant"). Each full Agent's Unit Warrant will be exercisable for the purchase of one common share of the Company at a price of $● per common share for a period of one year from the closing of the Offering. See "Plan of Distribution". The Agents' Warrants are being issued in further consideration of the Agents offering for sale and selling the Units to the public. This Prospectus also qualifies the issuance of the Agents' Warrants and any common shares that are acquired by the Agents upon the exercise of the Agents' Warrants or the underlying Agents' Unit Warrants. The Company has granted the Agents an option (the "Over-Allotment Option") to purchase that number of Units that is equal to 15% of the total number of Units sold pursuant to this Offering, at the offering price for a period of 60 days following the closing of the Offering, to cover over-allotments, if any. This Prospectus qualifies the distribution of Units issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution".

(3) The Company will pay the estimated legal, audit and offering expenses of $150,000 out of the net proceeds of the Offering.

This Prospectus amends and restates a Preliminary Prospectus dated April 28, 2000.

An investment in the securities of the Company should be considered highly speculative given the nature of the Company's business and the stage of development. Investments in small businesses involve a high degree of risk and investors should not invest any funds in this offering unless they can afford to lose their entire investment. See "risk factors".

The offering price of $• per unit exceeds the net tangible book value per share of the Company by $• after giving effect to this Offering, representing a dilution factor of •%. See "risk factors".

The common shares of the Company are listed on the Canadian Venture Exchange and the Company is currently a reporting issuer in British Columbia and Alberta. The Offering Warrants are non-transferable and will not be listed for trading on any stock exchange.

Upon completion of this Offering, this issue will represent •% of the common shares of the Company then outstanding. • common shares, representing •% of the common shares then outstanding, will be owned by the public and • common shares, representing •% of the common shares then outstanding, will be owned by promoters, insiders, and the Agents (excluding any common shares which may be issued upon exercise of the Agents' Warrants and the underlying Agents' Unit Warrants or the Offering Warrants). See "Principal Holders of Securities".

All dollar amounts referred to in this Prospectus are expressed in lawful money of Canada, unless expressly stated otherwise.

The Agents conditionally offer to the public the Units, subject to prior sale, if, as and when issued and delivered by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution" and subject to the approval of all legal matters on behalf of the Company by Fraser and Company and on behalf of the Agents by Campney & Murphy.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

AGENTS:

HAYWOOD SECURITIES INC.
1100-400 Burrard Street, Commerce Place
Vancouver, BC V6C 3A6

CANACCORD CAPITAL CORPORATION
2200-609 Granville Street,
Vancouver, BC V7Y1H2

PACIFIC INTERNATIONAL SECURITIES INC.
1900-666 Burrard Street
Vancouver, BC V6C 3N1

SUMMARY

The following is a summary of the principal features of this Offering and is qualified in its entirety by the more detailed information contained in the body of the Prospectus. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.

The Company:

The Company was formed under the laws of British Columbia, Canada, on March 25, 1999, from the amalgamation of two companies, Biomax Technologies Inc. ("Private Biomax") and Vigor Resources Ltd. ("Vigor"). This amalgamation was considered to be a reverse takeover under the policies of the Canadian Venture Exchange and for accounting purposes. The authorized share capital of the Company consists of 1,000,000,000 common shares without nominal or par value. See "The Company" and "Share Capital".

Business of the Company:

Biomax is a development stage medical device company focused on products that use the interaction of light with tissue to diagnose or detect disease. The Company's product candidates use autofluorescence for the diagnosis of tissue health. Healthy tissue fluoresces differently than unhealthy tissue when illuminated by excitation light of a specific wavelength.

The Company is committed to the development of one or more of its current products into approved, marketable medical devices for the North American health care industry, specifically, the cardiovascular and dermatological fields. The Company is conducting both scientific and market research on each of its product candidates to evaluate their applicability and usefulness to specific markets.

In September 1996, the Company acquired all of the rights, save and except for a residual royalty granted to British Columbia Cancer Agency, to a method for diagnosing inflammation of a transplanted heart using an optical catheter. This technology has been applied to the development of the Company's lead product, the optical catheter (the "Optical Catheter"). See "Description of Business".

Lead Product - Optical Catheter:

The Optical Catheter consists of a disposable catheter with a fibre optic core, and a computer-controlled measurement instrument (the "Instrument"), which interprets autofluorescence responses. The Optical Catheter is inserted into a blood vessel from an entry point near the neck and is then advanced to the right ventricle. Positioned tightly against the inside wall of the heart, the tissue is then illuminated with blue excitation light. The resulting autofluorescence signature is recorded and analyzed by Biomax's proprietary software. Multiple recordings can be obtained providing the cardiologist with real-time results on which to determine the patient's status and appropriate course of therapy. The Optical Catheter may be a less invasive method of determining the "rejection status" of a transplanted heart, eliminating the need to take tissue samples. Further, it may also reduce the laboratory and pathology delays related to the current rejection measurement techniques.

To date, the Company has conducted small and large animal studies with the Optical Catheter, which have produced positive results. The results demonstrated a correlation between autofluorescence response and the degree of rejection as determined by pathological observations. In the

fourth quarter of 1999 the Company initiated additional large animal studies with the Optical Catheter at the Jack Bell Research Center at Vancouver Hospital. The Optical Catheter, during these studies, was able to separate rejecting from non-rejecting hearts using Endomyocardial Biopsy ("the EMB Procedure") as the standard. Based on these results and results from previous research the Company is preparing an application to Canada's Health Protection Branch and the United States Food & Drug Administration (the "FDA") for approval to begin testing the Optical Catheter in human heart transplant patients. The Company expects that, if approval is obtained, human clinical safety trials could commence prior to the end of 2000 in Canada. Further, pending successful clinical results from the Canadian safety trial, a U.S./Canadian multi-center efficacy trial will commence in the first half of 2001.

Other Products:

In addition to working on the Optical Catheter, the Company is developing a product that will use the interaction of light with the skin for improved detection and delineation of the margins of specific types of skin cancer. This product, called the SCD-1 Visual Enhancement System (the "SCD-1 System"), is comprised of a specialized set of filtered glasses used in conjunction with an external blue light source. This product may enhance the detection and visual definition of skin cancer lesions.

Further, the Company is currently investigating the feasibility of utilizing a spectrometer to measure the activated amounts of photodynamic therapeutic drugs. The Company believes that, if the current feasibility trials are successful, a device (the "PDT Dosimeter") could be developed that would assist physicians to determine the correct amount of photodynamic therapeutic drugs to provide the patient and in monitoring patients during the light exposure phase of their treatment.

Product Summary:

The following chart lists Biomax's development products, the principal disease or the indication being targeted, and the stages of development of each product:

Product	**Disease or Indication**	**Development Stage**	**Expected Completion of Current Development Stage**
Optical Catheter	Heart transplant rejection	Pre-clinical trial	Fourth Quarter 2000
SCD-1 System	Basal Cell Carcinoma Delineation	Clinical trial	Third Quarter 2000
PDT Dosimeter	PDT Dosage Measurement	Early-stage feasibility	Third Quarter 2000

Business Strategy:

The Company's short term focus is on its lead product, the Optical Catheter. The decision to concentrate on the Optical Catheter was based on market research conducted by the Company. The market research confirmed the demand for a replacement of the EMB Procedure and the market potential of the Optical Catheter. While the Company moves its lead product through the clinical trial process, it will seek to generate long term sustained growth by advancing its other products and new proprietary products.

Offering:

The offering (the "Offering") consists of • Units to be offered to the public by the Agents at a price of $• per Unit. Each Unit consists of one Share and one-half of one Offering Warrant. Each whole Offering Warrant entitles the holder to purchase one additional common share of the Company for a period of one year from the closing of the Offering at a price of $• per common share. The Company will pay the Agents a commission of 8.5% of the gross proceeds of the Offering payable in cash.

The purchase price of $• per Unit has been allocated as follows:

Share:	$•
Offering Warrant:	$•

Agents' Warrants:

The Company has granted the Agents such number of non-transferable share purchase warrants (the "Agents' Warrants") that is equal to 12% of the number of Units sold under this Offering. Each Agents' Warrant will entitle the Agents to purchase one unit (the "Agents' Unit) at a price of $• per Agents' Unit for a one year period from the closing of the Offering. Each Agents' Unit will consist of one common share of the Company and one half of one share purchase warrant (the "Agents' Unit Warrant"). A whole Agents' Unit Warrant will entitle the holder to purchase one additional common share of the Company at a price of $• per share at any time up to one year from the closing of the Offering. The distribution of the Agents' Warrants and any common shares issued upon exercise of the Agents' Warrants and the underlying Agents' Unit Warrants by the Company to the Agents is being qualified by this Prospectus. See "Plan of Distribution".

Use of Proceeds:

The Proposed Use of Net Proceeds	**Amount**
Optical Catheter Project Development[(1)]	2,110,000
Research & Development, other products[(1)]	320,000
Capital equipment purchases	200,000
General & Administrative[(2)]	1,566,880
Unallocated working capital from proceeds	228,120
Estimated working capital on hand at May 31, 2000	350,000[(4)]
To pay the expenses of this Offering[(3)]	$ 150,000
TOTAL	**$4,925,000**

(1) See "Business of the Company – Business Objectives and Milestones".

(2) Administrative expenses for 12 months and any additional administrative expenses during such period will be paid for from working capital. See "Business of the Company -- Administration".

(3) Offering expenses include legal counsel and auditor fees, Agents' expenses and printing costs incurred in connection with the offering.

(4) Working capital figure does not include the directors' loans of $453,000 which mature May 31, 2001.

Selected Financial Information

The following table compiles selected financial information from the audited financial statements and notes of the Company for the fiscal years ending December 31, 1997, 1998 and 1999 and the unaudited financial statements for the three month period ended March 31, 2000 contained in this Prospectus and should be read in conjunction with such statements and the notes thereto:

	Three months ended March 31, 2000	Year Ended December 31		
Consolidated Statements of Operations		**1999**	**1998**	**1997**
Sales of Equipment	-	-	$ 121,531	-
Cost of Sales	-	-	$ 88,267	-
Gross Profit	-	-	$ 33,264	-
Expenses				
Research & Development	$ 90,465	$ 556,023	$ 694,236	$ 295,240
Administrative	$ 391,740	$ 1,545,310	$ 853,854	$ 702,765
Total Expenses	$ 482,205	$ 2,101,333	$ 1,548,090	$ 998,005
Other Items	$ (5,336)	$ (30,277)	$ 82,168	$ 47,932
Tax Credit Recovery	$ -	$ 97,784	$ 376,743	$ 111,919
Net Loss	$ (476.869)	$ (2,033,826)	$ (1,055,915)	$ (838,154)

		As at December 31		
Consolidated Balance Sheets	**March 31/00**	**1999**	**1998**	**1997**
Cash & cash equivalents	$ 1,114,097	$ 19,754	$ 116,990	$ 696,889
Working Capital	$ 871,350	$ [(1)](324,690)	$ 105,028	$ 1,520,358
Proprietary Technology	$ 4,182,209	$ 3,895,697	$ 3,271,987	$ 885,804
Total Assets	$ 5,903,546	$ 4,504,433	$ 4,757,223	$ 3,143,089
Long-term Notes payable	$ 453,000	$ 453,000	-	-
Deficit	$ 5,051,235	$ 4,574,366	$ 2,129,337	$ 1,073,422
Total Shareholders' Equity	$ 4,939,185	$ 3,480,408	$ 3,956,587	$ 2,933,581
Total Shares Issued	18,557,633[(3)]	18,181,118	15,501,118	12,319,860[(2)]

See also "Management's Discussion And Analysis Of Financial Condition And Results Of Operations".

Notes:

(1) At December 31, 1999, the Company had cash and equivalents of $19,754. In February 2000, the Company received proceeds of $1,500,000 from a non-brokered private placement, and $470,644 from the exercise of warrants and options.

(2) Not including 564,910 shares allotted for issuance but not issued as of December 31, 1997.

(3) Not including 3,000,000 shares allotted for issuance but not issued as of March 31, 2000 for a private placement, or 90,000 shares issued in May 2000 for the acquisition of an endoscopic invention.

Dividend Policy: The Company has not paid dividends since its inception. The Company currently intends to retain all earnings, if any, for use in its business and therefore does not anticipate paying any dividends in the foreseeable future.

Risk Factors:	An investment in the securities offered hereby is speculative and involves a significant degree of risk. Investors should consider carefully the matters set forth under "Risk Factors". In particular, investors should be aware that several of the Company's products are at an early stage of development and the Company lacks significant revenues, anticipates incurring losses over the next several years and will require additional financing in order to accomplish its objectives; the Company's success depends in part on its ability to secure patents and to protect its trade secrets; there are numerous statutory requirements and costs associated with the regulatory environment in which the Company operates; the Company operates in a competitive marketplace characterized by rapid and substantial technological change; successful marketing of certain of the Company's products depends in part on the distributors of the Company assisting the Company in promoting market acceptance of and demand of its products; loss of key personnel may harm the Company's business; completion and sales of the Company's products require regulatory approval; the Company's market is price sensitive; the Company has no insurance against business interruption; sales of the Company's products will require regulatory approval; the Company may be unable to effectively manage its growth; the policies of health insurance carriers may affect the pricing of the Company's products; availability of reimbursements may affect market penetration; currency fluctuations may affect the Company's revenues; the market price of common stock may be volatile; executive officers and directors control the voting stock and can make decisions that could adversely affect the stock price; the volume of shares eligible for future resale may depress market prices; an established U.S. public trading market for the Company's securities does not exist; outstanding options and warrants may have a dilutive effect; and management has broad discretion as to the use of proceeds from this offering.
Dilution:	After the issuance of the Shares comprising Units to be issued under this Offering, and prior to the exercise of outstanding incentive stock options, Offering Warrants, Agents' Warrants, Agents' Unit Warrants or other agreements to issue securities, purchasers of the Units will experience an immediate and substantial dilution of $• per Share (•%) in the net tangible asset value of their investment. See "Dilution". The securities offered hereby (excluding any securities acquired upon exercise of the Offering Warrants or the Agents' Warrants or the Agents' Unit Warrants or by directors, officers or employees of the Company from the exercise of incentive stock options or the issuance of securities under other outstanding agreements) will represent •% of the outstanding common shares of the Company on completion of the Offering, as compared to •% held by promoters, directors, officers, the Agents and substantial security holders, assuming no further purchases by such persons under the Offering. See "Principal Holders of Voting Securities".
Public Shareholdings:	The securities offered hereby (excluding any securities acquired upon exercise of the Offering Warrants or the Agents' Warrants or the Agents' Unit Warrants or by directors, officers or employees of the Company from the exercise of incentive stock options or the issuance of securities under other outstanding agreements) will represent •% of the outstanding common shares of the Company on completion of the Offering, as compared to •% held by promoters, directors, officers, the Agents and substantial security holders, assuming no further purchases by such persons under the Offering. See "Principal Holders of Voting Securities".

GLOSSARY

Allograft	An organ, tissue or cell graft between animals of the same species, but of different genotype
Arrhythmia	Variation from the normal rhythm of the heartbeat, encompassing abnormalities of rate, regularity, site of impulse origin, and sequence of activation
Autofluorescence	The fluorescent light given off by naturally occurring compounds in tissue when excited by light of a shorter wavelength (as opposed to fluorescent light generated by substances artificially introduced into the body)
Biopsy	Removal and examination, usually microscopic, of tissue from the living body, performed to establish precise diagnoses
Biopsy Forceps	A catheter with a cutting edge at the tip for taking samples of tissue specimens
Cardiac	Pertaining to the heart
Cardiac Tamponade	Compression of the heart produced by the accumulation of fluid or blood in the pericardial sac around the heart
Cardiologist	A doctor specializing in diseases and abnormalities of the heart and blood vessels
Cardiovascular	Pertaining to the heart and blood vessels
Catheter	A tubular, flexible surgical instrument that is inserted into a cavity of the body to execute actions within the body; e.g., to withdraw or insert fluid or tissue, or to deliver substances to a specific area
Clinical Trial	Denotes use of a device on humans in a clinical environment for the purpose of gathering sufficient data regarding the efficacy and/or safety of a device for application to applicable regulatory authorities for marketing approval of the device
Early-Stage Feasibility	Early-stage feasibility denotes that a project or potential product is undergoing scientific research into its potential viability as a product. If the project has scientific merit the Company may then proceed with more comprehensive pre-clinical research of the potential product
ECG	Electrocardiogram or "ECG" is a record of a heartbeat traced by an instrument (electrocardiograph) recording the electrical currents generated by a beating heart
Endomyocardium	Inner portion of the heart muscle wall
Fluorescence	The re-emission of light, typically visible light, generated by the absorption of incident light of a shorter wavelength
Heterotopic	Placement of an organ or body part in a location different from the normal location for that organ or body part
Histological	Pertaining to the microscopic identification of cells and tissue
ISHLT	International Society for Heart and Lung Transplantation
In Vivo	Occurring in a living organism
Optical Catheter	A catheter that permits acquisition of a sample of the tissue's optical properties (an optical biopsy). The catheter contains optical fibers for the transmission and acquisition of light
PCT	Patent Cooperation Treaty
Pre-Clinical	Denotes studies conducted on animals for the purpose of gathering sufficient data regarding the efficacy of a device in anticipation of an application to applicable regulatory authorities for use of the device on humans

Protocol	Written plan specifying the procedures to be followed in carrying out a particular activity; e.g. medical research study such as a clinical trial
Spectra	The distribution of light energy arranged in order of its wavelength (plural: spectra or spectrums)
Ventricle	A lower muscular chamber in the heart
Wavelength	The distance between one peak of a wave of light and the next corresponding peak

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THE COMPANY

Biomax Technologies Inc. (“Biomax” or the "Company") is a British Columbia and Alberta reporting issuer, the shares of which are listed for trading on the Canadian Venture Exchange (the “CDNX”).

The Company was formed under the laws of British Columbia, Canada, on March 25, 1999, pursuant to an amalgamation agreement between Biomax Technologies Inc., a private company (“Private Biomax”), and Vigor Resources Ltd. (“Vigor”), a public company, dated November 25, 1998, and amended on December 10, 1998 (collectively, the “Amalgamation Agreement”). This amalgamation was considered to be a reverse takeover under the policies of the Canadian Venture Exchange and for accounting purposes. At the time of the amalgamation the shares of Vigor were listed on the Vancouver Stock Exchange (now called the CDNX). Private Biomax was incorporated under the laws of British Columbia on August 13, 1996. Vigor was incorporated under the laws of British Columbia on September 23, 1980 as “NRG Resources Ltd.” On April 7, 1997, “NRG Resources Ltd.” changed its name to “Vigor Resources Ltd.” In accordance with the laws of British Columbia the Amalgamation Agreement was approved by the shareholders of Private Biomax and Vigor, the Supreme Court of British Columbia and the Vancouver Stock Exchange.

Under the Amalgamation Agreement, 3,190,000 common shares of Vigor were exchanged for 740,000 common shares of the Company and 15,501,118 common shares of Private Biomax were exchanged for 15,501,118 common shares of the Company. In addition, 750,000 outstanding share purchase warrants of Private Biomax were exchanged for 750,000 warrants of the Company. The 15,501,118 shares of the Company issued in exchange for the shares of Private Biomax are subject to a voluntary pooling agreement with release dates at three month intervals to a maximum of 18 months from the listing date. See “Share Capital – Pooled Shares” for information regarding the current number of shares held under the pooling agreement.

The Company’s head office and principal place of business is Suite 300, 1190 Hornby Street, Vancouver, British Columbia, Canada V6Z 2K5. Its registered and records office is Suite 1200, 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2.

The Company has nine wholly-owned subsidiaries. For an organizational chart and further description of the subsidiaries, see “Business of the Company – Subsidiaries”.

BUSINESS OF THE COMPANY

Overview

Biomax is a development stage medical device company focused on products that use the interaction of light with tissue to diagnose or detect disease. Specifically, the Company’s technologies use autofluorescence for the diagnosis of tissue health. Healthy tissue fluoresces differently than unhealthy tissue when illuminated by excitation light of a specific wavelength.

Since 1996, Private Biomax was involved in the business of research, development and acquisition of various medical device product candidates in the fields of cardiology, dermatology and forensics,. Since the date of amalgamation, the Company has continued the business previously carried on by Private Biomax (see “Acquisition and Dispositions”).

Vigor was formerly a mineral resource company, but had been inactive for six or seven years prior to the amalgamation date.

Business Strategy

The Company is committed to the development of one or more of its current products into approved, marketable medical devices for the North American health care industry, specifically, the cardiovascular and dermatological fields. The Company is conducting both scientific and market research on each of its product candidates to evaluate their applicability and usefulness to specific markets in North America for biomedical devices. Relationships with

leading physicians in the Company's chosen fields have been instrumental in the conception and development of the Company's products. As a result, the Company will maintain, and where necessary, strengthen these relationships.

The Company's short-term focus is on its lead product, an optical catheter (the "Optical Catheter"). The decision to concentrate on the Optical Catheter was based on market research conducted by the Company. The market research confirmed the demand for a replacement of the Endomyocardial Biopsy and the market potential of the Optical Catheter. While the Company moves its lead product through the clinical trial process, it will seek to generate long term sustained growth by advancing its other products and new proprietary products.

After the Company determines that a specific product is viable, the Company will conduct a specific analysis to determine which of the following production and marketing methods will be used:

(a) directly market the products to its customers while out-sourcing production of the products;

(b) license the marketing and manufacturing of the products to a third party; or

(c) enter into joint ventures with third parties for the production and marketing of the products.

Introduction to the Company's Products

In September of 1996, the Company acquired all of the rights, save and except for a residual royalty granted to the British Columbia Cancer Agency, to a method for diagnosing inflammation of a transplanted heart using an optical catheter. This invention formed the base technology for the Company's Optical Catheter. At present, Biomax is focused on the development of the Optical Catheter to determine organ rejection status in heart transplant patients.

Following a heart transplant, the transplanted heart will, if not treated, be rejected by the patient's own immune system which senses the organ as a foreign body. As a result, the patient must be tested regularly to determine rejection status. This testing enables the cardiologist to prescribe an appropriate course of anti-rejection drug therapy. Current methods for diagnosing and quantifying heart tissue rejection rely on a process called an Endomyocardial Biopsy ("EMB Procedure"), which involves taking small tissue samples, using tiny jaws on the end of a special catheter (the "Biopsy Forceps"), from the inner layer of the heart muscle. The EMB Procedure permits pathologists to observe the tissue in a laboratory to determine rejection and the need for anti-rejection drug therapy. The EMB Procedure can explore only limited regions of the heart, and, when done repeatedly, may result in damage to the heart muscle.

The Optical Catheter consists of a disposable catheter and a computer-controlled measurement instrument. The Optical Catheter is inserted into the right ventricle, positioned tightly against the inside wall of the heart, and illuminates the heart tissue with blue excitation light. The resulting autofluorescence signature is recorded and analyzed by proprietary software to provide the status of rejection. Multiple recordings can be obtained and the cardiologist may then use the results, in real-time, to determine the patient's status and an appropriate course of therapy. The Optical Catheter may be a less invasive method of determining the rejection status of a transplanted heart because there would be no need to remove tissue samples. Further, it may also reduce the laboratory and pathology delays related to the current rejection measurement technique.

Since 1996, the Company has conducted small-animal and large-animal studies with the Optical Catheter, which have produced positive results. The results demonstrated a correlation between autofluorescence response and the degree of rejection as determined by pathological observations. In the fourth quarter of 1999 the Company initiated additional large animal studies with the Optical Catheter at the Jack Bell Research Center at Vancouver Hospital. The Optical Catheter, during these studies, was able to separate rejecting from non-rejecting hearts using the EMB Procedure as the standard. Based on these results and results from previous research the Company is preparing an application for approval from Canada's Health Protection Branch and the United States Food & Drug Administration (the "FDA") to begin testing the Optical Catheter in human heart transplant patients. The Company expects that, if approval is obtained, human clinical safety trials could commence prior to the end of 2000 in Canada. Further, pending successful clinical results from the Canadian safety trial, a U.S./Canadian multi-center efficacy trial will commence in the first half of 2001.

In addition to working on the Optical Catheter, the Company is developing a product that will use the interaction of light with the skin for improved detection and delineation of the margins of specific types of skin cancer. This product, called the SCD-1 Visual Enhancement System (the "SCD-1 System"), is comprised of a specialized set of filtered glasses used in conjunction with an external blue light source. This product may enhance the detection and visual definition of skin cancer lesions.

The Company is also investigating the feasibility of utilizing a spectrometer to measure the activated amounts of photodynamic therapeutic drugs. The Company believes that, if the current feasibility trials are successful, that a device could be developed that would assist physicians to determine the correct amount of photodynamic therapeutic drugs to provide the patient. In addition, patients could be monitored during the light exposure phase of their treatment.

The following chart lists Biomax's development products, the principal disease or the indication being targeted, and the stages of development of each program:

Product	**Disease or Indication**	**Development Stage**	**Expected Completion of Current Development Stage**	**Approximate Total Research and Development Costs Incurred to May 31, 2000**
Optical Catheter	Heart transplant rejection	Pre-clinical trial	Fourth Quarter 2000	$2,750,000 ($1,300,000 in house $1,450,000 outside consultants)
SCD-1 System	Basal Cell Carcinoma Delineation	Clinical trial	Third Quarter 2000	$500,000 ($310,000 in house $190,000 outside consultants)
PDT Dosimeter	PDT Dosage Measurement	Early-stage feasibility	Third Quarter 2000	$85,000 ($55,000 in house $30,000 outside consultants)

The Company is also considering additional products, or has expended resources on other products in the past, but it must assess their commercial and scientific viability prior to expending any additional resources on these products.

Timeframe for Completion of Product Development and FDA Approval

Optical Catheter

Pending satisfactory completion of the human clinical trial of the Optical Catheter during the third quarter of 2001, the FDA review of the Company's pre-market approval ("PMA") application could take as little as six months. Therefore, market introduction of the Optical Catheter could occur at the earliest by the second quarter of 2002.

The Company, as discussed in the "Product Approval Process" section will be submitting a PMA application to the FDA for marketing approval of the Optical Catheter. While the process may be completed in a six month time frame, it has the potential to take considerably longer.

The PMA application must be supported by valid scientific evidence to demonstrate safety and efficacy of the device, and, if applicable, must contain:

- results of all relevant bench tests
- laboratory and animal studies
- a complete description of the device and its components
- pre-clinical and human clinical trial data
- proposed labeling
- a detailed description of the methods, facilities and controls used to manufacture the device
- advertising literature; and
- training methods, if required.

If the FDA determines, upon receipt of the PMA application, that the application is sufficiently complete to permit a substantive review, they will accept the application for filing. The FDA will then begin an in-depth review of the application. This review typically can take from six months to two years from the date the application is accepted for filing, but could take significantly longer. The review time is often significantly extended by the FDA requesting more information from the Company and clarification of information previously submitted. During the review period, a panel primarily composed of clinicians, and acting as an advisory committee, will likely be convened to review and evaluate the application. The panel will provide recommendations to the FDA as to whether the device should be approved, but the FDA is not bound by those recommendations. Toward the end of the application review process, the FDA generally will conduct an inspection of the manufacturer's facilities to ensure that the facilities are in compliance with the applicable Quality System Regulations requirements.

The FDA has attempted to streamline the PMA review process to increase efficiency and effectiveness by adopting a "modular approach to PMA review." The essence of this relatively new modular approach is to break the contents of a PMA application into well-delineated components, and to have reports of each component submitted as soon as the applicant has performed the testing and analysis. The application is viewed as a compilation of sections, or "modules," that together become a complete application. The FDA assigns a stable team to the project and reviews each module report as soon as it is received, building a complete record of review. This process allows more rapid closure when the last components are submitted as much of the work will have been completed. The final modules submitted will usually consist of a final clinical data report, revised proposed labeling and a draft Summary of Safety and Effectiveness Data. In general, final manufacturing information and notice of an inspection-ready facility is acceptable as a "late" module so long as it arrives within 90 days of the complete PMA application filing.

If FDA evaluations of both the PMA application and the manufacturing facilities are favorable, the FDA will issue either an approval letter or a conditional approval letter, which contains a number of conditions that must be satisfied in order to secure final approval of the PMA application. When and if those conditions are fulfilled to the satisfaction of the FDA, they will issue a PMA letter, authorizing commercial marketing of the device for certain indications. If the FDA's evaluation of the PMA application or manufacturing facilities is not favorable, the FDA will deny approval of the application or issue a "not approvable letter." The FDA may also determine that additional clinical trials are necessary, in which case PMA could be delayed for several years while additional clinical trials are conducted and submitted in an amendment to the PMA application. While the Company is taking all the necessary steps to complete the process in an expeditious manner, the FDA PMA process can be expensive, uncertain and lengthy (see “Risk Factors”).

The estimated total cost for completing the development of the Optical Catheter is $8 million including the funds to be allocated from the proceeds of this Offering. The Company will need to raise additional funds to provide the balance of the required financing for completion of this project.

SCD-1 System

Upon successful completion of the clinical trial and satisfactory results, the Company will initiate steps to obtain marketing clearance from the FDA and Health Canada. The product, if approved by both regulatory agencies, could reach the commercial marketing stage as soon as the fourth quarter of 2000. Please see "Use of Proceeds" regarding expected costs of completing development of the SCD-1 System.

The total estimated cost to complete development of the SCD-1 System is $300,000 (see "Business Objectives and Milestones") and this amount will be fully funded from the proceeds of this Offering.

Lead Product -- The Optical Catheter

Heart Transplants

The currently used surgical technique for heart transplantation originated in 1959, but the first successful human heart transplantation was performed by Christian Barnard in Cape Town, South Africa, in December 1967. Widespread application of heart transplantation depended on the development of better immunosuppressive therapy to combat the body's rejection of the transplanted organ and the ability to measure the status of rejection. This was achieved with the discovery of the immunosuppressive drug Cyclosporin®. The rapid development and introduction of this compound to clinical transplantation resulted in significantly higher survivability rates of heart transplant patients. Subsequently, various other drugs and methods were used in heart transplantation to facilitate greater patient survival rates.

The Current Technology

Heart transplants are now conducted on a routine basis in developed countries throughout the world. However, as with earlier experiments, patients must still be monitored for rejection and prescribed appropriate courses of immunosuppressive drug therapies to avoid rejection. The objective for physicians is to successfully keep the body from rejecting the organ, but also to minimize the quantity of immunosuppressive therapy so as not to cause the patient to be at a high risk of infection from other diseases. The standard procedure to regularly monitor the transplanted heart for rejection is called the EMB Procedure.

The EMB Procedure is effective but requires expert pathological interpretation. The EMB Procedure permits detection of the histological changes in the heart and an assessment of the type and severity of the immune rejection that may be occurring, and such diagnosis is vital for effective care of heart transplant recipients. In many cases transplant cardiologists often choose to treat patients as if rejection were present based on clinical symptoms, even if the results of the EMB Procedure were negative.

The EMB Procedure involves inserting Biopsy Forceps into a vein from an entry point near the neck and feeding the device to the right ventricle (heart chamber) where a small piece of heart tissue is clamped in the jaws and removed for analysis by a pathologist. The pathologist assigns a numerical score to the tissue based on the standard ISHLT scale and this grade indicates the status of rejection of the tissue sample and is the primary information used by the cardiologist to guide anti-rejection therapy.

According to the American Heart Journal (*Taylor A.J., Bergin J.D;, American Heart Journal, March 1995; "Curriculum in Cardiology" "Table V: Outpatient follow-up schedule at the University of Virginia", pg. 582),* four to six tissue samples are acquired in a typical EMB Procedure. Additionally, a typical heart transplant patient would receive about 16 EMB Procedures (between 80 and 100 tissue samples) in the first year post-transplant even if no episodes of rejection were detected. Therefore, a typical patient would have a minimum of 24 EMB Procedures in the first five years after transplant with subsequent EMB Procedures each year thereafter.

The EMB Procedure, although effective, has certain drawbacks: tissue samples must be removed from the heart; treatment can be delayed because it must wait until the pathologist has had time to perform an assessment; additional potential clinical complications are associated with the procedure. In addition, the scarring in the right ventricle associated with previous EMB Procedures can sometimes make it difficult to acquire valid biopsy specimens. There have been attempts to use other, less invasive techniques; however, to date, the Company is not aware of any that have been widely adopted.

Description of the Optical Catheter

The Optical Catheter being developed by the Company, is a potential replacement for the EMB Procedure. The Optical Catheter system consists of a disposable catheter with a fibre optic core, and a computer-controlled measurement instrument (the "Instrument") that interprets autofluorescence responses. The catheter contains optical fibers to deliver the excitation light to the tissue and collect the autofluorescence signature emitted from the tissue. The Instrument consists of a light source to generate the excitation light, a detector that selects and measures the

intensity of the appropriate wavelengths of the autofluorescence emitted, and a data processing and control system with proprietary software that controls illumination, detection timing, and processes the acquired data.

Figure 1: Overview of Optical Catheter System

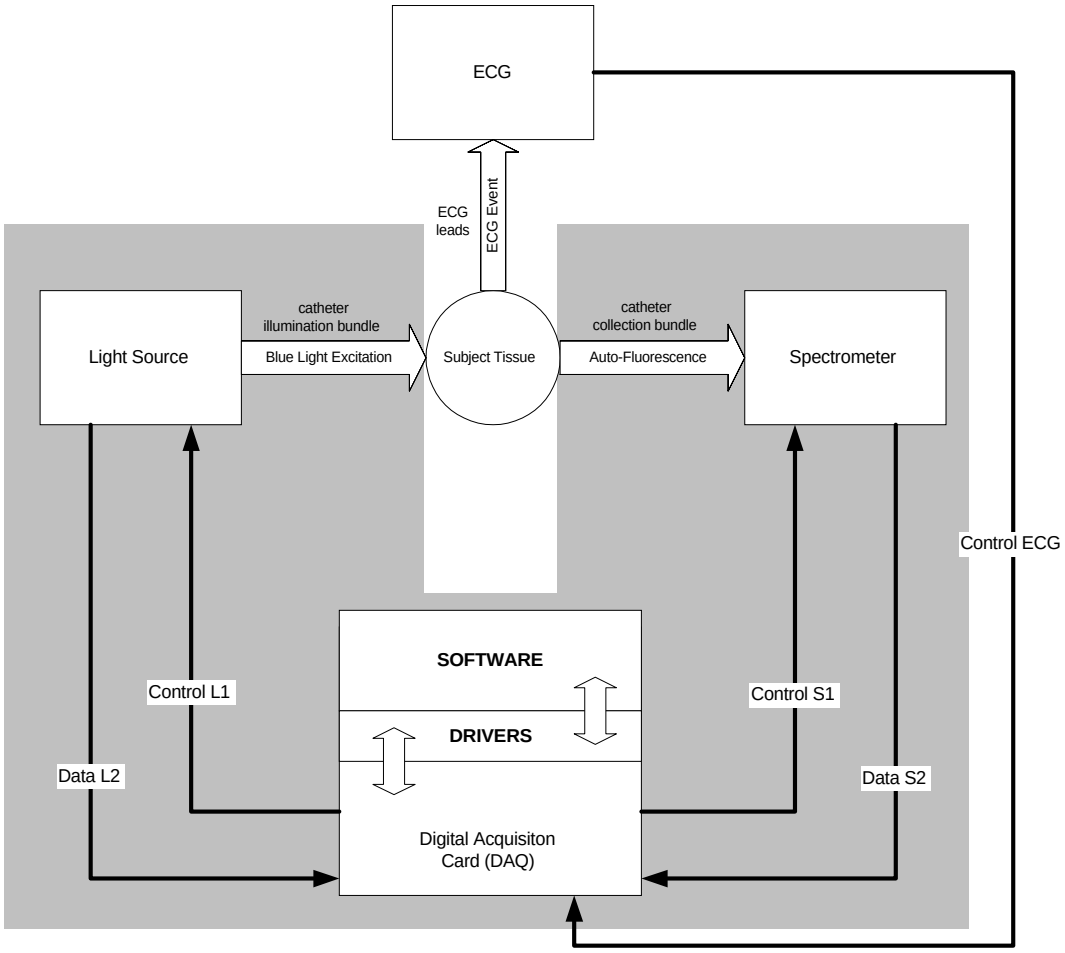
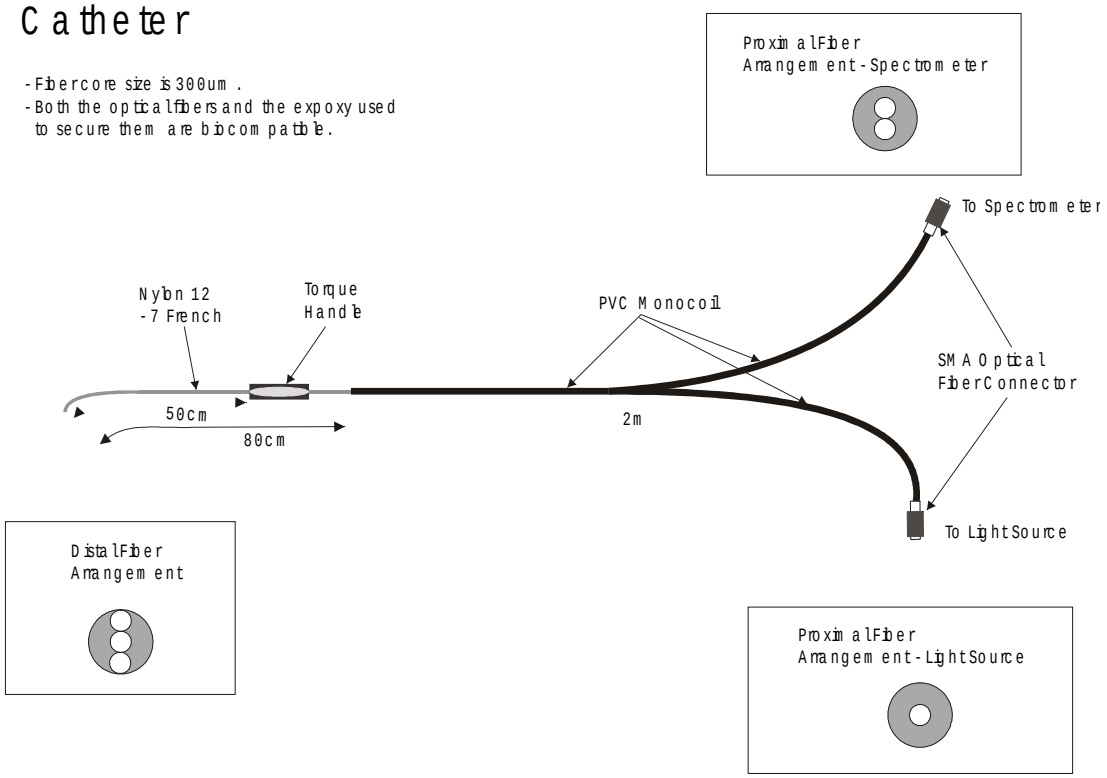


Figure 2: The Optical Catheter



To determine the degree of rejection, the Optical Catheter is inserted into a blood vessel from an entry point near the neck and is then advanced to the right ventricle of the heart. Positioned tightly against the inside wall of the heart, several tissue areas are then illuminated with blue excitation light. The resulting autofluorescence signature is recorded and analyzed by Biomax's proprietary software. Multiple recordings can be obtained, providing the cardiologist with real-time results on which to determine the patient's status and appropriate course of therapy. Tissue autofluorescence techniques have been developed and used for other medical applications, including the early diagnosis of cancer. However, the technology, to date, has not been used to detect heart transplant rejection.

The Optical Catheter shares some of the potential complications associated with insertion of a catheter into the right ventricle of the heart, such as right ventricular perforation, cardiac tamponade and ventricular and supraventricular arrhythmias.

Status of Pre-Clinical Studies

The following studies were conducted by the Company, its research scientists and its collaborators (British Columbia Cancer Agency) at the Jack Bell Research Centre, the British Columbia Cancer Agency and other locations, all of which were in Vancouver, British Columbia.

The Company commenced work on the Optical Catheter in 1996 with an initial study conducted on rats, which was conducted by the Company and its research collaborators. This study tested the concept of using changes in the autofluorescence signature of heart tissue to detect heart rejection. A rat heart allograft (a graft between animals of the same species but of different genotype) model was used and autofluorescence spectra of tissue in various states of rejection were obtained. The results demonstrated a correlation between autofluorescence response and the degree of rejection as determined by pathological observations.

The results and data from that work were published on September 14, 1999 in *Circulation*, the weekly journal of the American Heart Association. The article, titled *"New Method for Detection of Heart Allograft Rejection: Validation of Sensitivity and Reliability in a Rat Heterotopic Allograft Model"* discusses in detail the studies carried out by the Company and its research scientists to validate the basic science underlying the Optical Catheter.

During the first quarter of 1998 the Company initiated a large-animal study (the "1999 Study") using a heterotopic pig model in which an additional heart is transplanted into the abdomen of a recipient pig. This model allowed Biomax to trigger rejection of the transplanted heart at will, while keeping the animal alive. The pig model was selected because the pig heart is similar both in size and structure to the human heart and is commonly used in cardiovascular research. The 1999 Study comprised 14 pigs and was completed in June 1999. The 1999 Study enabled the Company to develop appropriate anti-rejection drug therapy and surgical/clinical protocols for the pig model. In addition, it allowed the Company to gain important experience in acquiring meaningful autofluorescence spectra in a beating heart, which has resulted in significant engineering improvements in the Optical Catheter.

A final large-animal study (the "2000 Study") was initiated with the Optical Catheter during the fourth quarter of 1999 and involves the in vivo analysis of up to 20 pigs incorporating anti-rejection therapy. An initial examination of the data from the first eight pigs of the 2000 Study was carried out in March 2000. Over 4,100 optical spectra were obtained during 83 biopsy sessions: three to four days before transplant, at the time of transplant, and every three to four days over the next two weeks as anti-rejection therapy was modified in a series of eight pigs. As with previous studies, the results demonstrated a correlation between autofluorescence response and the degree of rejection as determined by pathological observations. Based on these positive results, the Company has determined that it will continue with the 2000 Study. The Company anticipates completion of the 2000 Study in the third quarter of 2000. The data gathered from this study will form part of the Company's application to the Canadian Health Protection Branch and the FDA for approval to commence human clinical trials of the Optical Catheter.

The Company has completed extensive work in the design and engineering of the Optical Catheter including both the disposable Catheter and the data processing and control system. Initial research was carried out utilizing costly research-grade laser and spectrometer systems. The Company has since developed an early prototype encompassing a smaller, more cost effective light source, spectrometer and computer system.

The Market

The Company carried out an initial market research study in Canada and the United States for the Optical Catheter during 1998 (the "1998 Market Study"). Since that time, the Company has engaged in informal round table discussions and one-on-one interviews with cardiologists in the United States and Canada. These market studies and additional ongoing market research has generated positive interest in the Company's technology and have been very useful in providing design criteria and specifying features of the Optical Catheter.

According to data (which was published in 1998 and reflects data from 1997) obtained from the ISHLT, there are about 28,000 living heart transplant patients worldwide and on average, about 3,900 patients (average for the five years 1993 to 1997) receive new hearts each year in 301 cardiac transplant units. Statistics from the American Heart Association (which was published in 1998 and reflects data from 1997) indicate that in North America, there are about 18,000 living heart transplant recipients and annually about 40,000 Americans at age 65 or below could benefit from a heart transplant. Further, based on data from the American Heart Association, about 2,300 patients actually receive new hearts each year in one of the 150 cardiac transplant units in North America.

As noted above, in order to detect rejection of the transplanted heart, a "routine" biopsy sampling of heart muscle is performed at regular intervals. After receiving a new heart, each patient has approximately 16 procedures in the first year. Based on this information, management estimates that worldwide, on average, 58,500 routine surveillance EMB Procedures are performed per year in new transplant patients with an expected minimum of 43,500 more being done as part of a surveillance protocol for patients that are more than one year post-transplant, for a total of approximately 102,000 EMB Procedures. Of these, management estimates that approximately 61,700 (34,500 new transplant and an estimated minimum of 27,200 one year post-transplant) EMB Procedures are carried out in North America. Additional procedures, in between routine procedures, are performed when the physician or cardiologist may suspect organ rejection.

The ISHLT data also indicates that the majority of these North American patients are provided follow-up treatment in a few key centers, with 17 of the centers providing in excess of 15,000, or almost 25%, of the surveillance biopsy procedures per year. Based on the results of the Company's 1998 Market Study, the Company determined that the initial market for the Optical Catheter would be the heart transplant follow-up centers located throughout North America.

The Company's 1998 Market Study, revealed that the EMB Procedures are performed utilizing a variety of commercially available, disposable (one for each biopsy procedure conducted) or reusable tissue Biopsy Forceps. The current standard "non-optical" Biopsy Forceps in use retails between US$250 and US$350 for each disposable Biopsy Forcep, and between US$400 and US$800 for each reusable Biopsy Forcep. Additional costs associated with current methods include US$150 to US$200 for refurbishment of reusable Biopsy Forcep after 10 to 15 procedures, and from US$200 to US$400 for pathology fees.

Based on the above data gathered by the Company, the value of the current worldwide market for EMB Procedures is estimated by the Company to be approximately US$66,000,000 in annual recurring sales. Additionally, the current North American market for EMB Procedures (assuming US$250 for disposable Biopsy Forceps and US$350 for pathology)) is estimated by the Company to be approximately US$40,000,000. In calculating the foregoing estimated market sizes, the Company assumed the following: only disposable Biopsy Forceps are used; the cost for the disposable Biopsy Forceps is assumed to be US$250 each and the cost for the pathology is US$350 per EMB Procedure as indicated in the 1998 Market Study; 102,000 EMB Procedures are performed annually worldwide and 61,700 EMB Procedures are performed annually in North America as indicated in the 1998 Market Study. (It must be noted that the cost for Biopsy Forceps and pathology varies significantly among institutions.)

Development, Production and Marketing Strategy and Timelines

Final pre-clinical development of the Optical Catheter and its various components is underway. The Company has engaged, on a contract basis, Mr. Tom Robinson who has over 25 years experience in the development and production of disposable catheters and fluid delivery systems to provide the Company with expertise in the development of disposable medical devices. In addition, Software Remodelling Inc., a Dallas, TX-based software engineering firm with extensive experience in designing and writing FDA compliant medical device software has been engaged for the production and final testing of the software component. Third party contractors to the Company will carry out production of both the disposable catheter and the hardware system. The Company is forecasting to deliver clinical prototypes of the Optical Catheter to St. Paul's Hospital, Vancouver, B.C. in the fourth quarter of 2000 for the commencement of the Canadian safety trial, if it receives approval from the Canadian Health Protection Branch.

The clinical protocol for both the Canadian safety trial and the expanded U.S./Canadian efficacy trial is currently being developed by the Company in conjunction with the Biomax Clinical Advisory Board and contracted consultants in Canada and the United States. The Company expects to deliver the clinical protocol to the Canadian Health Protection Branch for review in the third quarter of 2000. The locations for the above trial have not yet been determined.

Upon successful completion of the Canadian safety trial, the Company intends to commence the U.S./Canadian multi-center efficacy trial in the first half of 2001. Submission of the clinical data to both the Canadian Health Protection Branch and the FDA is expected to occur in the third quarter of 2001. See "Product Approval Process" and "Business Objectives and Milestones". The Canadian safety trial will be conducted at St. Paul's Hospital, Vancouver, British Columbia. In addition, the Company has confirmed that the Cleveland Clinic Foundation, Cleveland, Ohio and the University of Alabama at Birmingham, Birmingham, Alabama will be two of the three U.S. clinical trial sites.

The Company has conducted market research consisting of: a) numerous one-on-one interviews with cardiologists in the field of transplantation; b) round table sessions with leading cardiologists to determine their needs as related to outcomes product specifications, and clinical environments.

Based on the Company's 1998 Market Study and ongoing research, the Company believes that the Optical Catheter, if successfully developed and commercialized, may, over time, replace a significant portion of the market for the standard commercially available disposable or reusable tissue biopsy forceps. The Company's research has

indicated that biopsy procedures performed using the Optical Catheter could reduce or eliminate the laboratory and pathology fees associated with the EMB Procedure. The selling price for the Optical Catheter and the related control system will not be set until the initial clinical trials are completed and a detailed engineering, manufacturing and marketing study is completed.

The Company is planning to have the disposable component of the Optical Catheter manufactured by a contract manufacturer located in the United States or Canada. The Company plans to manufacture the instrument component of the Optical Catheter at its facilities using its own personnel.

Acquisition of the Optical Catheter Technology

Under a shareholders' agreement dated September 9, 1996, Private Biomax acquired the Company's rights to the method for diagnosing inflammation of a transplanted heart using an Optical Catheter from Mr. Peter Whitehead and Dr. Calum MacAulay, in exchange for 436,000 shares of Private Biomax common stock at a deemed price of $0.25 each. This invention formed the base technology for the Company's Optical Catheter.

On January 1, 1998, Biomax transferred to its wholly owned subsidiary, Biomax Technologies (Barbados) Inc. ("Biomax Barbados"), all of Biomax's rights to the Optical Catheter technology (the "Technology"). In exchange Biomax received 3,000,000 shares of common stock of Biomax Barbados, and Biomax will receive a royalty of 8% of all gross revenues relating to the Technology earned by Biomax Barbados (the "Royalty"), and Biomax retained all rights for use and exploitation of the Technology in Canada. Biomax holds the Technology in trust for Biomax Barbados, while the beneficial owner of the Technology remains with Biomax Barbados. On January 2, 1998, Biomax Barbados transferred all of its rights in the Technology to Biomax Product Development (Barbados) Inc. ("BPDB") in consideration for 3,000,000 common shares of BPDB. BPDB also assumed Biomax Barbados' obligation to pay the royalty to Biomax. This corporate structure was adopted following advice from the Company's professional advisors.

On January 1, 1998, Biomax entered into a research and development contract with Biomax Barbados whereby Biomax agreed to perform further research and development on the Technology on behalf of Biomax Barbados. As consideration for this service, Biomax Barbados agreed to pay Biomax for its cost incurred in performing such research and development plus 1% of such cost. On January 2, 1998, Biomax Barbados assigned the research and development contract to BPDB.

Royalties

As outlined above, the technology used in the Optical Catheter is now beneficially owned by the Company's wholly owned subsidiary, BPDB. The Company will receive a royalty of 8% of all gross revenues from the marketing, licensing and selling of the Optical Catheter technology generated by BPDB outside of Canada. The Company has the right to use and exploit the Optical Catheter technology in Canada and to retain the revenue generated in Canada for the Company.

The British Columbia Cancer Agency (the "BCCA") will receive from the Company a royalty of 0.2% of the gross revenue from the Company's sale of Optical Catheters, for a period of five years commencing from the date of the first commercial sale of an Optical Catheter.

Other Products or Applications

SCD-1 System

Skin Cancer

Skin cancer is by far the most common of all cancers among North American populations, accounting for nearly half of all new cancer cases. While the skin is the largest and most accessible organ to examine, the timely and accurate detection and diagnosis of skin cancer represents a significant challenge to the health care system. According to the American Cancer Society, more than one million new cases of skin cancer occur in the United States each year. According to the American Cancer Society, the three most common types of skin cancer are:

- *Basal Cell Carcinoma* – accounting for approximately 70 – 80% of all new skin cancers.

- *Squamous Cell Carcinoma* – accounting for approximately 11 – 20% of new skin cancers.
- *Malignant Melanoma* - accounting for 4% of new skin cancers.

Current Detection Methods and their limitations

Skin cancers are often multiple, meaning that several, separate primary lesions at different sites may be present, or develop sequentially over time. Since most squamous cell and basal cell carcinomas occur on regions that are normally exposed, such as the head and neck, physicians and patients must consider the visual impact of removal or biopsy of potentially cancerous lesions. Further, biopsies or treatments of areas that turn out to be non-cancerous can also have significant cosmetic as well as cost consequences for the patient.

Once it has been determined that a patient has skin cancer and, depending on the type of skin cancer involved, the treatment options are varied. They can include various surgical methods, radiation therapies, photodynamic therapies, or a combination of treatments.

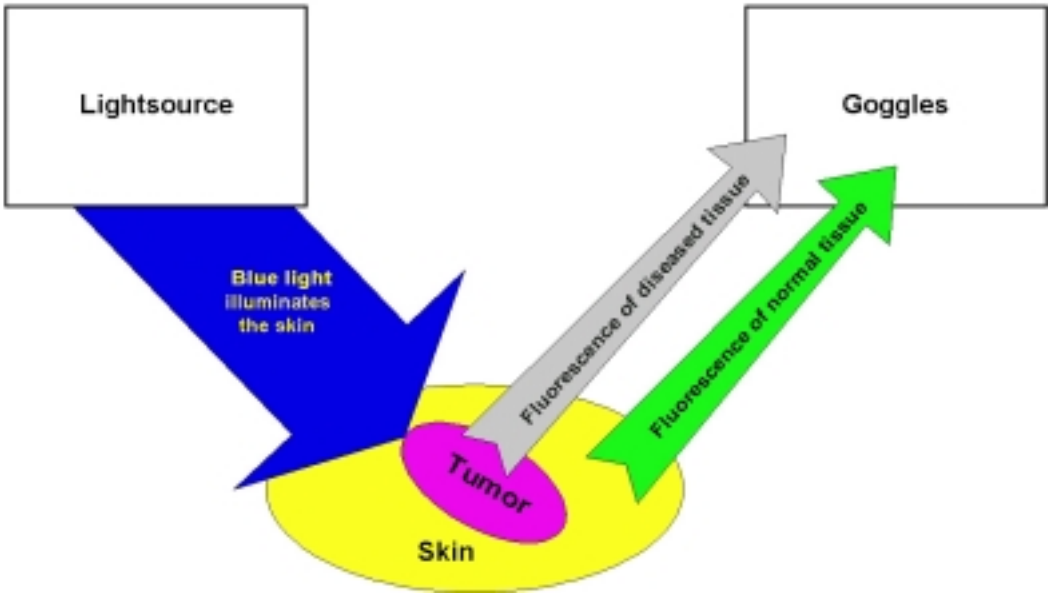
Since all of the treatment methods may produce scarring to varying extents, depending on the tumor size and the treatment method, and some for extended periods of time, it is important to quickly and accurately identify the areas of skin that are involved by the tumor. Dermatologists routinely use UV light to illuminate suspected lesions, relying on the emitted fluorescence to assess the malignancy of the skin region.

Description of the SCD-1 System

The Company is in the process of developing inexpensive, non-invasive, point-of-care diagnostic aids to assist physicians in deciding which skin lesions to biopsy which could help to reduce both patient morbidity and health care costs. The Company's research to date has shown that, when skin is illuminated with blue light, certain types of precancerous skin lesions exhibit increased intensity of fluorescence, at certain wavelengths when compared to normal, healthy tissue. By contrast, basal cell carcinoma has exhibited an overall intensity decrease at the same wavelengths. This research led to the development of the SCD-1 System.

The SCD-1 System consists of a pair of specialized filtered glasses with an optimized external light source. The goggles consist of a set of filters that could potentially enhance the detection and delineation of the margins of basal cell carcinoma. The external light source emits a blue light that serves as the excitation source causing the skin tissue to fluoresce. When the goggles are used with this optimized external light source they may further enhance the visual definition of the lesion. In addition, they may enhance the physician's capability to delineate the margins of the lesion, thus potentially enabling the more effective removal of the cancerous tissue.

SCD-1 FLUORESCENCE SCOPE SYSTEM



Status of Studies & Clinical Trials

The Company mapped the characteristics of the wavelengths emitted from various forms of skin cancer using spectral analysis in the first quarter of 1999. Clinical prototypes of the SCD-1 System were produced by the Company during the second quarter of 1999.

The Company initiated a human clinical trial, approved by the Canadian Health Protection Branch, in September 1999. This clinical trial was conducted to seek marketing clearance for the device as an adjunctive method for lesion delineation of basal cell carcinoma. This trial was completed by the Company at the end of May, 2000and was conducted at the Vancouver Hospital & Health Sciences Centre, Skin Care Centre. The principal investigator was Harvey Lui, MD, FRCPC who has been the Medical Director of the Skin Care Centre since 1994. The data from the trial is now being compiled and analyzed. Pending the successful completion of the data analysis, the clinical data will be submitted to the Canadian Health Protection Branch for formal product approval during the third quarter of 2000. Concurrently, the Company plans to utilize the Canadian clinical data to submit a 510(k) application to the FDA for marketing clearance in the US. The law directs the FDA to review 510(k) pre-market notifications and make a determination not later than 90 days after receiving the report. (See "Product Approval Process").

Development, Production and Marketing Strategy and Timelines

The Company's market research was conducted by the Company's own marketing department during 1999 and early 2000 by means of telephone market surveys, focus groups and participation in industry association events. This research has indicated that the key initial market for the SCD-1 System are office and clinic-based dermatologists and plastic surgeons in North America. According to the American Academy of Dermatology there are 9,062 dermatologists and over 10,000 plastic surgeons in the United States.

The Company anticipates that marketing of the SCD-1 System will be accomplished through a marketing and distribution partnership with a major national company that currently manufactures, markets and/or sells products to dermatologists and plastic surgeons. As the analysis of the results of the clinical trial of the SCD-1 System is not yet completed, the Company has not yet initiated discussions with potential sales/marketing partners. The analysis of the results of the clinical trial is expected to be available to the Company by the end of July, 2000.

The Company's initial plan is to introduce the SCD-1 System for sale throughout North America in the fourth quarter of 2000. Additional markets are being evaluated, such as Australia and certain South American countries where there are high incidences of skin cancer.

The selling price for the SCD-1 System will not be set until the current clinical trial is completed and a detailed manufacturing and marketing study is complete. Additional market research activities to confirm design specifications and pricing acceptance will be held upon completion of the analysis of the clinical trial results. The Company anticipates that the SCD-1 System will have to be sold for less than US$1,000 in order to be competitive with other products currently available and to fit within the budgets of its target market.

PDT Dosimeter Project

Photodynamic Therapy

Photodynamic therapy is a minimally invasive, two-step medical procedure that uses light-activated drugs, called "photosensitizers" to treat a wide range of diseases involving rapid cell growth, including cancerous and non-cancerous diseases. Photodynamic therapy is a safe treatment because of its selectivity. Without exposure to light, the drug has no effect, and because the therapy accumulates primarily in targeted cells, the effects on surrounding healthy tissue are minimized.

The PDT Dosimeter and potential applications

The Company is currently investigating the feasibility of a device, which could measure the activated amount of a photodynamic therapeutic drug (the "PDT Dosimeter"). If successfully developed, the PDT Dosimeter could be of interest to companies developing photodynamic therapeutic drugs since it could help them determine an effective clinical dose for a given disease state. The Company believes if the current feasibility trial is successful, that such a device could be developed that would assist physicians to determine the correct amount of photodynamic therapeutic drugs to provide the patient. In addition, patients could be monitored during the light exposure phase of their treatment.

Status of Studies & Clinical Trials

A feasibility study was commenced in September 1999 at the British Columbia Cancer Agency, Vancouver, British Columbia , with Dr. Haishan Zeng as Principal Investigator to assess the validity of the Company's PDT Dosimeter. This study was completed in March 2000. A complete analysis is expected to be concluded by the end of July, 2000. At this time, no time or cost commitments, beyond the completion of the feasibility study, have been made for the development and testing of this product concept. The Company has not, to date, conducted any market research or evaluations for this potential product.

Other Potential Applications for the Optical Catheter

The Company intends to conduct additional research into the autofluorescence properties of human cardiac tissue to better understand: (i) the physiological changes in rejecting tissue that result in the change in its autofluorescence spectral response; and (ii) the extent to which other cardiac pathology results in unique autofluorescence spectral signatures with the ultimate objective of developing diagnostic algorithms for certain types of heart disease. In addition, physicians have contacted the Company inquiring about the use of the Optical Catheter for monitoring of rejection in other transplanted tissues and organs. The Company has not, at this time, made any time or cost commitments to the evaluation of other potential uses for the Optical Catheter.

Acquisitions

Derma Technologies Inc. ("DTI") was in the business of developing technologies in the fields of dermatology, cancer detection and cancer therapy. Biomax acquired all the shares of DTI from its shareholders (Dr. Harvey Lui, Dr. David McLean, Dr. Haishan Zeng, Dr. Calum MacAulay, Dr. Branko Palcic and G6 Science Corp.) on January 31, 1998, in exchange for 1,250,000 shares of Biomax common stock, at a deemed price of $1.00 each, and 750,000 share purchase warrants. Each share purchase warrant entitles the holder to acquire one common share for an exercise price of $2.50 and such warrants expire on January 31, 2003. The total consideration paid to the shareholders of DTI exceeds the net tangible assets by $1.3 million.

Before Biomax acquired DTI, DTI had previously, on May 8, 1997, acquired from the BCCA and from Drs. Lui, Zeng, McLean, Palcic and MacAulay, researchers employed by the BCCA, all of their rights in and to the following devices (the devices being defined as encompassing the embodiments envisioned in the patent applications):

- Fluorescence scope system for dermatologic diagnosis (SCD-1 System)
- Spectrometer system for diagnosis of skin disease
- Apparatus and method to monitor Photodynamic Therapy (PDT Dosimeter)

(the "DTI Devices").

Royalties

The Company will pay BCCA a royalty of 1.5% of the Company's gross revenue derived from the marketing, manufacturing and selling of the DTI Devices. The term of the royalty agreement expires on the date that the last patent issued for the devices expires, or if no such patents have been issued, then December 31, 2017.

Further, the Company will pay DermaTech Limited Partnership a royalty of 1% of its gross revenue derived from the marketing, manufacturing and selling of the DTI Devices. Dr. Harvey Lui, Dr. Haishan Zeng, Dr. David McLean, Dr. Branko Palcic, Dr. Calum MacAulay and G6 Science Corp. were originally entitled to receive a royalty totaling 1% of the Company's gross revenue derived from the marketing, manufacturing and selling of the DTI Devices. However, on January 14, 1998, the Drs. Lui, Zeng, McLean, Palcic and MacAulay transferred their royalty rights to DermaTech in consideration of $1.00. The purpose of the transfer of the DTI royalty rights was to accommodate the individuals personal tax issues.

Business Objectives & Milestones

The following describes the major goals that the Company proposes to accomplish in the twelve months following the completion of this Offering, the milestones that will have to be achieved in order to accomplish those major goals and the costs associated with those milestones.

The Optical Catheter

The Company intends to complete the development of the Optical Catheter for use in a clinical investigative environment in Canada prior to the end of 2000 and in the United States and Canada in the first half of 2001. There are many costs related to clinical trials and, in order to achieve this objective, the following milestones will have to be met:

a. Complete the final large-animal study ("2000 Study") with the Optical Catheter that was initiated during the fourth quarter of 1999 and involves the In Vivo analysis of up to 20 pigs incorporating anti-rejection therapy. Eight pigs have been completed to date and the study is expected to be completed during the third quarter of 2000 at an estimated cost of $150,000;

b. Hire a Director of Regulatory Affairs to develop a comprehensive regulatory plan for the Optical Catheter during second quarter of 2000 at an estimated cost of $100,000;

c. Complete hardware engineering refinements to the Optical Catheter System during the third and fourth quarter of 2000 at an estimated cost of $500,000;

d. Complete software development and testing for the Optical Catheter System during the third and fourth quarter of 2000 at an estimated cost of $350,000;

e. Prepare a human clinical protocol for the clinical trial and submit it for approval to the applicable regulatory authorities during the third and fourth quarter of 2000 at an estimated cost of $100,000;

f. Obtain product liability insurance for the Company and the Optical Catheter at an estimated cost of $60,000 (the Company is currently investigating this proposed cost);

g. Conduct a human pilot clinical safety trial scheduled to commence prior to the end of 2000 at an estimated cost of $25,000; and

h. Conduct an expanded US/Canadian multi-centre efficacy trial scheduled to commence during the first half of 2001 at an estimated cost of $825,000.

The total estimated cost for these expenditures is $2,110,000 and is accounted for as part of the Company's proposed Optical Catheter Project Development expenditures (See "Use of Proceeds").

SCD-1 System

The Company intends to complete the development of the SCD-1 System for use as a device for delineating the margins of basal cell carcinoma prior to the end of 2000. In order to achieve this objective, the following milestones will have to be met:

a. Completion of Canadian Clinical Trial and compilation of clinical data for regulatory submissions during the second and third quarters of 2000 at an estimated cost of $35,000;

b. Completion of manufacturing & marketing study during the third quarter of 2000 at an estimated cost of $40,000;

c. Submission of applications to applicable regulatory authorities for necessary product marketing approvals during the third quarter of 2000 at an estimated cost of $50,000;

d. Complete engineering and production refinements to the light source of the SCD-1 System during the third quarter of 2000 at an estimated cost of $100,000; and

e. Obtain a marketing, distribution and manufacturing partners during the third quarter of 2000 at an estimated cost of $75,000.

The total estimated cost for these expenditures is $300,000 and is accounted for as part of the Company's proposed Research & Development, Other Products expenditures (See "Use of Proceeds").

PDT Dosimeter Feasibility Study

The Company intends to complete the feasibility study of the PDT Dosimeter during the second quarter of 2000. At this time, no time or cost commitments, beyond the completion of the feasibility study, have been made for the development and testing of this product concept. The Company has not, to date, conducted any market research or evaluations for this potential product. In order to achieve this objective, the Company will need to ensure that compilation and analysis of data during the third quarter of 2000 is completed.

The total estimated cost for these expenditures is $20,000 and is accounted for as part of the Company's proposed Research & Development, Other Products expenditures (See "Use of Proceeds").

The Company will spend the funds available on the completion of this Offering to carry out its proposed business plan as set out in "Business of the Company". There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary, in order for the Company to achieve its stated business objectives. Any material reallocations and the reasons therefore will be disclosed on a timely basis.

Intellectual Property

Proprietary Protection

Patents and other proprietary rights are important to the Company's business. The Company's strategy is to aggressively build a strong patent portfolio to protect technology that the Company considers important to the development and continuation of its business. The Company also relies upon trade secrets, know-how, continuing

technological innovations and licensing opportunities to develop and maintain its competitive position. The Company currently holds two patents issued by the United States Patent and Trademark Office and has nine patent applications pending. Biomax usually files its patent applications in North America, the European Union and Australia. The patent protection of the Company's lead product is regularly reviewed for adequacy and sufficiency. See "Risk Factors". The Company intends to file further patent applications as commercial development proceeds. As with the patent positions of other medical device firms, the Company does not know whether any patent applications will result in the issuance of patents or, for patents that are issued, whether they will provide significant proprietary protection or will be circumvented or invalidated.

In addition, it is Biomax's policy to require its employees, consultants, members of advisory boards and parties to research agreements to execute confidentiality agreements with Biomax. These agreements provide that all confidential information developed or made known during the course of the relationship be kept confidential. In the case of Biomax's senior scientific and engineering staff, agreements are in place providing that all inventions resulting from work performed for Biomax utilizing property of Biomax or relating to Biomax's business and conceived or completed by the individual during employment are the exclusive property of Biomax to the extent permitted by law.

At this time, the Company is not aware of any patents that appear likely to be infringed upon by the activities presently planned by the Company with regard to its products. Nor is the Company aware of any patents that would clearly preclude the patenting of certain aspects of these products. There is, however, no guarantee that the Company will not be found to infringe the claims of one or more patents, whether presently known or unknown to the Company, whether presently existing or issued in the future, nor that the Company will be able to obtain adequate patent protection for key aspects of its products.

Trademarks

The Company has applied for the following trademarks in Canada:

- The mark "Biomax" and design for use with laser emitters, optical transducers, cytometric imagers and surgical tools, namely sternum closers and umbilical cord clamps
- The mark "Biomax" for use with laser emitters, optical transducers, cytometric imagers and surgical tools, namely sternum closers and umbilical cord clamps

The Company has applied for the following trademarks in the United States:

- The mark "Biomax" for use with consultation, research and development services in the fields of medical devices, medical procedures, pathology, and Forensics
- The mark "Biomax" and design for use with consultation, research and development services in the fields of medical devices, medical procedures, pathology, and Forensics

None of these trademarks have been granted to date. The Company has been advised that Du Pont Corporation has opposed the trademark applications for "Biomax" in Canada, but the Company and DuPont have agreed to enter into an Agreement whereby each party shall have the right to continue to use its mark in its respective product areas.

Product Approval Process

The development, manufacture and marketing of the Company's medical devices, including the Optical Catheter, is subject to extensive government regulation, both in the United States, Canada and elsewhere. In the United States, the FDA is the principal governmental regulator of the Company's devices. The FDA administers the Federal Food, Drug and Cosmetic Act (the "FFDCA") and has adopted regulations, including those governing the introduction of new medical devices, the observation of certain standards and practices with respect to the manufacturing and labeling of medical devices, the maintenance of certain records and the reporting of device-related deaths, serious injuries, and certain malfunctions. The FFDCA provides that, unless exempted by regulations, medical devices may not be commercially distributed in the United States unless they have been approved or cleared by the FDA.

The FDA has traditionally pursued a rigorous enforcement program to ensure that regulated entities such as Biomax comply with the FDA Act and Regulations. A company not in compliance may face a variety of regulatory actions,

including warning letters, product detentions, device alerts, mandatory recalls or field corrections, product seizures, injunctive actions or civil penalties and criminal prosecutions of the company or responsible employees, officers and directors.

In the United States, medical devices are classified into one of three classes (class I, II, or III), on the basis of the controls considered necessary by the FDA to reasonably assure their safety and effectiveness. Under FDA regulations, class I devices are subject to general controls (e.g., labeling, pre-market notification and adherence to good manufacturing practices), and class II devices are subject to general and special controls (e.g., performance standards, post market surveillance, patient registries and FDA guidelines). In general, class III devices (e.g., life-sustaining, life-supporting and implantable devices, or new devices which have not been found substantially equivalent to a legally marketed device), in addition to being subject to general and special controls, must receive pre-market approval by the FDA to ensure their safety and effectiveness.

Under the FDA's requirements, if a manufacturer can establish that a newly developed device is "substantially equivalent" to a legally marketed device, the manufacturer may seek manufacturing approval from the FDA to market the device by filing a 510(k) premarket notification with the FDA. The 510(k) premarket notification must be supported by data establishing the claim of substantial equivalence to the satisfaction of the FDA. The process of obtaining a 510(k) clearance typically can take several months to a year or longer. An applicant is permitted to begin marketing a product to which it has submitted a 510(k) notification at such time as the FDA issues a written finding of substantial equivalence. Requests for additional information may delay the market introduction of certain of an applicant's products longer than the FDA pre-market notification review period of ninety (90) days. If substantial equivalence cannot be established, or if the FDA determines that the device requires a more rigorous review, the FDA will require that the manufacturer submit a Pre Market Approval ("PMA") that must be reviewed and approved by the FDA prior to sale and marketing of the device in the United States.

If substantial equivalence to a legally marketed class I or class II device cannot be established, or if the device is a class III device for which the FDA has called for a pre-marketing approval application ("PMA"), then a PMA must be submitted to and reviewed and approved by the FDA prior to sale and marketing of the device in the United States.

A PMA consists of the submission to the FDA of information sufficient to establish independently that a device is safe and effective for its intended use. A PMA must be supported by extensive data, including pre-clinical and clinical trial data, as well as extensive literature to prove the safety and effectiveness of the device. By statute, the FDA is required to respond to a PMA within 180 days from the date of its submission; however, the approval process usually takes substantially longer, often years. During the review period, the FDA may conduct extensive reviews of the Company's facilities, deliver multiple requests for additional information and clarifications and convene advisory panels to assist in its determination. The process of obtaining a PMA can be expensive, uncertain and lengthy, frequently requiring anywhere from one to several or more years from the date of FDA submission, if approval is obtained at all. Both a 510(k) and a PMA, if granted, may include significant limitations on the indicated uses for which a product may be marketed. FDA enforcement policy strictly prohibits the promotion of approved medical devices for unapproved or "off-label" uses. In addition, product approvals can be withdrawn for failure to comply with regulatory requirements or the occurrence of unforeseen problems following initial marketing.

An expedited review process, which could significantly reduce the review time, is available to PMA products that qualify. Expedited review is available if: (i) the device represents a clear, clinically meaningful advantage over existing technology; (ii) no approved alternative exists; (iii) the device offers significant advantages over existing approved alternatives; and (iv) the availability of the device is in the best interests of the patients. The granting of expedited review status means that the application would receive priority review before all other pending applications for the same type of medical device. The application is subject to all of the other controls and requirements applicable to comparable applications in the standard review process.

There are advantages to the PMA process. PMA applications are held in confidence within the FDA and, the PMA process produces actual FDA approval of the device, which provides a potential defense in a product liability suit. The primary disadvantage is that PMA applications may take significantly more time than 501(k) applications, even under expedited review.

Management believes it is likely that the Optical Catheter will need pre-market approval (PMA) by the FDA and that it could potentially qualify for expedited review. However, there can be no assurance expedited review will be available.

The following further investigations are necessary before application for marketing approval of the Optical Catheter may be made to the FDA (see "Business Objectives and Milestones"):

1. Completion of the studies to verify the ability of the system to identify rejection status in a beating heart;
2. Completion of the final large animal study that was initiated during the fourth quarter of 1999 comparing EMB to Optical Catheter readings and involving the In Vivo analysis of up to 20 pigs incorporating anti-rejection therapy; and
3. Clinical trials to test the efficacy and safety of the Optical Catheter device in humans.

A pilot human clinical study will be planned and presented for Canadian regulatory approval. If approved, the study is tentatively scheduled to commence in Canada before the end of 2000. This initial trial will be focused on determining the safety of the device for use in humans. This trial is a regulatory requirement before efficacy trials can commence. The Company expects the safety trial to last approximately one month. In the United States, the FDA and in Canada, the Canadian Health Protection Branch, must approve medical devices for use in humans before those medical devices can be lawfully used on humans. In the United States, companies which intend to use medical devices in the human clinical studies must either obtain an exemption from the FDA, called an Investigational Device Exemption ("IDE") by application, or have an approved exemption from the IDE Regulation, for those devices to be lawfully used in such trials. The Company has been advised that it will likely have to obtain an exemption by application to the FDA. Granting of an IDE does not imply FDA approval, but is merely an exemption to permit the use of the exempt devices in human clinical trials according to an FDA approved Protocol.

In order to obtain approval for its IDE application, the Company must:

1. Submit the investigational plan and report of prior investigations to the Institutional Review Board ("IRB") for review and approval;
2. Submit a complete IDE application to the FDA for review and obtain FDA approval of the IDE; and
3. Select qualified investigators, provide them with all necessary information on the investigational plan and report of prior investigations, and obtain signed agreements from them. By statute, the FDA is obliged to approve or disapprove the IDE application within 30 days of receipt. In practice, the process may take longer.

Competition

Optical Catheter

The EMB Procedure is currently the only approved method for diagnosing tissue rejection in heart transplant patients. There are four companies that make tissue Biopsy Forceps for EMB Procedures, Maxxim Medical (Argon Products Division), Cordis Corporation (a division of Johnson & Johnson), Boston Scientific Corporation, and Scholten Surgical Instruments Inc.

At present, the Company is not aware of any of the above noted companies (or any other companies) considering tissue fluorescence to diagnose or detect disease in a beating heart.

Other companies and research organizations are actively engaged in the search for an alternative to the EMB Procedure as a means of detecting and measuring heart tissue rejection following transplantation. The following outlines their efforts to date:

Theseus Imaging Corporation

Theseus Imaging Corporation ("Theseus") is a wholly-owned subsidiary of North American Scientific Inc., a publicly-traded medical device company located in Chatsworth, California. Theseus is a development stage company that has been engaged in the development of a new generation of in-vivo radiopharmaceutical imaging agents

designed to aid clinicians in assessing the biological responses of individual patients, thereby guiding the selection of appropriate therapies in such diseases as cancer, organ transplantation and heart disease. Theseus reported on June 1, 2000 positive results from a clinical study with its Apomate-TM kit for the preparation of Technetium-99 labelled recombinant human Annexin V. This radiolabeled imaging agent concentrates in tissue associated with organ transplant rejection and can be detected with nuclear medicine imaging systems available in most major medical centres. If the clinical trial is successful, the Apomate-TM test could provide a non-invasive method to image the biomedical changes associated with heart transplant rejection. This technology, if successfully developed, could compete with the Optical Catheter. As the Apomate-TM technology is still in clinical trials, the Company can not make assessments as to the technology's effectiveness or whether it will compete with the Optical Catheter.

ISHLT (The Institute for Heart and Lung Transplantation)

The ISHLT reported that a human multi-center study of pacemaker guided monitoring conducted in 1998 has demonstrated a high predictive value for rejection following heart transplants. Results to date indicate that this diagnostic technique could have eliminated invasive biopsy tests in up to 55% of routine follow-up exams. Adoption of this technique could reduce the number of tissue biopsies required and thereby compete with the Optical Catheter. The Company has reviewed this procedure and considers it not to be competitive. The procedure, in order to be effective, requires round-the-clock monitoring of the patient's status and the implantation of expensive monitoring devices. In addition, the procedure has not demonstrated a sufficiently high sensitivity in its ability to accurately diagnose rejection and therefore has not been widely adopted.

SCD-1 System & PDT Dosimeter

Biomax is only aware of the following companies that may be considered direct or potential competition for its proposed products. Indirect competition comes primarily from those dermatologists who believe they are trained and skilled to visually diagnose most skin lesions.

Seymour Light Corporation, Boston, Massachusetts

Seymour Light Corporation, now named Syris Scientific, markets and sells a vision enhancement system called the V600. This system is utilized by dermatologists in general examinations in order to enhance pigmented and vascular lesions. The system uses polarizing filters to minimize reflections from the superficial skin layers allowing for improved visualization. The system does not utilize the fluorescence characteristics of tissue, nor is it designed to differentially diagnose skin lesions or delineate the margins of skin lesions. Management believes this product is not directly competitive with the DTI products currently under development.

PDT Inc., Santa Barbara, California

PDT Inc. is a development stage company, which was founded in 1989. The company operates as three subsidiaries; PDT Pharmaceuticals, PDT Systems Inc. and PDT Cardiovascular Inc. PDT Inc. is a leading developer of photodynamic therapy with a focus on both pharmaceuticals and the instrumentation necessary to effectively administer and monitor these drug therapies.

PDT Inc. developments and studies include:

- Light Sources, lasers and non-lasers, issues: brightness, spectrum and uniformity
- Delivery Systems - fiber optics and fluid light guides with even dispersal, low loss Fluorescence Detection Systems - identifying location and providing imaging capabilities
- Dosimetry Devices - require real-time feedback - variables include: drug concentration in tumor, optical characteristics of the tumor and physiological properties of tissue.
- Photosensitization and Pharmacokinetics

To the best of Biomax's knowledge none of these products are fully developed or being marketed as of the date of this Prospectus.

Management and Directors

The following table sets forth the Company's current management, officers and directors and their position with the Company:

Name	Position with the Company	Dates
Thomas C. Thompson	President, Director & Chief Executive Officer of the Company	*January 2000 to present*
Brian Lock	Chairman of Board of Directors of the Company	*March 1999 to present*
John B. O'Connell	Director of the Company and Vice-Chairman of the Board of Directors of the Company	*March 1999 to present*
Eldon R. Smith	Director of the Company and Vice-Chairman of the Board of Directors of the Company	*March 1999 to present*
W. Keith Smith	Director of the Company	*March 1999 to present*
Christopher Thompson	Director and Chief Science Officer	*March 1999 to present*
Christopher Wright	Director of the Company	*March 1999 to present*
Jack M. Saladow	Vice President of Marketing of the Company	*March 1999 to present*
Jonathan E. Burke	Corporate Secretary of the Company	*April 2000 to present*
Richard Barnett	Chief Financial Officer of the Company	*March 1999 to present*

The following are brief biographies of the Company's senior management team and directors including their principal occupations for the past five years (See also "Directors, Officers and Promoters" for the principal occupations of the directors and officers who are not part of the management team):

Thomas C. Thompson, Director, President, and Chief Executive Officer

Mr. Thompson, age 62, devotes 100% of his time to the Company and is responsible for the day-to-day management of the Company. Mr. Thompson has entered into a confidentiality and non-disclosure agreement with the Company. From March 1999 to January 25, 2000 Mr. Thompson was Interim President and Chief Operating Officer of the Company. From July 1998 to March 1999 Mr. Thompson was a consultant to Private Biomax.

From 1979 to December 1997, Mr. Thompson was President and CEO of Quest Medical, Inc. ("Quest"), a public company listed on NASDAQ in 1981 (Quest changed its name to Advanced Neuromodulation Systems, Inc. in 1997). Quest designs, develops, manufactures and markets proprietary medical products used in cardiovascular surgery and in spinal cord stimulation for the treatment of pain. This experience relates directly to Mr. Thompson's responsibilities at Biomax, specifically the development and implementation of marketing strategies, business and strategic planning, and project management.

Mr. Thompson's academic background, a B.Sc. degree in electrical engineering and the course requirements for an MBA, coupled with his extensive experience in managing early stage companies in the health sciences field, will assist the Company in its progression from a research-based corporation to an operating company.

Brian Lock, Director and Chairman of the Board

Mr. Lock, age 51, devotes 15% of his time to the Company. Mr. Lock has entered into a confidentiality and non-disclosure agreement with the Company. From March 1999 to January 24, 2000, Mr. Lock was also Chief Executive Officer of the Company and, during that period, was actively involved in the day-to-day management of the Company. Mr. Lock currently assists Biomax with financing activities.

Mr. Lock graduated in Electrical Engineering Technology from Durham New College, U.K. in 1971 and has more than 25 years of experience in business development and management of industrial and natural resource technology projects worldwide.

Mr. Lock has been President and CEO of Brigill Investments Ltd. from 1986 to the present. His responsibilities with Brigill Investments Ltd. include the appraisal of and investment in business opportunities, and the support of upcoming technology companies. From 1986 to 1996, Mr. Lock was CEO of Proton International Engineering Corporation, a consulting engineering company, where he was responsible for the overall direction of the company and gained diversified experience in engineering, design, construction and management.

John O'Connell, MD, Vice-Chairman of the Board, Director

Dr. O'Connell, age 50, has been Chairman, Department of Internal Medicine and Professor of Medicine, Wayne State University, Detroit, MI, USA and Physician-in-Chief, Detroit Medical Center, Detroit, MI, USA since 1997. Prior to that Dr. O'Connell was Chairman and Professor of Medicine, Department of Medicine, University of Mississippi Medical School, Jackson, MS, USA and Consultant, Veterans Affairs Medical Center, Jackson, MS, USA from 1991 to 1996.

Eldon Smith, MD, Vice-Chairman of the Board, Director

Dr. Smith, age 60, has been Professor of Medicine, Faculty of Medicine, The University of Calgary since 1997 prior to which he was Dean, Faculty of Medicine, The University of Calgary, Calgary, AB from 1992 to 1997. He has also been a consultant to the biotechnology industry since 1995.

W. Keith Smith, MBA, Director

Mr. Smith, age 65, was Vice Chairman and director of Mellon Bank Corporation, Pittsburgh, PA from 1987 to 1999. Since 1991 Mr. Smith has been a director of Dentsply International Inc.

Christopher R. Thompson, MD, CM, FRCPC (Cardiology), FACC, Director and the Chief Science Officer

Dr. Thompson, age 45 devotes 10% of his time to the Company. Dr. Thompson has entered into a confidentiality and non-disclosure agreement with the Company.

Dr. Thompson, in conjunction with the Project Managers and other members of senior management, critically evaluates potential products, identifies and evaluates potential uses and markets for products, develops and modifies product development processes, evaluates scientific data, identifies and communicates with clinical investigators and contractors, and selects and communicates with the Scientific Advisory Board.

Dr. Thompson completed his medical degree at McGill University (1977) with subsequent training in Internal Medicine and Cardiology at the University of British Columbia (1980-1983), and Cardiology and Cardiology Research at the University of Calgary (1983-1986). In addition to serving as Clinical Associate Professor, Division of Cardiology, Department of Medicine, University of British Columbia, Dr. Thompson is also Director, Cardiac Echo Laboratory, St. Paul's Hospital, Vancouver, B.C., Director of Cardiology Clinical Research at St. Paul's Hospital, a Director of St. Paul's Hospital Foundation, and Attending Cardiologist at St. Paul's Hospital.

Dr. Thompson directs a cooperative cardiology clinical trials group at St. Paul's Hospital which evaluates new and emerging therapies, devices and therapeutic strategies in cardiac patients. He has been involved with these research evaluations for the past twelve years. His experience during that time is directly relevant to his role overseeing and providing direction to the science activities of the Company.

Christopher Wright, LLB, Director

Mr. Wright, age 42, has been a Director of Morocco Explorations Inc. since 1998, and Chairman of the Board of Can West Exploration Inc., Calgary, AB since 1997, Chairman of the Board of Velvet Exploration Co. since 1995, CEO of Jade International Group Ltd. since 1994 and was VP and General Manager of Forfare Management Ltd., Vancouver, BC from 1991 to 1994.

Jack M. Saladow, Vice President of Marketing

Mr. Saladow, age 53, is the Vice President of Marketing for the Company and devotes 50% of his time to the Company. Mr. Saladow has entered into a confidentiality and non-disclosure agreement with the Company.

Mr. Saladow is responsible for the market analysis of the Company's planned products and services and will be responsible for the actual marketing and the possible marketing joint ventures if the Company's products and services are successfully developed and commercialized.

Mr. Saladow is a senior sales and marketing executive with over 24 years of experience in the healthcare industry. Mr. Saladow's experience was gained in corporate sales, marketing and senior management positions with large international organizations and executive level positions with healthcare start-up companies.

From 1988 to present, Mr. Saladow has been the President of Jack Saladow & Associates, of Laguna Niguel, California, U.S., a healthcare consulting organization. During this time Mr. Saladow also served as Vice President of I-Flow Corporation, a medical device company located in Irvine, California from 1991 until 1992. In addition, from January 1997 until June 1998, Mr. Saladow served as Vice President of Marketing and Technology of TRIAD Medical, Inc., a distributor of healthcare products in the U.S. located in Laguna Hills, California.

Jonathan Burke, Investor Relations Director, Corporate Secretary

Mr. Burke, age 29, is the Investor Relations Director and Corporate Secretary for the Company and devotes 100% of his time to the Company. He is responsible for the day-to-day investor relations activities in addition to assisting the marketing department with corporate communications and media relations. Mr. Burke has entered into a confidentiality and non-disclosure agreement with the Company.

Mr. Burke has over three years' experience conducting investor relations and corporate communications for both private and public companies. From February 1999 to March 2000 he was with Brigill Investments Ltd., where he advised companies on investor and corporate communications strategies. From May 1997 to February 1999 he was a Senior Consultant with Advanced Strategies Inc., a Vancouver-based investor relations and financial consulting company. From 1994 to February 1998 Mr. Burke was employed as a helicopter logging pilot with International Forest Products. Since 1988, Mr. Burke has been a commercial helicopter pilot and was co-owner of a helicopter charter company operating five helicopters and employing 15 people. He was also Chief pilot of a helicopter company operating in British Columbia.

Richard Barnett, Chief Financial Officer

Mr. Barnett, age 42, is employed as the Chief Financial Officer for the Company and he works full time for the Company. Mr. Barnett has entered into a confidentiality and non-disclosure agreement with the Company. He joined Biomax in June 1998. Mr. Barnett's responsibilities include the tracking of the Company's budgets, preparation of interim financial statements and quarterly reports, coordinating the annual Audit, and overseeing the accounting functions within the Company.

Mr. Barnett has taken extensive business and accounting courses at universities, colleges and with the Certified Management Accountants and the Certified General Accountants programs. He is currently enrolled in the final year of the six-year CGA designation program.

Mr. Barnett has been employed full time in the field of accounting for twelve years. From 1988 to 1995, he was the Financial Accountant with Forintek Canada Corp., a Research Laboratory in the forest industry. He has over six years of head office accounting, audit, budgeting, human resources and project experience with Forintek. From 1995 to 1998, he was the Controller of Proton International Engineering Corporation and was involved with international transactions and foreign subsidiaries. Since November 1999, Mr. Barnett has also been a Director of another technology company listed on the CDNX.

David Morgan, PhD, Project Manager, Optical Catheter Project

Dr. Morgan, age 36, is the Project Manager for the Optical Catheter project and devotes 100% of his time to the Company. Dr. Morgan has entered into a confidentiality and non-disclosure agreement with the Company.

Dr. Morgan earned his PhD in physics at the University of British Columbia in 1993. He then spent two and a half years as a research associate in the Cavendish Laboratory at the University of Cambridge, U.K. After returning to Canada he spent another year as a post-doctoral fellow at the University of British Columbia and then in the Cancer Imaging department at the BCCA. He joined the Company in October 1997 as a research scientist and has been managing the Optical Catheter project since the summer of 1998.

Gina Bell, Manager, Clinical Affairs

Ms. Bell, age 47, is Manager of Clinical Affairs and devotes 100% of her time to the Company. Ms. Bell's responsibilities include preparation of clinical Protocols, coordination of clinical trials, and assisting with the coordination of the pig studies for the Optical Catheter project. Ms. Bell has entered into a confidentiality and non-disclosure agreement with the Company.

Ms. Bell brings seven years of experience coordinating and managing clinical trials in accordance with Good Clinical Practice, FDA, and HPB guidelines at university-sponsored research facilities. She holds a Bachelor of Science and is presently pursuing an MBA.

Shaun Granleese, MIS Director

Mr. Granleese, age 32, is Director of Management Information Systems and devotes 100% of his time to the Company. Mr. Granleese designs, implements and manages the computer and telecommunications based information systems for the Company. Mr. Granleese has entered into a confidentiality and non-disclosure agreement with the Company.

Since leaving Simon Fraser University with a Bachelor of Science degree in 1989, he has worked on medical research projects and provided Information Systems management and support at the British Columbia Children's Hospital, St. Paul's Hospital and the University of British Columbia. Before joining the Company in 1997, Mr. Granleese was employed as a Systems Analyst at the British Columbia Supreme Court and Court of Appeal.

Advisory Boards

Clinical Advisory Board

The Company is in the process of assembling a team of physicians with backgrounds in heart transplantation in anticipation of the forecast clinical trial for the Optical Catheter. To date, the Company has appointed the following persons to the Clinical Advisory Board:

Howard J. Eisen, MD, FACC, FACP

Medical Director, Heart Transplant, Director of Heart Failure Intensive Care Unit, Temple University School of Medicine, Philadelphia, Pennsylvania.

Hannah A. Valantine, MD, MRCP

Associate Professor of Medicine, Stanford University School of Medicine, San Francisco, California.

Michael E. Jessen, MD

Professor of Surgery, University of Texas SW, Medical Center of Dallas, Division of Thoracic & Cardiovascular Surgery, Dallas, Texas .

Frank W. Smart, MD

Clinical Professor of Medicine, Co-director of the Advanced Heart Failure Cardiac Transplant, Tulane University Medical Center, New Orleans, Louisiana

Michael A. Kuhn, MD, FACC, FAAP

Associate Professor of Pediatrics, Director of Pediatric Catheterization Laboratory, Loma Linda University, Loma Linda, California

Scientific Advisory Board

The Company has assembled a team of physicians and scientists with extensive experience in the fields of cardiology, pathology and dermatology:

Samuel Lichtenstein, MD

Dr. Lichtenstein, age 53, has been Program Medical Director of St. Paul's Hospital Heart Center, Director of Cardiovascular and Thoracic Surgery of St. Paul's Hospital; and Clinical Professor of Surgery & Physiology, Deputy University Head of Division of Cardiovascular and Thoracic Surgery, and Associate Member of Department of Physiology of UBC since 1993.

Calum MacAulay, PhD

Dr. MacAulay, age 39, has been Head of Cancer Imaging, British Columbia Cancer Research Center since 1994 and Associate Member of Physics Department, Faculty of Science and Clinical Associate Professor of Pathology Department, Faculty of Medicine, UBC since 1995.

Bruce McManus, MD

Dr. McManus, age 54, has been the Academic Head, Department of Pathology and Laboratory Medicine, UBC, and Head of Department of Pathology & Laboratory Medicine and Director of Cardiovascular Research Laboratory & Cardiovascular Registry, St. Paul's Hospital, since 1993.

Haishan Zeng, PhD

Dr. Zeng, age 36, has been a Research Scientist at the Cancer Imaging Department of the British Columbia Cancer Agency since 1993.

Peter D. Whitehead, Technical Consultant

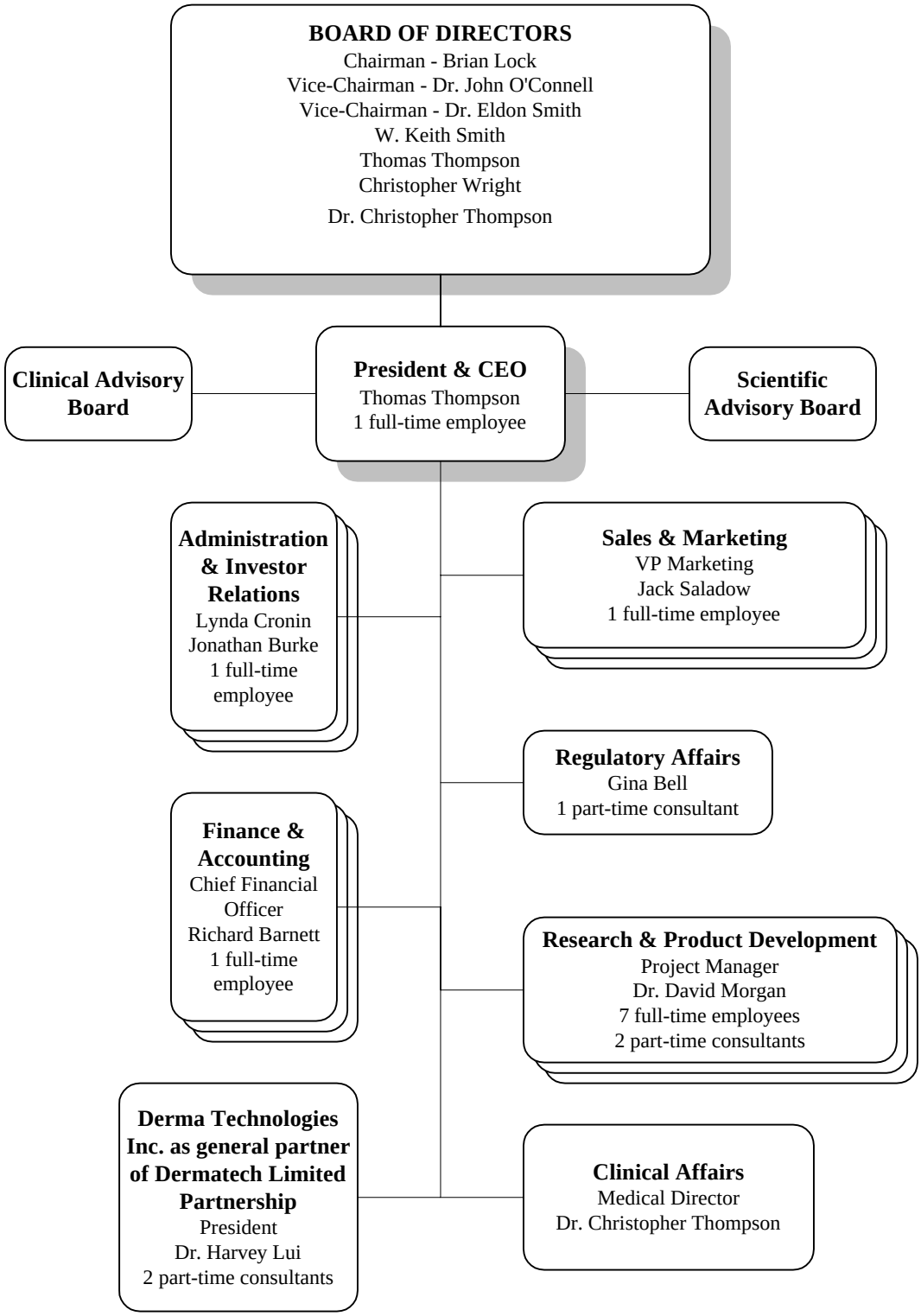
Mr. Whitehead, age 29, is a technical consultant to the Company and devotes 10% of his time to the Company. On January 25, 2000, Mr. Whitehead resigned as a director of the Company and on February 23, 2000 he resigned as the Vice-President of the Company. This resignation was in response to a decision by management to reduce the number of directors of the Company in order to allow for quicker and more effective decision making to market products. Mr. Whitehead continues to act in an advisory role to the Board of Directors. At the University of British Columbia, Mr. Whitehead majored in philosophy. From April to August 1996, Mr. Whitehead was Vice President, Chief Science Officer and Director of TOD Laboratories, Vancouver, British Columbia. From 1993 to 1996, Mr. Whitehead was involved through informal agreements with Dr. McManus in research projects in the Cardiovascular Research Laboratory at St. Paul's Hospital, Vancouver, British Columbia.

Mr. Whitehead was instrumental in generating the platform project upon which the Company was founded and continues to work with the Company's research scientists to identify potential applications for the Company's technologies. He has been an inventor of a number of the concepts and ideas for patent applications that have been filed.

Organization Structure

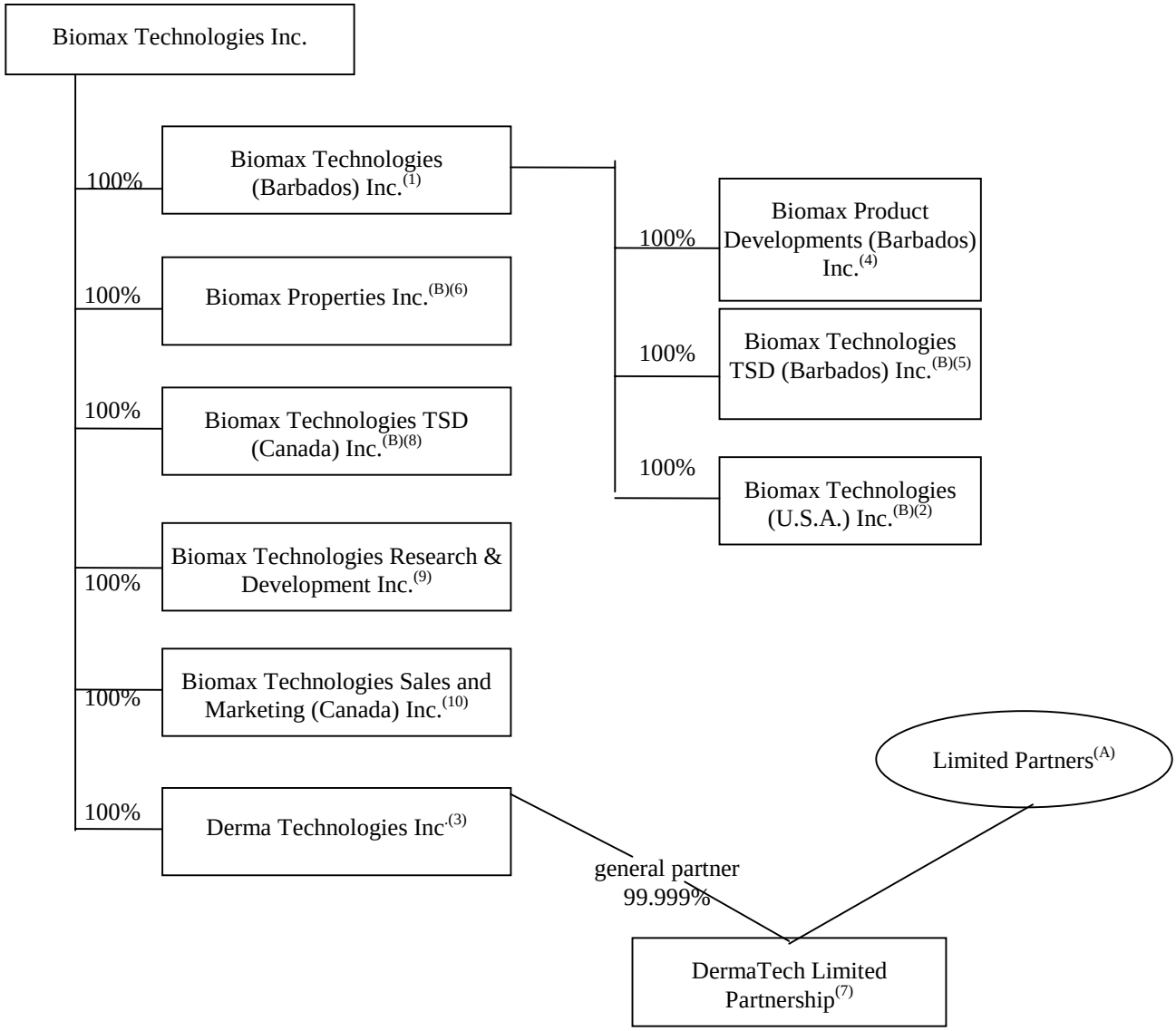
The following chart sets out the organizational structure of the Company including the Board of Directors, officers and the number of full and part-time employees or consultants in each department, as of December 31, 1999:

The Company anticipates that its current employees and consultants will be sufficient to meet its stated business objectives over the twelve month period following the date of this Prospectus.


BOARD OF DIRECTORS
Chairman - Brian Lock
Vice-Chairman - Dr. John O'Connell
Vice-Chairman - Dr. Eldon Smith
W. Keith Smith
Thomas Thompson
Christopher Wright
Dr. Christopher Thompson
Clinical Advisory Board
President & CEO
Thomas Thompson
1 full-time employee
Scientific Advisory Board
Administration & Investor Relations
Lynda Cronin
Jonathan Burke
1 full-time employee
Sales & Marketing
VP Marketing
Jack Saladow
1 full-time employee
Regulatory Affairs
Gina Bell
1 part-time consultant
Finance & Accounting
Chief Financial Officer
Richard Barnett
1 full-time employee
Research & Product Development
Project Manager
Dr. David Morgan
7 full-time employees
2 part-time consultants
Derma Technologies Inc. as general partner of Dermatech Limited Partnership
President
Dr. Harvey Lui
2 part-time consultants
Clinical Affairs
Medical Director
Dr. Christopher Thompson

Subsidiaries

The corporate structure as set out below was established to enhance the Company's ability to seek worldwide business opportunities. At present, a number of the wholly-owned subsidiaries are inactive. The intercorporate relationships consist of nine wholly-owned subsidiaries as follows:



Notes:

(A) The limited partners of DermaTech Limited Partnership are Drs. Harvey Lui, David McLean, Haishan Zeng, Calum MacAulay and Branko Palcic and G6 Science Corp.

(B) Inactive company

1. Biomax Technologies (Barbados) Inc. ("Biomax Barbados") was incorporated by Biomax under the laws of Barbados on August 15, 1997. This company acts as a holding company for various wholly owned subsidiaries. This company is wholly owned by the Company.

2. Biomax Technologies (U.S.A.) Inc. ("Biomax USA") was incorporated by Biomax Technologies (Barbados) Inc. under the laws of the State of Washington, U.S., on January 23, 1998. This company employed Joshua King, senior manager of intellectual property, and one other individual who acted as Mr. King's support staff. Mr. King ceased to be employed on August 17, 1999. This company

does not plan to become active until the Company can generate sales from the U.S. market. This company is wholly owned by Biomax Barbados.

3. Derma Technologies Inc. ("DTI") was incorporated under the laws of British Columbia on December 6, 1995 as B.P.Y.A. 1601 Holdings Ltd. It was incorporated by Dr. David McLean, Dr. Harvey Lui, Dr. Haishan Zeng, Dr. Calum MacAulay, and Dr. Branko Palcic. On July 30, 1996, B.P.Y.A. 1601 Holdings Ltd. changed its name to Derma Technologies Inc. On January 31, 1998, all outstanding and issued shares were transferred to Biomax. Until January 14, 1998, this company concentrated on research and development activities based on exploiting the interaction of light with skin to develop non-invasive, "point-of-care" technologies for the improved detection and delineation of the margins of skin cancer (see "Products and Services - Cancer Detection - Description of the Product"). On January 9, 1998, DTI entered into a limited partnership agreement agreeing to act as the general partner of DermaTech Limited Partnership.

4. Biomax Product Developments (Barbados) Inc. ("BPDB") was incorporated by Biomax Barbados under the laws of Barbados on August 15, 1997. This company became active on January 2, 1998, when beneficial title to all of Biomax's technologies, except for the cancer detection technologies, were transferred to it. This company is wholly owned by Biomax Barbados.

5. Biomax Technologies TSD (Barbados) Inc. was incorporated by Biomax Barbados under the laws of Barbados on August 15, 1997 under the name Biomax Technologies TOD (Barbados) Inc. On December 5, 1997, Biomax Technologies TOD (Barbados) Inc. changed its name to Biomax Technologies TSD (Barbados) Inc. This company is wholly owned by Biomax Barbados and has remained inactive.

6. Biomax Properties Inc. was incorporated by Biomax under the laws of British Columbia on August 9, 1996, as 524883 B.C. Ltd., and changed its name to Biomax Properties Inc. on January 6, 1998. This company is intended to own the Company's real estate interests (however, the Company at present does not hold any real estate interests). Currently, this company is the tenant on the lease of the Company's principal place of business. It is wholly owned by the Company.

7. DermaTech Limited Partnership was created pursuant to a limited partnership agreement entered into as of January 9, 1998, among DTI, as general partner, Dr. Harvey Lui as initial limited partner, and Dr. David McLean, Dr. Haishan Zeng, Dr. Calum MacAulay, Dr. Branko Palcic and G6 Science Corp., as limited partners. On January 14, 1998, the DermaTech Limited Partnership was registered pursuant to the laws of British Columbia. On January 14, 1998, DTI transferred all of its assets and undertaking to DermaTech Limited Partnership, with DTI remaining as bare trustee to patent applications previously made by DTI. The limited partners' units may be redeemed by the DermaTech Limited Partnership upon the earlier of December 31, 2017 or that date when the limited partners have received from DermaTech Limited Partnership an aggregate cumulative distribution of $5,000,000.

8. Biomax Technologies TSD (Canada) Inc. was incorporated under the laws of British Columbia on May 27, 1996, as Time of Death (TOD) Laboratories Inc. On August 26, 1997, Time of Death (TOD) Laboratories Inc. changed its name to Biomax Technologies TOD (Canada) Inc. On October 1, 1997, Biomax Technologies TOD (Canada) Inc. changed its name to Biomax Technologies TSD (Canada) Inc. This company was incorporated by Peter Whitehead, who transferred all of his shares of Biomax Technologies TSD (Canada) Inc. to Biomax on November 28, 1996, and the company remains wholly owned by the Company. On November 14, 1996, this company transferred all of its rights, if any, in the time since death technology to Biomax and has since remained inactive.

9. Biomax Technologies Research & Developments Inc. was incorporated by Biomax under the laws of British Columbia on August 29, 1997. This company has been and remains inactive but will be used as the Canadian research and development arm of the Company if the Company begins to earn substantial revenues. It is wholly owned by the Company.

10. Biomax Technologies Sales and Marketing (Canada) Inc. was incorporated by Biomax under the laws of British Columbia on November 5, 1997. This company is wholly owned by the Company and has remained inactive.

Human Resources

As of May 31, 2000, Biomax employed or retained 19 persons, 5 of whom hold advance degrees in science, engineering and business, including 4 who hold Ph.D. or M.D. degrees. Of the Company's total work force, 9 employees are engaged in or directly support research and development activities, 2 are engaged in marketing and market research and 8 are engaged in business development, finance and administrative activities. See "Management".

Facilities

Biomax primarily conducts research and development at its own facilities. It has also conducted some clinical studies at the facilities of its academic collaborators. These arrangements enable Biomax to be cost effective and gain access to state-of-the-art facilities, expertise and equipment. Biomax's head office and primary research laboratory is located in a 5,200 square foot leased facility in Vancouver, British Columbia. Biomax moved into these facilities in August 1, 1999 under a 5-year lease. Biomax is committed under an operating lease for its former

research premises, expiring March 31, 2004. Biomax has sublet these premises until December 31, 2000 and will endeavor to secure a tenant for the balance of the lease.

Administration

The following are the administration expenses that are expected to be incurred by the Company to achieve its stated business objectives during the 12 month period following the completion of this Offering are budgeted as follows:

	Average Monthly Amount	Twelve Month Total
Accounting & Audit	$2,500	30,000
AGM & Annual Report	4,000	48,000
Amortization	6,000	72,000
Bank Charges & Interest	3,200	38,400
Computers	500	6,000
Consulting Fees[(1)]	2,000	24,000
Courier & Postage	1,000	12,000
Insurance	2,500	30,000
Legal	7,000	84,000
Management Fees[(2)]	24,333	292,000
Office & Miscellaneous	4,300	51,600
Rent[(3)]	13,500	162,000
Salaries & Benefits	25,740	308,880
Investor Relations[(1)]	3,000	36,000
Telephone	3,000	36,000
Tradeshows & Conferences	500	6,000
Travel & Promotion	10,000	120,000
Sales & Marketing	17,500	210,000
Total	**$130,573**	**$1,566,880**

The above administration costs may fluctuate.

(1) "Investor relations" and "consulting costs" in fiscal 1999 included employee secondments from a related company. The Company has now hired these employees directly and the cost of these personnel will be included in 2000 as "Salaries and Benefits" (except for a portion included in January and February under "shareholder costs"). The $3000 per month for Investor Relations in the above table is solely for the cost of preparing and disseminating information (including news releases) to investors. The $2,000 per month for "consulting fees" in the above table is for outside consultants other than the former seconded employees.

(2) Estimated Management Fees for fiscal 2000 will be less than in 1999 as the President and CEO positions have been combined into one position resulting in an anticipated reduction of approximately $150,000 per annum.

(3) This figure includes the office basic rent of approximately $70,000 per annum and a proportionate share of all common costs, plus parking fees of $630 per month (which totals $10,860 plus GST per month for the year 2000). The Company also rents an apartment for $2,500 per month for visiting consultants.

Management Agreements

The Company is currently negotiating definitive management agreements for the following persons: Thomas C. Thompson, Jack M. Saladow, Jonathan E. Burke and Richard Barnett. Upon execution of these agreements, the Company will issue a news release disclosing the terms and will file same with the Canadian Venture Exchange for approval.

ACQUISITIONS AND DISPOSITIONS

Other than the Optical Catheter and Skin Cancer Detection Systems which are described under "Business of the Company", the Company has made the following additional acquisitions:

Time Since Death Project

In November of 1996, the Company acquired all of the rights to an invention and procedure for discovering the time since death information that is present in a cell (the "Time of Death Project" or "TSD"). Since 1996, the Company has conducted research to determine whether quantifying changes in human cells by image cytometry (the characterization and precise measurement of cells and cellular constituents) can improve the accuracy of calculating a person's time of death.

Additional research and development work on the Time of Death Project is currently suspended. The Company will be assessing whether there is a market to sell this project as a whole or the research results obtained. The Company has made no time or cost commitments for the further development or testing of this product concept.

Starting in 1997 in conjunction with the Time of Death Project, the Company began providing consulting services in the field of Forensic Pathology to a wide range of clients. The services related to the provision of expert opinions in the areas of medico-legal autopsies, crime and accident scene reconstruction as well as the provision of expert witness testimony in cases of civil litigation, industrial insurance claims, allegations of torture in refugee claims and criminal injury and homicide cases. With the suspension of the Time of Death Project, the Company is no longer offering these consulting services.

The TSD technology is now beneficially owned by the Company's wholly owned subsidiary, BPDB. The Company will receive a royalty of 8% of all gross revenues from the marketing, licensing and selling of the TSD technology generated by BPDB outside of Canada. The Company has the right to use and exploit the TSD technology in Canada and to retain the revenue generated in Canada for the Company.

The Company will pay BCCA a royalty of 0.75% of the Company's gross revenues for performing for customers a quantitative morphometric determination of time since death, as well as any marketing, licensing and selling of the TSD technology. The Company will pay BCCA a royalty for as long as any patent to the TSD technology has not expired, although there are no patents issued yet, and if no patents are issued by November 13, 2016, then this agreement to pay a royalty will expire. BPDB will pay the Company a royalty of 0.75% of the gross revenues generated by BPDB outside of Canada, and upon receipt thereof, the Company will forward this royalty onto BCCA.

Private Biomax acquired Mr. Whitehead's rights to the TSD technology, including invention/patent rights and commercial exploitation rights, from Stuart McNeill, 519740 B.C. Ltd., Jonathan Peters, 500864 B.C. Ltd. and McNeill & Associates Financial Consultants Inc. on November 13, 1996. In exchange, Private Biomax paid the vendors $95,000.

Private Biomax acquired Dr. MacAulay's rights to the TSD technology from Dr. MacAulay and BCCA on November 13, 1996. In exchange Private Biomax agreed to pay BCCA a royalty of 0.75% of the Company's gross revenue from the TSD technology.

The TSD technology formed the base technology for the Company's Time Since Death Project.

The Company is currently seeking a purchaser for the TSD technology.

Endoscopic Invention

Pursuant to an agreement dated December 8, 1998 and amended December 3, 1999 and February 11, 2000, Mr. Nicholas MacKinnon, President of Tidal Photonics Inc, assigned his right, title and interest in and to an Endoscopic Invention (the "Invention") to the Company. The total consideration for the assignment is 90,000 shares from the treasury of the Company at a deemed price of $1.11 per share, to be held in escrow, and released upon the completion of each of the following three milestones: market study and acceptance, proof of principle and commercialization of the Invention (see "Securities of the Company Held in Escrow, In Pool or Subject to Hold Restriction"). CDNX has approved this transaction and the 90,000 shares have been issued.

The Invention is an endoscopic device and a method for direct viewing of a target tissue through specialized filters. As yet, the Company has made no time or cost commitments for the further development or testing of this product concept. In the event that any of the milestones is not achieved, then the shares remaining in escrow will be returned to the Company for cancellation and the assignment of the rights to the Invention will be returned to Mr. Nicholas MacKinnon.

RISK FACTORS

In addition to the other information contained in this Prospectus, the following factors should be considered carefully by potential purchasers when evaluating an investment in the securities offered hereby.

The Company may face difficulties in achieving its business objectives.

A potential investor should consider the risks and difficulties the Company expects to encounter as it attempts to execute its business strategy, including the rapidly evolving nature of the biomedical industry. These risks include uncertainties about the Company's ability to:

- complete animal studies, a pilot clinical study on humans and product refinements for the Optical Catheter;
- demonstrate sufficient human clinical sensitivity with its Optical Catheter, thereby not providing a potential product to clinicians that can adequately replace the EMB Procedure;
- complete tests, Canadian clinical trials and marketing approvals on its SCD-1 System;
- complete animal studies for its PDT Dosimeter Project;
- successfully protect its various patents and trademarks;
- successfully implement its plan to market the Company's products to dermatologists and primary care physicians;
- respond effectively to competitive pressures;
- continue to develop and upgrade its technology;
- attract, integrate, retain and motivate qualified personnel; and
- respond effectively to increased business operation demands.

The Company may be unable to accomplish one or more of the above, which could cause its business to suffer. In addition, accomplishing one or more of the above could be very costly, which could harm the Company's financial results.

Early Stage Development. The Company was founded in 1996 and is at an early stage of development. Biomax has not completed the development of any commercial products and, accordingly, has not begun to market or generate revenues from the commercialization of its products. The Company's product candidates will require significant additional investment in research and development and clinical trials prior to commercialization. A commitment of substantial resources to conduct time-consuming research and clinical trials will be required if Biomax is to complete the development of any product candidate. There can be no assurance that any of the Company's products will meet applicable health regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, be successfully marketed or that the investment made in such product candidates will be recouped through sales or related royalties. None of the Company's project candidates is expected to be commercially available for several years.

The Company has Historical Losses and Anticipates Future Losses in the Initial Stage of Implementing its Business Strategy. The Company is incurring losses from its operating activities. As of December 31, 1999, the Company had an accumulated deficit of $4,574,366. The Company expects to increase its operating expenses in an effort to expand its marketing, and the Company expects to increase its level of expenditures to complete studies and further develop its technology. These anticipated increases in

operating expense levels and developmental costs will adversely affect operating results. The Company expects that it will continue to incur losses during fiscal year 2000 and beyond.

The Company's Business does not yet Generate Any Revenues. The Company has not started to market or generate significant revenues from the commercialization of any products, and there can be no assurance that it will be successful in developing and marketing any potential products and methodologies. Other competing products are expected to be launched and may well capture a significant part of the market that the Company will target.

The Company will Need Additional Financing. Current Funds are Insufficient to Finance the Company's Plans For Growth and for its Operations. The Company's existing working capital and cash from financing activities will not be sufficient to allow it to execute its business plan, including the completion of current studies and further development of its technology, and funding research, expansion and marketing demands during fiscal year 2000. During 1999, the Company used $1,683,613 in its operations. The Company began the 2000 fiscal year with $19,754 in cash and cash equivalents.

The full development and implementation of the Company's business plan will require additional resources. Furthermore, the Company's products may not produce material revenue even if successfully developed. For example, the Company has suspended development of the Time Since Death Project and the Company is seeking to sell this technology.

The Company needs to raise additional capital of an estimated $3,000,000 in order to complete the development and regulatory approval of its Optical Catheter product. An unspecified amount of additional funds will be required to complete the development of the Company's other products and any new products which may be identified. The Company believes that a portion of its capital resources will come from additional equity financing. If the Company is unable to obtain equity financing or other financings, it may not be able to successfully implement its short-term or long-term plans for development or to meet its working capital requirements. Even if the Company succeeds in its business plans, it may experience rapid growth that requires additional funds to expand its operations and organization. The Company's working capital requirements in the foreseeable future will depend on a variety of factors including capital requirements to implement and adjust its business plan.

Other than as described above, the Company does not have any current commitments for additional financing. The Company intends to explore a number of options to secure alternative financing including the issuance of additional equity. However, the Company might not succeed in raising additional equity capital or in negotiating and obtaining additional and acceptable financing as needed. The Company's ability to obtain additional capital may depend on market conditions (including the market for Biotech stocks), national and global economies and others factors beyond its control. If adequate capital is not available or is not available on acceptable terms at a time when the Company needs such funds, its ability to execute its business plans, develop and commercialize its products or respond to competitive pressures would be significantly impaired.

Loss of Key Personnel May Harm the Company's Business. The Company is engaged in a start-up business with a core management, advisory board and development team. The Company does not have employment agreements in place with its key employees and management, however the Company is in the process of negotiating such agreements. The unexpected loss of any of these individuals could have a serious impact on its business. In addition, the Company's future success depends on its ability to attract and retain highly skilled managerial, medical, scientific, sales, marketing, and operations personnel, who are in great demand. Competition for such personnel is intense and there can be no assurance that the Company will be successful in attracting and retaining such personnel. There is no key-man insurance in place for any members of the management and development team. The Company provides stock options, which further serve to retain and motivate key employees. Nevertheless, the Company faces the risk that it will be unable to attract, integrate, retain and motivate qualified employees.

U.S. Sales of the Company's Products Will Depend on FDA Approval. The Company's biomedical products, including the Optical Catheter, are subject to approval by FDA before commercial sale of such devices may commence in the U.S. The Company is also subject to regulatory requirements in foreign countries in which the Company markets its devices. The process of obtaining regulatory approvals is lengthy, expensive, and inherently uncertain. Even after FDA and other regulatory approvals have been obtained, such approvals can be suspended or revoked if the Company's products do not continue to satisfy regulatory requirements. Failure to comply with applicable regulatory requirements can result in, among other things, fines, suspensions of approvals, recalls of products, operating restrictions, and criminal prosecutions. As of the date of this Prospectus, the Company has not yet applied for FDA or other regulatory approvals.

The Company's Market is Price Sensitive. The Company's success, growth and profitability will initially depend primarily on market acceptance of its future products, if cleared for marketing by the FDA and other applicable regulatory authorities. Market acceptance will depend on the Company's ability to demonstrate to health care providers in multiple markets that the limitations associated with conventional processes can be cost-effectively addressed by its products. There can be no assurance that the Company will be able to demonstrate that the initial cost of equipping existing clinical facilities with its equipment will be offset by a reduction in costs associated with increased efficiency.

The Completion of the Company's Product Development is Time-Consuming, Costly and Requires Regulatory Approval. The Company's growth and profitability will depend, in part, upon the Company's ability to complete development of and successfully introduce new products. The Company will likely be required to undertake time-consuming and costly development activities and seek regulatory approval for new products. There can be no assurance that the Company will not experience difficulties that could delay or prevent the successful development, introduction and marketing of new products, that regulatory clearance or approval of these or any new products will be granted on a timely basis, if ever, or that the new products will adequately meet the requirements of the applicable market or achieve market acceptance. The completion of the Company's products under development remains subject to all the risks associated with the commercialization of new products based on innovative technologies, including unanticipated technical or other problems, manufacturing difficulties and the possible insufficiency of the funds allocated for the completion of such development, which could result in a change in the design, delay in the development or the abandonment of such products. Consequently, there can be no assurance that any of the Company's products under development will be successfully developed or manufactured or, if developed and manufactured, that such products will meet price or performance objectives, be developed on a timely basis or prove to be as effective as competing products. The inability to successfully complete development of a product or application, or a determination by the Company, for financial, technical or other reasons, not to complete development of any product or application, could have a material adverse effect on its business, financial condition and results of operations and could cause the reassessment of its business strategy. Such reassessment could lead to changes in the Company's overall business plan, including the relative emphasis on current, as well as future, products.

The Company's Business is Highly Competitive. If the Company's products are successfully developed and marketed, its performance will be affected by the markets for cardiovascular tissue rejection technologies, and skin cancer detection and treatment technologies. These markets are very competitive with few barriers to entry and are characterized by intense pressures to incorporate new features and enhancements. As a result, the Company will likely encounter competitors that have significantly greater financial, management, engineering, technical and marketing resources than the Company has. In addition, there can be no assurance that the Company's competitors or prospective competitors will not exert significant competitive pressures on the Company, that the market will consider its products to be superior or equivalent to existing or future products, or that it will be able to adapt to evolving markets and technologies.

The Company May Not Successfully Market its Products. In order to increase revenues and achieve profitability, the Company's products, particularly its current and proposed skin cancer detection goggles, must achieve a significant degree of market acceptance. The Company has no experience marketing and

selling its products. The Company may distribute its products primarily through a limited number of distributors. The Company has not entered into any distribution arrangements as of the date of this Prospectus. The Company will likely be required to enter into distribution arrangements in order to achieve broad distribution of its products. There can be no assurance that the Company will be able to enter into and maintain arrangements with distributors on acceptable terms, or on a timely basis, if ever. The Company will be dependent upon these distributors to assist it in promoting market acceptance of and demand for its products. In addition, because the Company intends to rely on a limited number of distributors, sales to these distributors could account for a significant portion of its revenues. There can be no assurance that these distributors will devote the resources necessary to provide the Company with effective sales and marketing support . In addition, the Company's distributors may give higher priority to the products of other medical suppliers or their own products, thus reducing their efforts to sell the Company's products. If the Company is unable to locate distributors, or they are unable to promote, market and sell the Company's products, the Company's business, financial condition and results of operations would be materially adversely affected.

The Company Must Keep Pace With Rapidly Changing Technologies. New technological or product developments may render the Company's technologies obsolete or reduce the asset value of its technology and potential products.

Changes in the Industry and the Economy May Affect the Company's Business. The Company's business may be affected by factors beyond its control, such as an economic recession or the aggressive pricing policies of competitors. Future technological advances in the continually changing biomedical device and biotechnology industry can be expected to result in the availability of new products and services that will compete with the products and services that the Company may develop.

The Company's Inability to Obtain Patent Protection or Defend Issued Patents Could Impair its Competitive Position. There can be no assurance that any patents will be issued on any of the Company's patent applications. Even if such patents are issued, there can be no assurance that the claims allowed will be sufficiently broad to protect the Company's technologies or that the patents will provide protection against competitive products or otherwise be commercially valuable. There can be no assurance that any patents issued or licensed to the Company will not be challenged, invalidated, infringed, circumvented or held unenforceable. Monitoring and identifying unauthorized use of the Company's technology or licensed technology may prove difficult. The high costs of patent litigation may impair the Company's ability to guard adequately against such infringement and have a material adverse effect on its business, results of operations and prospects. In addition, the Company's commercial success will depend upon its products not infringing any intellectual property rights of others and upon no such claims of infringement being made. Even if such claims are found to be invalid, the high costs of patent litigation could have a materially adverse effect on the Company's business, results of operations and prospects.

The Loss or Lack of Protection of Confidential Information Could Harm the Company's Business. In addition to patent protection, the Company will also rely on trade secrets, proprietary know-how and technological advances which the Company will seek to protect, in part, through confidentiality agreements with its collaborative partners, employees and consultants. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach, or that its trade secrets and proprietary know-how will not otherwise become known or be independently discovered by others.

No Insurance Against Business Interruption. The Company does not have any business interruption insurance.

Sales of the Company's Products Will Require Regulatory Approval. The Company will require various regulatory approvals before some of its products can be marketed in certain jurisdictions. There can be no assurance that all necessary approvals will be granted or that, if granted, will be received on a timely basis. In particular, the Company's Optical Catheter Project is subject to FDA approval. There can be no assurance that FDA approval will be received for the Optical Catheter Project or any of the Company's

other products. If approvals are delayed, the Company's business, results of operations and prospects may be materially adversely affected.

The Company May Be Unable to Effectively Manage its Growth. In order to reach the Company's planned sales and marketing targets, the Company will need to expand its operations as its products are commercialized. Such expansions will likely result in new and increased responsibilities for management personnel and place significant strain upon the Company's management, operating and financial systems and resources. To accommodate any such growth and compete effectively, the Company may also be required to implement and/or improve its information systems, procedures and controls, and to expand, train, motivate and manage its work force and business partners. Any failure to do so could have a material adverse effect on its business, financial condition and results of operations.

The Policies of Health Insurance Carriers May Affect the Pricing of the Company's Products. The principal market for the Company's products will be in the U.S health care industry. Reimbursement policies of health care insurers and others, both private and governmental, directly affect the ability of the Company's customers to recover their costs of purchase. Mounting concerns about rising health care costs may cause the providers of such reimbursement to adopt more restrictive reimbursement policies which may limit the price that the Company can charge for its products or reduce the demand for them, both of which would have an adverse effect on sales of the Company's products and its financial performance.

Availability of Reimbursements May Affect Market Penetration. In the international market, reimbursement by private third party medical insurance providers, including governmental insurers and providers, varies from country to country. In certain countries, the Company's ability to achieve significant market penetration may depend upon the availability of third party or governmental reimbursement.

Currency Fluctuations May Affect the Company's Revenues. The Company anticipates that an increasing portion of its revenue may be denominated in U.S. dollars or currencies other than Canadian dollars (the currency in which the Company's financial statements are stated). Historically, the Company has recorded a majority of its expenses in Canadian dollars. The Company does not engage in currency hedging activities to limit the risks of exchange rate fluctuations. As a result, changes in the relative value of the Canadian dollar to the U.S. dollar and other foreign currencies will affect the Company's revenues and operating margins. The impact of future exchange rate fluctuations between the Canadian dollar and the U.S. dollar or other foreign currencies on revenues and operating margins cannot be accurately predicted and could have a material adverse effect on the Company's business, financial condition and results of operations.

Possible Volatility of Market Price of Common Stock. The common shares of the Company are currently traded only on the CDNX. The volume of the Company's common shares traded on this exchange is small and the trading history is limited. See "Nature of Trading Market". The trading prices of the Company's common shares may be subject to wide fluctuations in response to a number of factors, including limited public float, the release of insider shares from escrow, variations in operating results, changes in the Company's earnings or earning estimates, announcements of events such as litigation or acquisitions, announcements of technological innovations or new products or services by the Company or its competitors, as well as general economic, political and market conditions. In addition, stock markets may experience extreme price and volume trading volatility with a substantial effect on the market price of securities for reasons unrelated to the operating performance of the specific companies.

Executive Officers and Directors Control the Voting Stock and Can Make Decisions that Could Adversely Affect the Stock Price. As of May 31, 2000, insiders of the Company own a total of 5,801,186 shares of the Company which represents 26.8% of the issued and outstanding shares of the Company (on a non-diluted basis). If these insiders act together, they will have the ability to determine the future membership of the Board and to decisively influence the outcome of corporate decisions requiring shareholder approval. That level of ownership may delay, deter or prevent a change of control of the Company, which may in turn have an adverse effect on the market price of the Company's common shares.

Volume of Shares Eligible For Future Resale May Depress Market Prices. Sales of a substantial number of the Company's common shares into the public market could adversely affect the market price of the common shares. As of May 31, 2000, there were 21,647,633 common shares outstanding. Of the common shares outstanding, 4,634,980 common shares are subject to pooling agreements under which the holders have agreed not to sell the common shares for certain periods, and 100,000 common shares are held in escrow by an escrow agent who will release 25,000 of these shares to Canaccord Capital Corporation after completion of this Offering and the remaining 75,000 shares will be cancelled. The common shares subject to pooling agreements are eligible for release during the period between July 6, 2000 and October 6, 2000. 90,000 shares which were issued for the assignment of an invention are held in escrow and will be released upon the completion of certain milestones (see "Securities of the Company Held in Escrow, In Pool or Subject to Hold Restriction"). The common shares released from escrow will be freely tradable on the CDNX, subject to the rules under Canadian securities legislation relating to sales of securities from a control block, and resale restrictions which may be applicable under Canadian law depending upon the province in which such shareholder resides. The sale in the public market of these Common shares, or the perception that these sales may occur, may depress prevailing market prices of the common stock. These factors may also make it more difficult for the Company to raise funds through future offerings of common stock.

An Established U.S. Public Trading Market for the Company's Securities does not Exist. The Company's common stock does not trade in the United States. On February 2, 2000, the Company received confirmation of acceptance of filing of the Form 20F with the SEC in the United States. As a consequence, the Company is required to file certain disclosure documents and an annual renewal Form 20F with the Securities and Exchange Commission, to maintain the Company in good standing under U.S. securities laws.

Dilutive Effect of Outstanding Options and Warrants. As of May 31, 2000, there were outstanding stock options, warrants and Agent warrants (from a previous public offering) to purchase an aggregate of 3,290,485 shares of common stock (see "Share and Loan Capital Structure"). Upon completion of this Offering, the Company will issue to the Agents a maximum of • Agents' Warrants which, together with the underlying Agents' Unit Warrants, may be exercised for the issuance of up to a maximum of • common shares. In total, the exercise of the foregoing outstanding options and warrants will result in the issuance of • shares. This will dilute the percentage ownership of the Company's stockholders, and any sales in the public market of shares of common stock underlying such securities may adversely affect prevailing market prices for the common stock. Furthermore, the terms upon which the Company will be able to obtain additional equity capital may be adversely affected since the holders of these outstanding securities can be expected to exercise their respective rights therein at a time when the Company would, in all likelihood, be able to obtain any needed capital on terms more favorable to the Company than those provided in such securities.

Management has Broad Discretion as to the Use of Proceeds from this Offering. The Company intends to use the proceeds from this Offering from clinical studies, research and product development, working capital and general corporate purposes, including possible future acquisitions. Management will have broad discretion with respect to the use of proceeds from this Offering. Purchasers will be relying on the judgment of management about these uses. If the Company does not allocate the proceeds of this Offering effectively or use the proceeds beneficially, the business, results of operations and financial condition could suffer.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Private Biomax was incorporated under the laws of the Province of British Columbia in August 1996, and has devoted its resources primarily to fund its research and development programs. In March 1999, through a reverse takeover, Private Biomax legally amalgamated with Vigor, and in April 1999 the shares of the Company started

trading on the CDNX. The Company has been unprofitable since incorporation and has not received revenues from any sources other than consulting revenue and a one-time sale of a spectrometer system. The Company has a cumulative deficit at December 31, 1999 of $4,574,366 and at March 31, 2000 of $5,051,235. Losses are expected to continue for the next several years as the Company invests in product research and development, clinical trials and regulatory compliance.

Review of Operations

The Company does not anticipate significant revenues from product sales in the near future. The Company expects that its primary source of income during this time will be interest income on the research and development funds raised in public offerings.

Selected Financial Information

The following table compiles selected financial information from the audited financial statements and notes of the Company contained in this Prospectus and should be read in conjunction with such statements and the notes thereto:

	Three months ended March 31, 2000	**Year Ended December 31**		
Consolidated Statements of Operations		**1999**	**1998**	**1997**
Sales of Equipment	-	-	$ 121,531	-
Cost of Sales	-	-	$ 88,267	-
Gross Profit	-	-	$ 33,264	-
Expenses				
Research & Development	$ 90,465	$ 556,023	$ 694,236	$ 295,240
Administrative	$ 391,740	$ 1,545,310	$ 853,854	$ 702,765
Total Expenses	$ 482,205	$ 2,101,333	$ 1,548,090	$ 998,005
Other Items	$ (5,336)	$ (30,277)	$ 82,168	$ 47,932
Tax Credit Recovery	$ -	$ 97,784	$ 376,743	$ 111,919
Net Loss	$ (476,869)	$ (2,033,826)	$ (1,055,915)	$ (838,154)

		As at December 31		
Consolidated Balance Sheets	**March 31/00**	**1999**	**1998**	**1997**
Cash & Restricted Cash, Less Bank Debt	1,114,097	$ 19,754	$ 116,990	$ 696,889
Working Capital	871,350	$ [(1)](324,690)	$ 105,028	$ 1,520,358
Proprietary Technology	4,182,209	$ 3,895,697	$ 3,271,987	$ 885,804
Total Assets	5,903,546	$ 4,504,433	$ 4,757,223	$ 3,143,089
Long-term Notes payable	453,000	$ 453,000	-	-
Deficit	5,051,235	$ 4,574,366	$ 2,129,337	$ 1,073,422
Total Shareholders' Equity	4,939,185	$ 3,480,408	$ 3,956,587	$ 2,933,581
Total Shares Issued	18,557,633[(3)]	18,181,118	15,501,118	12,319,860[(2)]

Notes:

(1) At December 31, 1999, the Company had cash and equivalents of $19,754. In February 2000, the Company received proceeds of $1,500,000 from a non-brokered private placement, and $470,644 from the exercise of warrants and options.

(2) Not including 564,910 shares allotted for issuance but not issued as of December 31, 1997.

(3) Not including 3,000,000 shares allotted for issuance but not issued as of March 31, 2000 for a private placement, or 90,000 shares issued in May 2000 for the acquisition of an endoscopic invention.

Expenditures

For the three months ended March 31, 2000 and March 31, 1999

Research and development costs in the Statements of Operations decreased to $90,465 for the three month period ended March 31, 2000 from $174,139 for the same period in 1999. The primary reason for this decrease was the suspension of the Time Since Death project in January 2000 (costs of $105,751 in 1999, $0 in 2000) which allowed the Company to focus more efforts towards the development of the Optical Catheter. The deferred development costs of the Optical Catheter in the first quarter of 2000 were $269,920, compared to $122,457 in 1999.

Administrative expenses in aggregate were substantially the same in March 31, 2000 compared to March 31, 1999, however, management fees decreased from $150,840 in 1999 to $92,265 in 2000. This is due to the combining in 2000 of the CEO and President positions such that one person was engaged as both the CEO and President. The positions of CEO and President were occupied by two different people in 1999. Legal fees increased for the March 31, 2000 period by $30,332. For the March 31, 1999 period, legal fees were directed towards the amalgamation with Vigor and the related costs were classified as Balance Sheet items.

The Company recorded a net loss to March 31, 2000 of $476,869 ($0.03 per share), compared to a loss in 1999 of $445,855 ($0.02 per share).

For the Years ended December 31, 1999 and December 31, 1998

Research and development expenses in the Statements of Operations decreased to $556,023 for the year ended December 31, 1999 from $694,236 in 1998. One reason for the decrease in these expenses is that Management focused more of the Company's efforts and expenditures towards the development of the Optical Catheter. The development costs of the Optical Catheter are being deferred and show as "Proprietary Technology" on the Balance Sheet of the Financial Statements. In 1999, development costs of $681,398 for the Optical Catheter were deferred, which included consulting costs of over $213,000 and wage costs of over $351,000. The decrease in research and development costs in the Statements of Operations is also directly related to the decreased use of outside consultants and research contracts for the non-deferred projects. Partially as a result of moving into a new combined office and research facility, the Company was able to perform more research directly utilizing employees, instead of contracting it out. The Company's R & D consulting costs in the Statement of Operations decreased from $272,868 in 1998 to only $91,907 in 1999.

Administrative expenses increased substantially from $853,854 in 1998 to $1,545,310 in 1999. One major component of the difference is in management fees. In 1998, management fees were foregone, but in 1999, fees were paid to both the CEO and the President, for total fees of $444,254. Consulting fees in 1999 were $190,848, as compared to $112,320 in 1998, as the Company engaged a marketing consultant to assess the market potentials for its various proposed products. Shareholder relations increased from $32,116 in 1998 to $110,757 in 1999, as the Company employed personnel to fulfill the various shareholder and investor obligations relating to a public company.

Other Items in 1999 included a gain of $169,299 for negotiated settlements with several of the Company's creditors, a write down of $181,263 in costs relating to proprietary technology for a suspended project, and a loss on forensic consulting of $47,635. These items are not expected to reoccur.

The Company has been eligible for Revenue Canada's Scientific Research and Experimental Development tax credit program, and recorded a Tax Credit Recovery of $97,784 in 1999, compared to $376,743 in 1998. The Company qualifies for a refund for eligible expenditures only for the period from January 1, 1999 to March 24, 1999, and has calculated a conservative refund for this period. On March 25, 1999, the Company legally became a public company, and as a result is not eligible for refunds for expenditures incurred after that date, although these tax credits may still be applied against future income taxes payable.

The Company recorded a Net Loss in 1999 of $2,033,826 ($0.12 per share), compared to a loss in 1998 of $1,055,915 ($0.07 per share).

For the Years ended December 31, 1998 and December 31, 1997

Research and development expenses listed in the Statement of Operations and detailed in the schedules of Research and Development increased to $694,236 in 1998 from $295,240 in 1997. The Company had increased the remuneration paid to research consultants from $57,944 in 1997 to $272,868 in 1998, as additional outside consultants were engaged to work on the projects. Further, the Company increased research contracts in 1998, which increased costs from $39,192 in 1997 to $33,226 in 1998. The Company also hired more employees, causing the non-deferred research and development salaries to increase from $143,218 in 1997 to $227,341 in 1998.

Administrative expenses increased slightly from $702,765 in 1997 to $853,854. Consulting fees increased from $24,868 in 1997 to $112,320 in 1998, as the Company engaged more consultants to assist with the upcoming amalgamation with Vigor.

The Company recorded a Tax Credit Recovery of $111,919 in 1997, compared to $376,743 in 1998. The larger recovery in 1998 is directly related to the increased eligible expenditures in 1998.

The Company recorded a Net Loss in 1998 of $1,055,915 ($0.07 per share), compared to a loss in 1997 of $838,154 ($0.09 per share).

Revenues

For the three months ended March 31, 2000

There were no revenues for the quarters ended March 31, 2000 and 1999.

"Other Items" includes interest earnings that are earned from short-term investments of funds that will be used in the research and development program. Interest earnings in the first quarter of 2000 were $5,336, with no earnings in 1999. In the first quarter of 1999, the Company had a tax recovery of $89,910 but, as a public company, it is no longer eligible for this refund.

For the Years ended December 31, 1999, December 31, 1998 and December 31, 1997

There were no revenues for the year ended December 31, 1999, compared to $121,531 in 1998. In 1998, a one-time sale of a specialized spectrometer system accounted for the entire revenue amount. There were also no revenues in 1997. Net (loss) or profits from consulting income in each of 1999, 1998, and 1997 respectively were ($47,635), $40,244, and $26,866. As consulting is not the focus of the Company's business, these are shown in the "Other Items" section of the Statements of Operations. Other Items also includes interest earnings that are earned from short-term investments of funds that will be used in the research and development program. Interest earnings in 1999, 1998, and 1997 were $29,322, $41,924, and $21,066 respectively.

Liquidity and Capital Resources

From its incorporation until March 1999, the Company financed its operations primarily through private sales of shares and Revenue Canada's tax credits. To December 31, 1999, the Company had raised net proceeds of $8,054,774 comprised of $6,345,774 issued for cash and $1,709,000 for non-cash share issuances including $1,359,000 for proprietary technology, $250,000 for corporate finance fees, and $100,000 for management fees. In March 1999, the Company raised net proceeds of $1,968,850 through a public share offering. To December 31, 1999, the Company had raised $8,054,774 comprised of $6,345,774 issued for cash and $1,709,000 for non-cash share issuances including $1,359,000 for proprietary technology, $15,000 for corporate finance fees, and $100,000 for management fees.

At December 31, 1999, the Company had cash and equivalents of $19,754. In February 2000, the Company received proceeds of $1,500,000 from a non-brokered private placement, and $470,644 from the exercise of warrants and options. At March 31, 2000, the Company had cash and cash equivalents of $1,114,097. The Company expects that the current funds on hand, together with the proceeds of this offering, should be sufficient to finance its operations and capital needs until at least the middle of the year 2001. The Company's funding needs may vary, however, depending upon a number of factors including progress of the Company's research and development

programs, competing technological or market developments, the various costs associated with completing clinical studies and the related regulatory process costs.

In the future, the Company may need to raise substantial further funds to complete the research and development programs or to establish a manufacturing capability for the resulting products.

PLAN OF DISTRIBUTION

Description of Securities Offered

The Offering consists of • Units to be offered to the public by the Agents at a price of $• per Unit. Each Unit consists of one Share and one-half of one Offering Warrant of the Company. Each whole Offering Warrant entitles the holder to purchase one additional common share of the Company at a price of $• per share for a period of one year from the closing of the Offering.

Appointment of Agents and Offering

By an agreement dated for reference the • day of •, 2000 (the "Agency Agreement"), the Company appointed Haywood Securities Inc., Canaccord Capital Corporation and Pacific International Securities Inc. as its agents to offer a total of • Units to the public through the facilities of the CDNX. The Units will be offered at a price of • per Unit on a day (the "Offering Day") that is within 90 days following the date of the receipt issued by the last of the British Columbia Securities Commission, Ontario Securities Commission and Alberta Securities Commission to do so for this Prospectus as determined by the Agents and the Company, with the consent of the CDNX. The Agents will deliver the net proceeds of the Offering to the Company within ten business days of the Offering Day.

Under the terms of the Agency Agreement, the Company has agreed to pay to the Agents a commission of 8.5% of the gross proceeds of the Offering, payable in cash . The Company has also agreed to issue that number of Agents' Warrants to the Agents equal to 12% of the number of Units sold under the Offering. The price of the Units to the public and the commission to the Agents was established through negotiation between the Company and the Agents. See "Plan of Distribution".

The Company has granted the Agents an option exercisable for 60 days from the date of the closing of the Offering to purchase up to 15% of the Units sold under this Offering, solely to cover over-allotments (the "Over-Allotment Option"), if any, for the same price as set forth on the cover page of this Prospectus. The Agents may exercise the Over-Allotment Option, in full or in part, solely to cover over-allotments made in connection with the sale of the Units offered hereby. This Prospectus qualifies the distribution of the Over-Allotment Option and the Units purchased by the Agents on exercise of the Over-Allotment Option.

The Agents may terminate their obligations under the Agency Agreement at any time before the closing of the Offering if there is an occurrence of any nature that, in the opinion of the Agents, seriously affects or will seriously affect the financial markets, the business of the Company or the ability of the Agents to perform their obligations under the Agency Agreement. The Agents may also terminate their obligations under the Agency Agreement if, in the Agents' opinion, the Units cannot be marketed profitably due to the state of the financial markets.

The Agents reserve the right to offer selling group participation in the normal course of the brokerage business to selling groups of other licensed broker-dealers, brokers and investment dealers, who may or may not be offered part of the commission or Agents' Warrants derived from the Offering.

Agents' Warrants

In further consideration for the Agents offering and selling the Units to the public, the Company will issue to the Agents that number of Agents' Warrants that is equal to 12% of the number of Units sold by the Agents under the Offering. Each Agents' Warrant will entitle the Agents to purchase one Unit (the "Agents' Unit") at a price of $• per Agents' Unit for one year from the closing of the Offering. Each Agents' Unit will consist of one common share and one-half of one share purchase warrant (and "Agents' Unit Warrant"). A whole Agents' Unit Warrant will entitle the

Agents to purchase one additional common share of the Company at a price of $● per share at any time up to one year from the closing of the Offering.

The Agents' Warrants are non-transferable, except in accordance with applicable regulatory rules and policies.

Right of First Refusal

Under the Agency Agreement, the Company will grant the Agents a customary right of first refusal with regards to any equity financing the Company undertakes over the twelve-month period following the date the Offering closes.

General

There are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder or any other person or company in connection with this Offering except as disclosed herein.

DESCRIPTION OF SECURITIES OFFERED

The securities offered for sale pursuant to this Prospectus are Units which consist of Shares and Offering Warrants convertible into common shares.

The common shares of the Company are without par value. The holders of the common shares are entitled to dividends, if, as, and when declared by the board of directors of the Company; to receive those assets distributable to common shareholders upon liquidation, dissolution, or winding up of the Company; and to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company. All of the common shares rank equally as to dividends, voting rights and any distribution of assets on winding up or dissolution. Each common share carries with it the right to one vote.

There are no pre-emptive or conversion rights, and no provision for surrender, sinking or purchase funds. There are no special liquidation rights, subscription rights or redemption provisions. There are no founders, management or deferred shares that carry rights that differ from the rights attached to the common shares.

Provision as to the modification, amendment or variation of the rights attached to the common shares of the Company are contained in the Company's articles of incorporation and the *Company Act* (British Columbia).

USE OF PROCEEDS

Funds Available

The funds that will be available to the Company upon the completion of the Offering are as follows:

Funds Available	**Amount**
Net proceeds of Offering	$4,575,000
Working capital (as of May 31, 2000)	$350,000
Total	$4,925,000

If the Agents exercise the Over-Allotment Option, the Company may receive up to $● net of commission, which will be added to the Company's working capital.

If the Agents exercise the Agents' Warrants in full, the Company will receive up to $●, which will be added to the Company's working capital.

If the Agents exercise the Agents' Unit Warrants in full, the Company will receive up to $●, which will be added to the Company's working capital.

If the Offering Warrants are exercised within 12 months of the Offering, the Company may receive up to $●, which will be added to the Company's working capital.

If directors, officers and employees exercise stock options, the Company may receive additional funds, which will be added to the Company's working capital. See "Share Capital – Options and Other Rights to Purchase Securities".

There are no assurances that the options or warrants described above will be exercised in whole or in part.

Principal Purposes

The Company will spend the funds available to it upon the completion of the Offering to further the Company's stated business objectives (see "Business of the Company - Business Objectives and Milestones"). There may be circumstances where, for sound business reasons, a reallocation of funds is necessary to enable the Company to achieve its stated business objectives. Any material reallocations and the reasons therefore will be disclosed on a timely basis.

Specifically, the Company intends to use the funds available to it upon the completion of the Offering as follows:

Proposed Use	**Amount**
Optical Catheter Project Development(1)	2,110,000
Research & Development, other products(1)	320,000
Capital equipment purchases	200,000
General & Administrative(2)	1,566,880
Unallocated working capital from proceeds	228,120
Estimated working capital on hand at May 31, 2000(3)	350,000
To pay the expenses of this Offering(4)	150,000
TOTAL	**$4,925,000**

(1) See "Business of the Company – Business Objectives and Milestones".

(2) Administrative expenses for 12 months and any additional administrative expenses during such period will be paid for from working capital. See "Business of the Company -- Administration".

(3) Working capital figure does not include the directors' loans of $453,000 which mature May 31, 2001. These loans are expected to be repaid from the proceeds of a subsequent financing.

(4) Offering expenses include legal counsel and auditor fees, Agents' expenses and printing costs incurred in connection with the Offering.

Any proceeds from the exercise of the Offering Warrants, Agents' Warrants, Agents' Unit Warrants or stock options will be used for working capital and to finance ongoing operations of the Company.

Conflicts of Interest

None of the net proceeds of this Offering will be applied, directly or indirectly, for the benefit of the Agents or any party related or connected to the Agents.

SHARE CAPITAL

The Company is authorized to issue 1,000,000,000 common shares without nominal or par value of which 21,647,633 common shares have been issued as fully paid as of May 31, 2000. All shares of the Company rank equally as to voting, and there are no special preference, conversion or redemption rights attached to any of the shares of the Company. A total of 3,090,000 common shares have been issued since the date of the latest financial statements (March 31, 2000) included in this Prospectus.

Existing and Proposed Share Capital

The following represents the Company's share capital both before and after the issuance of the Shares contained in the Units offered hereunder:

Designation of Security	Authorized	Amount Outstanding as of the Financial Statements dated March 31, 2000	Amount Outstanding as of May 31, 2000[(1)]	Amount Outstanding if all Units in the Offering are Sold[(1)]
Common	1,000,000,000	18,557,633	21,647,633	•

(1) Excluding any shares to be issued on the exercise of the Offering Warrants, or any shares to be issued on the exercise of the Agents' Warrants or the underlying Agents' Unit Warrants. After closing of this Offering, the Company will cancel 75,000 of the 100,000 escrow shares issued in the name of Canaccord Capital Corporation (see "Share Capital – Escrowed Shares")

In addition to any shares issued upon the exercise of the Offering Warrants (maximum of • shares), Agents' Warrants (maximum of • shares) and Agents' Unit Warrants (maximum of • shares), further shares may be issued in the capital of the Company as follows:

Type of Offering	Maximum Number of Shares to be Issued	Price per Share	Expiry Date
Agents' Warrants	•	•	•
Agents' Unit Warrants	•	•	•
Public Offering (share purchase warrants)	548,825	$1.4375	March 17, 2001
Public Offering (agent's warrants)	226,660	$1.4375	March 17, 2001
Asset Acquisition (share purchase warrants)	750,000	$2.50	January 31, 2003
Incentive Stock Options (subject to vesting restrictions as per stock option plan)	1,215,000	$1.25	Various dates from March 25, 2004 to May 26, 2004
Incentive Stock Options (subject to vesting restrictions as per stock option plan)	300,000	$0.62	April 27, 2005
Incentive Stock Options	250,000	$0.77	January 25, 2005
TOTAL	**3,290,485**		

There are no assurances that the warrants and options described above will be exercised in whole or in part; therefore, the funds from the warrants and options may not be available to the Company.

Fully Diluted Share Capital

Shares Allotted or Issued	Number of Common Shares	Percentage of Total
Prior to the date of the Prospectus	21,647,633	•%
Offering	•	•%

Shares Allotted or Issued	Number of Common Shares	Percentage of Total
Reserved for Issuance for Over-Allotment Option	•	•%
Reserved for Issuance upon exercise of Offering Warrants	•	•%
Reserved for Issuance upon exercise of Agents' Warrants	•	•%
Reserved for Issuance upon exercise of Agents' Unit Warrants	•	•%
Reserved for Issuance upon exercise of Warrants issued under Over-Allotment Option	•	•%
Escrow shares to be cancelled after closing of Offering	(75,000)	•%
Reserved for future issuance pursuant to terms of other existing securities	3,290,485•	•%
Total	•	**100.00%**

Escrowed Shares

A total 100,000 shares which were issued to Canaccord Capital Corporation ("Canaccord"), the Company's agent during its April 1999 public offering, are held in escrow. After closing of this Offering, 25,000 of these shares will be released to Canaccord and the remaining 75,000 shares will be cancelled.

Pursuant to the terms and conditions of an Assignment Agreement, as amended, the Company has issued 90,000 common shares to Nicholas B. MacKinnon (see "–Acquisitions and Dispositions") as consideration for the assignment to the Company of the rights to a certain invention. These shares have been placed in escrow and will be released upon the following conditions:

(a) 15,000 shares will be released upon the completion of an independent market analysis of the acceptance of the invention, and no later than January 1, 2001;

(b) 25,000 shares will be released upon the establishment of proof that the invention works as described and will meet the customer requirements developed as a result of the market study and can be manufactured at a reasonable cost, and no later than January 1, 2001; and

(c) 50,000 shares will be released upon the invention receiving regulatory approval in any jurisdiction allowing the manufacture and release for sale by the Company.

In the event that any of the milestones listed above is not achieved within the stated time limit, then any shares not released from escrow will be returned to the Company for cancellation.

Hold Restrictions

None of the Company's issued securities are currently subject to any hold periods as imposed by the British Columbia *Securities Act* or CDNX.:

Pooled Shares

As of May 31, 2000, there were 21,647,633 common shares outstanding. Of the common shares outstanding, 4,634,980 common shares are currently subject to voluntary pooling agreements under which the holders have

agreed not to sell the common shares for certain periods. The common shares subject to voluntary pooling agreements are eligible for release during the period between July 6, 2000 and October 6, 2000. The common shares released from the pooling agreements will be freely tradable on the CDNX subject to the rules under Canadian securities legislation relating to sales of securities from a control block, resale restrictions which may be applicable under Canadian law depending upon the province in which such shareholder resides, and the terms of the voluntary pooling agreements.

The dates that shares are eligible for release from the voluntary pooling agreements are as set out below.

Date	Aggregate number of Shares Eligible for Release
July 6, 2000	2,317,490
October 6, 2000	2,317,490
Total	**4,634,980**

PRIOR ISSUANCES OF SHARES

During the financial year of the Company ending December 31, 1999 and the five month period ending May 31, 2000, the Company issued the following common shares for the consideration specified:

Reason for Issuance	Date of Issuance	No. of Shares	Consideration Paid Per Share
Exchange Offering Prospectus	March 26/1999	1,840,000	$1.25
Exchange of shares for prior shares of Private Biomax	March 26/1999	15,501,118	aggregate of $6,085,924
Escrow Shares issued to Canaccord Capital Corporation	March 26/1999	100,000	$1.25
Amalgamation with Vigor	April 16/1999	740,000	nil
Exercise of warrants	Feb. 14/2000	10,000	1.25
Exercise of stock options	Feb. 18/2000	7,500	$1.25
Exercise of agent's warrants	Feb. 18/2000	2,000	$1.25
Exercise of agent's warrants	Feb. 21/2000	15,500	$1.25
Exercise of warrants	Feb. 22/2000	25,750	$1.25
Exercise of agent's warrants	Feb. 23/2000	100	$1.25
Exercise of agent's warrants	Feb. 24/2000	500	$1.25
Exercise of agent's warrants	Feb. 28/2000	500	$1.25
Exercise of warrants	Feb. 29/2000	4,250	$1.25
Exercise of agent's warrants	March 2/2000	14,000	$1.25
Exercise of warrants	March 3/2000	16,250	$1.25
Exercise of warrants	March 6/2000	11,000	$1.25
Exercise of warrants	March 7/2000	2,500	$1.25
Exercise of warrants	March 8/2000	25,500	$1.25
Exercise of agent's warrants	March 8/2000	2,000	$1.25

Reason for Issuance	Date of Issuance	No. of Shares	Consideration Paid Per Share
Exercise of stock options	March 9/2000	12,500	$1.25
Exercise of agent's warrants	March 9/2000	5,000	$1.25
Exercise of warrants	March 10/2000	3,200	$1.25
Exercise of warrants	March 13/2000	2,500	$1.25
Exercise of warrants	March 14/2000	12,000	$1.25
Exercise of warrants	March 15/2000	29,200	$1.25
Exercise of warrants	March 16/2000	101,020	$1.25
Exercise of warrants	March 17/2000	73,745	$1.25
Issuance of private placement shares	May 11, 2000	3,000,000	$0.50
Asset Acquisition	May 17, 2000	90,000	$1.11 (deemed price)
TOTAL		**21,647,633**	

NATURE OF TRADING MARKET

The Company's common shares are currently listed and posted for trading on the CDNX. The following table summarizes the Company's trading history for the past 12 months on a quarterly basis:

Period	Low	High	Close	Volume
April – June 1999	$0.70	$1.20	$0.76	1,372,898
July – Sept. 1999	$0.50	$0.75	$0.65	977,793
Oct. – Dec. 1999	$0.30	$0.65	$0.35	504,461
Jan. – March 2000	$0.30	$2.45	$1.15	5,780,300
April 1 – June 14, 2000	$0.50	$1.55	$0.55	789,095

OPTIONS TO PURCHASE AND AGREEMENTS TO ISSUE SECURITIES

Stock Option Plan

The Company has adopted an incentive stock option plan (the "Option Plan"), which authorizes the Company to grant incentive stock options to the directors, officers, employees and consultants of the Company in accordance with the terms of the Option Plan and the rules and policies of the relevant regulatory authorities.

Effective and Termination Dates

The Option Plan is effective March 26, 1999 and will terminate 10 years from its effective date.

Number of Shares Reserved under Option Plan

There are currently 1,765,000 options granted under the Option Plan and 2,564,527 options are available to be granted.

The number of shares reserved for issuance to any one person other than a consultant at any time cannot exceed 5% (or 2% in the case of a consultant) of the outstanding shares of the Company at the time of grant (on a non-diluted

basis) less the total number of shares reserved for issuance to that person under any other share compensation arrangement with the Company.

Option Committee

The Option Plan will be administered by the Board of Directors or a committee of the Board of Directors (the "Option Committee"). The Option Committee will consist of not less than three members of the Board of Directors.

Description of the Option Plan

The exercise price of any options granted must be not less than the average of the closing market prices of the shares on the CDNX for the 10 trading days immediately preceding the date of grant.

So long as the Company is classified as a Tier 2 Issuer (previously referred to as a "Venture Company") on the CDNX, options under the Option Plan will be granted for a term not exceeding five years from the date of their grant and, subject to certain exceptions in the Option Plan relating to death, divorce or disability of the optionee, the options will be non-assignable and non-transferable. The options will be subject to cancellation if the optionee ceases to act in a designated capacity.

Any new options granted under the Option Plan will be subject to a four-month hold period from the date the options are granted as required by CDNX policy.

In addition, so long as the Company is classified as a Tier 2 Issuer on the CDNX, options granted under the Option Plan will be subject to a vesting schedule under which not more than 50% of the initial total number of options granted to an optionee may vest in any 12 month period on a cumulative basis.

Amendment of the Option Plan

Subject to the receipt of necessary regulatory approval, the Option Committee may amend the terms of the Option Plan. Shareholders' approval will be required, however, for certain material amendments, such as an increase in the maximum number of common shares issuable under the Option Plan, material modifications to the eligibility requirements for participation in the Option Plan or material increases in benefits accruing to optionees under the Option Plan.

Current Outstanding Stock Options

The following table provides a breakdown of the stock options granted by the Company which are outstanding as of the date of this Prospectus:

Name of Optionee	Date Granted	Number of Shares[(1)]	Exercise Price ($)	Expiry Date ($)
Richard Barnett	March 25, 1999	30,000	1.25	March 25, 2004
Courtney Brown	March 25, 1999	10,000	1.25	March 25, 2004
Jonathan Burke[(2)]	May 25, 1999	25,000	1.25	May 25, 2004
Ron Carere	March 25, 1999	20,000	1.25	March 25, 2004
Lynda Cronin	March 25, 1999	10,000	1.25	March 25, 2004
Aynul Dharas	March 25, 1999	30,000	1.25	May 29, 2000
Alexei Doudkine	March 25, 1999	20,000	1.25	March 25, 2004
Shaun Granleese	March 25, 1999	40,000	1.25	March 25, 2004
Terence Gilhuly	March 25, 1999	20,000	1.25	March 25, 2004
Hans Knapp	March 25, 1999	22,500	1.25	May 29, 2000
Brian Lock	March 25, 1999	120,000	1.25	March 25, 2004
	January 25, 2000[(3)]	250,000	0.77	January 25, 2005
Samuel V. Lichtenstein	March 25, 1999	37,500	1.25	March 25, 2004
Harvey Lui	March 25, 1999	40,000	1.25	March 25, 2004
Calum E. MacAulay	March 25, 1999	50,000	1.25	March 25, 2004
Bruce M. McManus	March 25, 1999	50,000	1.25	March 25, 2004
David Morgan	March 25, 1999	40,000	1.25	March 25, 2004
John B. O'Connell	March 25, 1999	50,000	1.25	March 25, 2004

Name of Optionee	Date Granted	Number of Shares[1]	Exercise Price ($)	Expiry Date ($)
Elizabeth A. Robson	March 25, 1999	40,000	1.25	May 29, 2000
Jack M. Saladow	March 25, 1999	40,000	1.25	March 25, 2004
David W. Smalley	March 25, 1999	40,000	1.25	March 25, 2004
Eldon R. Smith	March 25, 1999	50,000	1.25	March 25, 2004
W. Keith Smith	March 25, 1999	50,000	1.25	March 25, 2004
Christopher R. Thompson	March 25, 1999	70,000	1.25	March 25, 2004
Thomas C. Thompson	March 25, 1999	100,000	1.25	March 25, 2004
	April 27, 2000[4]	300,000	0.62	April 27, 2005
Casey van Breemen	March 25, 1999	20,000	1.25	May 29, 2000
Peter Whitehead	March 25, 1999	70,000	1.25	March 25, 2004
Janet Wilson-McManus	March 25, 1999	30,000	1.25	May 29, 2000
Christopher Wright	March 25, 1999	50,000	1.25	March 25, 2004
Haishan Zeng	March 25, 1999	40,000	1.25	March 25, 2004
Total		1,765,000		

(1) With the exception of the 250,000 stock options granted to Brian Lock on January 25, 2000 and the 25,000 stock options granted to Jonathan Burke, all of the above stock options are subject to the following vesting schedule:

By July 6, 1999, 25% of the optioned shares may be purchased.
By April 6, 2000, 50% of the optioned shares may be purchased.
By April 6, 2001, 75% of the optioned shares may be purchased.
By April 6, 2002 100% of the optioned shares may be purchased.

(2) The 25,000 stock options granted to Jonathan Burke are subject to the following vesting schedule:

By August 25, 1999, 25% of the optioned shares may be purchased.
By May 25, 2000, 50% of the optioned shares may be purchased.
By May 25, 2001, 75% of the optioned shares may be purchased.
By May 25, 2002 100% of the optioned shares may be purchased.

(3) The 250,000 stock options granted to Brian Lock on January 25, 2000 are subject to the following vesting schedule.

By January 25, 2001 100% of the optioned shares may be purchased.

(4) The 300,000 stock options granted to Thomas C. Thompson on April 27, 2000 are subject to the following vesting schedule:

By July 27, 2000, 25% of the optioned shares may be purchased.
By April 27, 2001, 50% of the optioned shares may be purchased.
By April 27, 2002, 75% of the optioned shares may be purchased.
By April 27, 2003 100% of the optioned shares may be purchased.

Agents' Warrants

The Company has granted to the Agents that number of non-transferable Agents' Warrants equal to 12% of the number of Units sold by the Agents under the Offering. Each Agents' Warrant will entitle the Agents to purchase one Agents' Unit at a price of $● per Agents' Unit for one year from the closing of the Offering. Each Agents' Unit will consist of one common share and one-half of one Agents' Unit Warrant. A whole Agents' Unit Warrant will entitle the Agents to purchase one additional common share of the Company at a price of $● per share at any time up to one year from the closing of the Offering. The Agents' Warrants are being issued in further consideration of the Agents offering and selling the Units to the public.

This Prospectus qualifies the issuance of the Agents' Warrants. The Agents may sell any of the common shares which they may acquire on the exercise of the Agents' Warrants or the Agents' Unit Warrants at the market price prevailing at the time of the sale without further qualification.

There are no assurances that the stock options and Agents' Warrants and Agents' Unit Warrants described above will be exercised in whole or in part and therefore the funds from the stock options and Agents' Warrants and Agents' Unit Warrants may not be available to the Company.

The market value of the securities under option on the date of grant and as of the date of this Prospectus is not reasonably ascertainable. The options, Agents' Warrants and the Agents' Unit Warrants are subject to adjustment in the event of capital alteration, other than an increase in issued or authorized capital, and upon listing, the stock options are subject to adjustment with the present requirements of the CDNX.

Other Agreements to Issue Securities

Asset Acquisition Warrants

On January 31, 1998, Biomax issued an aggregate of 750,000 share purchase warrants to Dr. Harvey Lui, Dr. David McLean, Dr. Haishan Zeng, Dr. Calum MacAulay, Dr. Branko Palcic and G6 Science Corp. as partial consideration for an acquisition of the shares of DTI. Each share purchase warrant entitles the holder to acquire one common share for an exercise price of $2.50 and such warrants expire on January 31, 2003. To date, none of these warrants have been exercised.

Public Offering Warrants

Pursuant to an Exchange Offering Prospectus dated February 9, 1999, the Company completed a brokered public offering of 1,740,000 units. Each unit consisted of one common share and one-half share purchase warrant for a total of 870,000 warrants.

As of May 31, 2000, there are currently 548,825 outstanding share purchase warrants which were issued as part of the units under this public offering. Each warrant entitles the holder to purchase one common share at a price of $1.4375 up to March 17, 2001.

As part of this public offering, the Company also issued 261,000 share purchase warrants to the agent (Canaccord Capital Corporation) of which 226,660 are outstanding. Each agent's warrant entitles the holder to purchase one common share at a price of $1.4375 up to March 17, 2001.

DIRECTORS, OFFICERS AND PROMOTERS

Name, Municipality of Residence, Occupation and Securityholding

The name and municipality of residence of each of the directors, officers and promoters of the Company and its material subsidiaries, their current positions with the Company and its material subsidiaries (see Business of the Company – Subsidiaries) the principal occupations in which they have been engaged during the immediately preceding five years and the number of common shares of the Company that they owned as of May 31, 2000 are as follows.

The Company and its Subsidiaries:

Name, Municipality of Residence and Position	Principal Occupation	Number of Shares Owned[(1)(2)]	% Owned After Offering
John B. O'Connell Detroit, MI, USA *Director, Vice-Chairman of the Board of the Company* *Director of Biomax Product Development (Barbados) Inc.* *Director of Biomax Technologies (Barbados) Inc.*	1997 to present: Chairman, Department of Internal Medicine and Professor of Medicine, Wayne State University, Detroit, MI, USA; Physician-in-Chief, Detroit Medical Center, Detroit, MI, USA; 1991-1996: Chairman and Professor of Medicine, Department of Medicine, University of Mississippi Medical School, Jackson, MS, USA; Consultant, Veterans Affairs Medical Center, Jackson, MS, USA	163,620[(3)]	•
Eldon R. Smith Calgary, Alberta *Director, Vice-Chairman of the Board of the Company*	1997 to present: Professor of Medicine, Faculty of Medicine, The University of Calgary; 1995 to present: Consultant to biotechnology industry; 1992–1997: Dean, Faculty of Medicine, The University of Calgary, Calgary, AB	105,000[(4)]	•
Brian Lock[(8)] Maple Ridge, B.C. *Director, Chairman of the Board and Promoter of the Company* *Director and CEO of DTI* *Director and Vice-President of Biomax Product Development (Barbados) Inc.* *Director and Vice-President of Biomax Technologies (Barbados) Inc.*	See "Management and Directors"	4,137,935[(5)]	•
Thomas C. Thompson[(8)] Vancouver, B.C. *Director, President and CEO of the Company*	See "Management and Directors"	Nil[(11)]	Nil
Christopher Thompson West Vancouver, B.C. *Director and Chief Science Officer of the Company*	See "Management and Directors"	225,833	•
Jack M. Saladow Laguna Niguel, CA *Vice President of Marketing of the Company*	See "Management and Directors"	Nil	Nil

Name, Municipality of Residence and Position	Principal Occupation	Number of Shares Owned[(1)(2)]	% Owned After Offering
W. Keith Smith[(8)] Pittsburgh, PA, USA *Director of the Company* *Director of Biomax Technologies (Barbados) Inc.*	1987 to present: Vice Chairman and director (retired) of Mellon Bank Corporation, Pittsburgh, PA, USA	175,000	•
Richard Barnett Port Moody, B.C. *Chief Financial Officer of the Company*	See "Management and Directors"	70,000[(6)]	•
Christopher Wright North Vancouver, B.C. *Director of the Company*	May 1998 to present: Director of Morocco Explorations Inc.; August 1997 to present: Director of Vigor and Load Resources Ltd., both of Vancouver, B.C., and Chairman of the Board of Can West Exploration Inc., Calgary, AB; December 1995 to present: Chairman of the Board of Velvet Exploration Co. Ltd.; December 1994 to present: CEO of Jade International Group Ltd.; May 1991 to December 1994: VP and General Manager of Forfare Management Ltd., Vancouver, B.C.	71,464	•
Jonathan E. Burke Vancouver, B.C. *Corporate Secretary of the Company*	See "Management and Directors"	4,000	•
Andrew Thornhill Bridgetown, Barbados *Director and President of Biomax Product Developments (Barbados) Inc.* *Director and President of Biomax Technologies (Barbados) Inc.*	*1996 to present:* lawyer and partner (as of 1998) of George Payne & Co.; *1993 to 1995:* law student at Hugh Wooding Law School, Tunapuna, Trinidad; *1989 to 1993:* Legal Officer of Concorde Bank Limited	Nil	Nil
Harvey Lui Vancouver, B.C. *Director, President of DTI*	*1997 to present:* Assistant professor, UBC; *1992 to present:* Medical Director, Lions Laser Skin Care Centre; *1994 to present:* Medical Director, The Skin Care Centre, Vancouver Hospital and Health Sciences Centre	250,000[(7)]	•
Calum E. MacAulay Vancouver, B.C. *Secretary of DTI*	See "Scientific Advisory Board"	338,534[(9)]	•

Name, Municipality of Residence and Position	Principal Occupation	Number of Shares Owned[(1)(2)]	% Owned After Offering
GDA International Trustees Inc. [(10)] *Corporate Secretary of Biomax Product Developments (Barbados) Inc.* *Corporate Secretary of Biomax Technologies (Barbados) Inc.*	N/A	Nil	Nil
David W. Smalley Burnaby, B.C. *Director of Biomax Technologies (Barbados) Inc.*	*1990 to Present:* Lawyer and Partner of Fraser & Company.	259,800[(11)]	•

(1) The common shares owned are subject to resale restrictions as described in "Share Capital - Resale Restrictions".
(2) For stock options held by these individuals, see "Share Capital - Incentive Stock Options".
(3) All of these shares are registered in the name of the John B. O'Connell Revocable Trust, of which John B. O'Connell is the trustee and his wife and children are the beneficiaries.
(4) A total of 15,000 of these shares are registered in the name of Eldon R. Smith Prof. Corp., a company wholly owned by Eldon R. Smith.
(5) Of the total shares held by Brian Lock, 4,121,935 shares are registered in the name of Brigill Investments Ltd., a company wholly owned by Brian Lock and 16,000 shares are registered in the name of 466989 BC Ltd., a company wholly owned by Brian Lock. The remaining 44,000 shares are held indirectly by Brian Lock.
(6) A total of 22,000 of these shares are registered in the name of Jenrich Operations Ltd., a company 20% owned by Richard Barnett.
(7) Dr. Lui also owns 150,000 warrants. See "Share Capital – Options and Other Rights to Purchase Securities – Outstanding Shareholder Warrants".
(8) Member of Audit Committee.
(9) A total of 43,600 of these shares are held by Calum MacAulay in trust for the BCCA. In addition to the shares noted above, Mr. MacAulay also owns 150,000 warrants. See "Share Capital – Options and Other Rights to Purchase Securities – Outstanding Shareholder Warrants".
(10) The principals of GDA International Trustees Inc. are: Dale Dermont Marshall and Andrew Vandroy Thornhill.
(11) Mr. Smalley is a director and minority shareholder of Alder Administrative Services Ltd. which holds 165,000 common shares of the Company.
(12) On January 10, 1999, Brigill Investments Ltd., a company controlled by Brian Lock (at the time a director and Chief Executive Officer of the Company), granted to Thomas Thompson (at the time a director, President and Chief Operating Officer of the Company), an option to acquire 300,000 of those shares owned by Brigill Investments Ltd. at an exercise price of $0.325 per share. On January 10, 1999, 564064 B.C. Ltd., a company wholly owned by Peter Whitehead (at the time a director and Vice President of the Company), granted to Thomas Thompson an option to acquire 400,000 of those shares owned by 564064 B.C. Ltd. at an exercise price of $0.325 per share. Both of these options are not transferable and expire on January 9, 2004. The Company will not receive any of the proceeds of this sale. To date, no portion of this private stock option has been exercised.

Aggregate Ownership Of Securities

Upon the successful completion of this Offering, the insiders of the Company, as a group, will beneficially own, directly or indirectly, 5,801,186 common shares, being •% of the issued and outstanding common shares after giving effect to the Offering but prior to the exercise of the Agents' Warrants, the Agents' Unit Warrants and the Offering Warrants.

The directors, officers and promoters of the Company and its subsidiaries, as a group, beneficially hold 1,265,000 incentive stock options.

Other Reporting Issuers

The following table sets out other reporting issuers with whom the directors and officers of the Company have been involved in the past five years:

Name	**Name of Reporting Issuer**	**Position**	**Period**
Brian Lock	Manhattan Minerals Corp. NTS Computer Systems Ltd. The Electric Mail Company Inc.	Director Director Director	1990 to Present 1994 to Present 1996 to Present
Eldon R. Smith	Canadian Natural Resources Ltd. Vasogen Inc.	Director Senior Officer & Director	1997 to Present 1997 to Present
Thomas Thompson	Quest Medical Inc.	President, CEO & Director	1979 to 1997
W. Keith Smith	Mellon Bank Corporation Dentsply International Inc. PPL Corporation	Vice-Chairman (retired) Director Director Director	1987 to Present 1991 to Present 2000 to Present
Christopher Wright	Pillon Investments Ltd. Jade International Group Ltd. Velvet Exploration Co. Ltd. Vigor Resources Ltd. Load Resources Ltd. Can West Exploration Inc. Morocco Explorations Inc.	President CEO Chairman Director Director Chairman Director Chairman	1986 to 1991 1994 to Present 1995 to Present 1997 to Present 1997 to Present 1997 to Present 1998 to Present
Richard Barnett	UKT Recycling Technologies	Director	1999 to Present
Jonathan Burke	SP Scientific	Director	1999 to April, 2000 (not currently a director)

Corporate Cease Trade Orders Or Bankruptcies

No director, officer, promoter or other member of management of the Company is, or within the five years prior to the date of this Prospectus has been, a director, officer or promoter of any other issuer that, while that person was acting in that capacity, was

(a) the subject of a cease trade or similar order or an order that denied the company access to any statutory exemptions for a period of more than 30 consecutive days, or

(b) declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

Within the past 10 years, none of the directors, officers or promoters of the Company has been the subject of any penalties or sanctions by a court or a securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

Individual Bankruptcies

No director, officer, promoter or other member of management of the Company has, within the five years prior to the date of this Prospectus, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Certain of the directors of the Company serve as directors of companies that have entered into contracts with the Company, and to such extent, a conflict of interest exists. In accordance with the laws of the Province of British Columbia, directors are required to act honestly, in good faith and in the best interests of the Company. In addition, directors in a conflict of interest position are required to disclose such conflicts to the Company and will not be qualified to vote at meetings on resolutions that evoke any such conflict.

Set forth below are the Company's directors and officers who are also directors and officers of other entities which may create a conflict of interest as described:

> Christopher R. Thompson is a Clinical Associate Professor, Division of Cardiology, Department of Medicine, University of British Columbia, a Director of the Cardiac Echo Laboratory and a Director of Clinical Cardiology Research at St. Paul's Hospital and a Director of St. Paul's Hospital Foundation. St. Paul's hospital has provided services to Biomax and may continue to provide services to the Company. His interest in St. Paul's Hospital has the potential of creating a conflict with his duty and interest as a director and an officer of the Company.

As a result, there may be situations that involve a potential conflict of interest. In that event, the interested directors will not be qualified to vote at meetings on resolutions that evoke any such conflict.

INDEBTEDNESS OF DIRECTORS, OFFICERS, PROMOTERS AND OTHER MANAGEMENT

None of the directors or senior officers of the Company, or any associate or affiliate of the Company, is or has been indebted to Private Biomax, Vigor or the Company at any time during the preceding financial year or the five months ended May 31, 2000 except as disclosed in "Executive Compensation".

PRINCIPAL HOLDERS OF SECURITIES

To the knowledge of the Directors and Senior Officers of the Company, the following currently hold, directly or indirectly, more than 10% of the voting securities of the Company, as of May 31, 2000.

Shareholder	Number of Securities	Percentage of Issued Share Capital Prior to Offering[(1)]	Percentage of Issued Share Capital after the completion of this Offering[(1)]
Brian Lock, Chairman of the Board of Directors	4,137,935 common[(2)]	19.1%	●%
Insiders of the Company as a group (10 persons)[(3)]	5,801,186 common	26.8%	●%

(1) Before giving effect to the issuance of ● shares underlying the conversion of the Offering Warrants, the Agents' Warrants, the Agents' Unit Warrants and the exercise of any other outstanding warrants, incentive stock options and asset acquisition shares. Also before giving effect to the private stock options granted to Thomas Thompson by Brian Lock and Peter Whitehead on their shares. See footnote (10) to table under "Directors, Officers and Promoters – The Company and its Subsidiaries".

(2) In addition to the above shares, Brian Lock also has warrants to purchase an additional 108,275 shares at a price of $1.4375 and incentive stock options to purchase a total of 370,000 shares (250,000 at $0.77 and 120,000 at $1.25). In the event that Brian Lock exercises all of his outstanding warrants and options, his total shareholdings in the Company would increase to 4,616,210 which would represent ●% of the Company's issued shares after giving effect to the warrant and option exercise (based on then issued shares of ●).

(3) Includes Brian Lock.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table summarizes the compensation paid to the CEO and the four most highly compensated executive officers (the "Named Executive Officers") of Biomax during the 12 month period ended December 31, 1997, the 12 month period ended December 31, 1998, the 12 month period ended December 31, 1999 and the 5 month period ended May 31, 2000 ("05/2000") for services rendered to Biomax.

		Annual Compensation			Long –Term Compensation			
					Awards		Payouts	
Name and Principal Position	**Period**	**Salary($)**	**Bonus for the Year ($)**	**Other Annual Compen-sation**	**Securities Under Options/ SARs Granted (#)**	**Restricted Shares/ Units Awarded (#)**	**LTIP Payouts ($)**	**All Other Compen-sation ($)**
Thomas Thompson	1997	Nil	Nil	Nil	Nil	Nil	Nil	Nil
President and CEO	1998	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	1999	244,000	Nil	Nil	100,000	Nil	Nil	Nil
	05/2000	121,600	Nil	Nil	300,000	Nil	Nil	Nil
Brian Lock	1997	Nil	Nil	Nil	Nil	Nil	Nil	100,000[(1)]
Chairman & former	1998	Nil	Nil	Nil	Nil	Nil	Nil	Nil
CEO	1999	200,000	Nil	Nil	120,000	Nil	Nil	Nil
	05/2000	Nil	Nil	Nil	250,000	Nil	Nil	Nil
Jack Saladow	1997	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Vice-President of	1998	Nil	Nil	Nil	Nil	Nil	Nil	93,837
Marketing	1999	Nil	Nil	Nil	40,000	Nil	Nil	103,256
	05/2000	Nil	Nil	Nil	Nil	Nil	Nil	45,400
Dr. David Morgan	1997	10,417	Nil	Nil	Nil	Nil	Nil	Nil
Project Manager,	1998	50,000	Nil	Nil	Nil	Nil	Nil	Nil
Optical Catheter	1999	80,113	Nil	Nil	40,000	Nil	Nil	Nil
Project	05/2000	33,333	Nil	Nil	Nil	Nil	Nil	Nil
Jonathan Burke	1997	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Investor Relations	1998	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Director	1999	Nil	Nil	Nil	25,000	Nil	Nil	59,364
Corporate Secretary	05/2000	18,750	Nil	Nil	Nil	Nil	Nil	15,048

(1) This compensation was paid in the form of 200,000 shares of Biomax that were issued at a deemed price of $0.50 per share. See also "Related Party Transactions" in this section for details of certain fees, interest payments and interest free loans which Mr. Lock has received indirectly through Brigill Investments Inc. and Proton International Engineering Corporation.

Options/SAR Grants During the Most Recently Completed Financial Year

The following Incentive Stock Options were granted during the most recently completed financial year:

Options Granted to Directors and Officers During 1999 Financial Year

Name	**Securities Under Options/SARs Granted (#)**	**% of Total Options/SARs Granted to Employees in Financial Year ended Dec 31/99[(1)]**	**Exercise or Base Price ($/Security)**	**Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)**	**Expiration Date**
Samuel V. Lichtenstein[(2)]	50,000	3.31%	$1.25	$1.25	March 25, 2004
Brian Lock	120,000	7.95%	$1.25	$1.25	March 25, 2004
Calum E. MacAulay[(2)]	50,000	3.31%	$1.25	$1.25	March 25, 2004
David I. McLean[(2)]	50,000	3.31%	$1.25	$1.25	March 25, 2004

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year ended Dec 31/99[(1)]	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)	Expiration Date
Bruce M. McManus[(2)]	50,000	3.31%	$1.25	$1.25	March 25, 2004
Thomas C. Thompson	100,000	6.62%	$1.25	$1.25	March 25, 2004
Christopher R. Thompson	70,000	4.64%	$1.25	$1.25	March 25, 2004
John B. O'Connell	50,000	3.31%	$1.25	$1.25	March 25, 2004
David W. Smalley	40,000	2.65%	$1.25	$1.25	March 25, 2004
Eldon R. Smith	50,000	3.31%	$1.25	$1.25	March 25, 2004
W. Keith Smith	50,000	3.31%	$1.25	$1.25	March 25, 2004
Peter Whitehead[(2)]	70,000	4.64%	$1.25	$1.25	March 25, 2004
Christopher Wright	50,000	3.31%	$1.25	$1.25	March 25, 2004
Haishan Zeng[(2)]	40,000	2.65%	$1.25	$1.25	March 25, 2004
Jack M. Saladow	40,000	2.65%	$1.25	$1.25	March 25, 2004
Jonathan E. Burke	25,000	1.66%	$1.25	$1.25	March 25, 2004
Richard Barnett	30,000	1.99%	$1.25	$1.25	March 25, 2004
TOTAL	**835,000**				

(1) Based on a total of 1,510,000 options granted by the Company during fiscal 1999 to all directors, officers, employees and consultants of the Company.

(2) These persons were formerly directors and officers of the Company during fiscal 1999. They do not currently hold any position as a director or officer. However, certain of these persons are currently consultants to the Company and have therefore retained their stock options.

Options Granted to Directors and Officers
During the Five Month Period ended May 31, 2000

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Five Month Period ended May 31/00	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)	Expiration Date
Brian Lock	250,000	45.45%	$0.77	$0.77	January 25, 2005
Thomas C. Thompson	300,000	54.55%	$0.62	$0.77	April 27, 2005
TOTAL	550,000				

Aggregated Options Exercised by Directors and Officers During 1999 Financial Year

There were no exercises of stock options by any of the persons who served as Directors and Officers during the 1999 financial year. The closing price of the Company's shares as of December 31, 1999 was $0.39 and therefore none of the then outstanding options were "in-the-money".

Aggregated Options Exercised by Directors and Officers During the Five Month Period ended May 31, 2000

There were no exercises of stock options by any of the persons who served as Directors and Officers during the five month period ended May 31, 2000. The closing price of the Company's shares as of May 31, 2000 was $0.57 and therefore none of the outstanding stock options held by Directors and Officers of the Company as of that date were "in-the-money".

During the most recently completed financial year ended December 31, 1999 and the 5 month period ended May 31, 2000, the Company did not make any long-term incentive plan awards to its directors, officers or employees.

During the most recently completed financial year ended December 31, 1999 and the 5 month period ended May 31, 2000, the Company did not have a pension plan for its directors, officers or employees.

During the most recently completed financial year ended December 31, 1999 and the 5 month period ended May 31, 2000, no other compensation was paid or is payable by the Company to its directors and executive officers as compensation for acting as directors and executive officers.

Related Party Transactions

The following acquisitions of assets or services from the directors, senior officers or principal holders of securities of Biomax have occurred since August 1996:

- Biomax entered into an agreement in 1999 with the Vancouver Hospital to fund research and clinical trials relating to the SCD-1 System totaling $70,894. David McLean is a former director of Biomax and is currently a senior employee of the Vancouver Hospital. A payment of $20,000 was made in 1999, with a further $20,000 paid in the first quarter of 2000.

- Biomax entered into an agreement with the University of British Columbia ("UBC") in 1999 relating to the use of the Optical Catheter technology to fund large-animal studies totaling $24,717. Bruce McManus is a former director of Biomax and is currently a senior employee of UBC. A payment of $12,358 was made in 1999, and the balance of $12,358 was paid in the first quarter of 2000.

- Biomax entered into a collaborative contract with the BC Cancer Agency in 1999 working on the Company's PDT project with a total commitment of $35,818. Calum MacAulay is a former director of Biomax and is currently a senior employee of BC Cancer Agency. A payment of $20,776 was made in 1999, and the balance of $15,044 was made by March 31, 2000.

- Biomax accrued management fees owed to Brigill Investments Inc. ("Brigill"), a corporation controlled by Brian Lock, a director and officer of Biomax, as follows: $60,000 for the period ended December 31, 1996 and $40,000 for the year ended December 31, 1997. During 1997, Biomax issued 200,000 shares to Brigill at a deemed price of $0.50 per share to settle the management fees accrued in 1996 and 1997. In addition, during 1997, Biomax incurred fees of $7,000 to Brigill for accounting services. During 1998 Biomax incurred additional fees of $49,414 to Brigill for accounting and related services.

- David Smalley, a former officer of Biomax, is a partner of Fraser and Company, a law firm that provides legal services to Biomax. Biomax paid Fraser and Company the following amounts for legal services rendered during the following periods: $20,760 for the period from Biomax's incorporation to December 31, 1996; $55,682 for the year ended December 31, 1997; $58,220 for the year ended December 31, 1998, and $65,874 for the year ended December 31, 1999 and $21,384 to March 31, 2000.

- Biomax reimbursed Proton International Engineering Corporation ("Proton"), a corporation controlled by Brian Lock, in 1996 for the cost of capital assets purchased on Biomax's behalf in the amount of $4,752. Proton charged a 5% administration fee to Biomax for this transaction. In addition, during the seven months ended July 31, 1998, Biomax incurred fees of $22,890 to Proton for research services.

- Biomax entered into an agreement with UBC and St. Paul's Hospital in 1996 to fund research requiring payments totaling $301,125. During 1997, Biomax continued to fund research under the 1996 agreement and incurred costs of $259,276. During 1998, Biomax continued to fund research under the 1996 agreement and, during the seven months ended July 31, 1998, incurred costs of $143,385. Bruce McManus is a former director of Biomax and a senior employee of both UBC and St. Paul's Hospital.

- Biomax entered into a three month agreement ending January 15, 1997 with the BCCA in 1996 to fund research requiring payments totaling $120,689. During 1997, Biomax entered into another agreement with the BCCA to fund research and incurred costs totaling $371,681 under the 1997 agreement. During the seven months ended July 31, 1998, Biomax continued its agreement with the BCCA to fund research and incurred costs totaling $211,169 under the agreement. Calum MacAulay was formerly a director of Biomax and he is currently a consultant to Biomax and a senior employee of the BCCA.

- During 1996, Biomax loaned $9,000 to Peter Whitehead, a former director and a current consultant of Biomax . This loan was non-interest bearing with no fixed terms of repayment. In 1997, this loan was expensed as salary.

- In September 1996, Biomax purchased proprietary technology from Peter Whitehead and Calum MacAulay, (both of whom are former directors of Biomax and are currently consultants to Biomax), for a total purchase price of $109,000 which was paid by issuing 436,000 common shares at a deemed price of $0.25 per share to the vendors. See "Acquisitions and Dispositions - Acquisitions - Optical Catheter Project". In November 1996, Biomax purchased proprietary Time Since Death technology for $95,015 from a group that included these two directors. See "Acquisitions and Dispositions - Acquisitions - Time Since Death Project".

- In November 1996, Biomax purchased from Calum MacAulay and the BCCA the procedure for discovering the time of death information that is present in a cell. See "Acquisitions and Dispositions - Acquisitions - Time Since Death Project".

- During 1997, Biomax purchased capital assets totaling $8,751 from Proton and Brigill, corporations controlled by Brian Lock.

- During 1997, Biomax incurred consulting fees of $49,650 owed to directors and an officer of Biomax as follows: $41,650 to Christopher Thompson (director and officer); $5,000 to Calum MacAulay (former director); and $3,000 to Haishan Zeng (former officer).

- Biomax loaned $100,000 to Brigill, a corporation controlled by Brian Lock, during 1997. This loan was non-interest bearing and was due on August 31, 1998. During 1998, Biomax advanced a further $96,029 to Brigill as a non-interest bearing loan due on December 31, 1998 and extended the due date of the original loan until October 31, 1998. Since then, Mr. Lock has repaid both loans in full.

- In January 1998, Biomax acquired all of the shares of DTI, 60% of which were owned by Calum MacAulay and David McLean (both of whom were formerly directors of Biomax), and Haishan Zeng, a former officer

of Biomax, under a share acquisition agreement. See "Acquisitions and Dispositions - Acquisitions - Skin Cancer Detection Project".

- During the year ended December 31, 1998, Biomax incurred consulting fees of $58,450 to Christopher Thompson, a director and officer of Biomax.

- From July 1999 to November 1999, Eldon R. Smith (director), Thomas Thompson (director and officer), W. Keith Smith (director), Samuel Lichenstein (former director and current consultant), Christopher Thompson (director and officer), Peter Whitehead (former director and current consultant), and Brigill Investments (a company controlled by Brian Lock, a director of the Company) loaned a total of $453,000 to Biomax. In consideration for this loan, Biomax granted to the above persons a registered security interest over all of the Company's present and after acquired property as evidenced by a general security agreement made between the parties. At March 31, 2000, interest of $18,417 has been accrued on these loans.

- Late in 1999, the Company sublet office space to a company controlled by Peter Whitehead, a former director of the Company. Rent is charged at the market rate of $10,600 per month and all payments are current. The office has been sublet until December 31, 2000 and may be renewed thereafter at the option of Mr. Whitehead. At March 31, 2000, $12,833 was receivable under this sublet agreement.

- In 1999, Brigill, a company controlled by Brian Lock, settled debts of $180,587 with third parties on behalf of the Company. In payment of the settled debt, the Company transferred a cellular imaging system with a net book value of $162,741 to Brigill. The transactions were recorded at fair market values.

- In 1999, Brigill, a company controlled by Brian Lock, seconded several employees to the Company, at cost, for $148,255. To March 31, 2000, a further $15,048 was incurred under this arrangement, however, the Company has now hired these employees directly and no further charges to Brigill in this regard are expected.

- During the first quarter of 2000, Brigill, a company controlled by Brian Lock, loaned the Company an aggregate of $139,546 in interest free loans. These loans were repaid in full during the first quarter.

Proposed Compensation

The annual salaries that the Company anticipates it will pay to its CEO and the Named Executive Officers during the 12 month period ending December 31, 2000 are as follows:

Name	Annual Salary
Thomas Thompson, *President & CEO*[(1)]	US$200,000
Jack M. Saladow, *Vice President, Marketing*[(2)]	US$75,000
Dr. David Morgan, *Project Manager, Optical Catheter*[(3)]	$80,000
Jonathan Burke, *Investor Relations Director*[(3)]	$75,000

In the table under the heading "Administration" in the "Business of the Company" section, the above salary figures are reported as follows:

(1) Thomas Thompson's salary is reported under "Management Fees";

(2) Jack Saladow's salary is included under "Sales & Marketing";

(3) Dr. David Morgan's salary is included in the deferred costs for the Optical Catheter project (See "Use of Proceeds") and is not reported under the "Administration" table;

(4) Jonathan Burke's salary is included under "Salaries & Benefits" together with the salaries of five other employees.

The Company's Board of Directors may decide to increase the amounts of executive compensation payable when the Company develops positive cash flow and profitability from operations. The Company's Board of Directors intends to appoint a compensation committee, which will have a majority of members who are not employees of the Company, to determine eligibility for and the amounts of any increases in compensation to be paid to the executive officers of the Company.

Employment and Consulting Contracts

The Company is currently negotiating definitive management agreements for Named Executive Officers (the "Management Employees"). Upon execution of these agreements, the Company will issue a news release disclosing the terms and will file same with the Canadian Venture Exchange for approval.

The management agreements, as negotiated to date, contain the following provisions for termination by the Company:

(a) At any time by notice in writing by the Company to the Management Employee, for cause;

(b) At any time, and without need to show cause, by notice in writing given by the Company to the Management Employee as follows:

  (i) four (4) weeks notice if the Management Employee is terminated within two (2) years of the commencement of his employment;

  (ii) four (4) weeks notice plus an additional two (2) weeks notice for each complete year of service after the second anniversary of the commencement date of his employment; and

  (ii) twenty-four (24) weeks pay plus an additional one (1) weeks pay for each complete year of service after the tenth (10) anniversary of the commencement date of his employment.

(c) If the Management Employee shall, by reason of illness or mental or physical disability or incapacity, be unable to perform his duties hereunder for any ten (10) consecutive weeks in any calendar year, then immediately upon notice in writing from the Company to the Management Employee; and

(d) In the event of total physical and mental incapacity of the Management Employee to perform his duties hereunder, at any time, by written notice from the Company to the Management Employee.

The agreement for Thomas Thompson provides that he may terminate his management agreement at any time upon providing the Company with one (1) month's notice. The other management agreements may be terminated by the Management Employee at any time, by providing two (2) weeks' notice to the Company.

There is a provision for an agreed pre-estimation of the Management Employee's damages which is equal to one month's salary and is payable as a cash payment in the event that the Company fails to comply with the provisions in the agreement regarding termination.

The management agreements do not provide for any further severance pay other than as disclosed above.

Directors and Officers Insurance

The Company maintains liability insurance for its directors and officers in the aggregate amount of $2,000,000, subject to a 75,000 deductible loss payable by the Company. The current annual premium of $25,000 is paid by the Company.

The Company is presently renegotiating the terms of this insurance policy and any amendments thereto will be disclosed by the Company in due course.

DILUTION

The following sets forth the dilution per common share, based on the net tangible book value as at July •, 2000, after giving effect to the offering of Units made under this Prospectus:

Effective price of common shares offered hereunder		$●
Net tangible book value before the Offering	$●	
Increase in net tangible book value attributable to the Offering (assuming the maximum is sold)	$●	
Net tangible book value after the Offering	$●	●
Dilution to investor		●
Dilution to investor (expressed as a percentage)		● %

There are a number of outstanding securities and agreements pursuant to which common shares may be issued in the future. If these shares are issued, this will result in further dilution to the Company's shareholders. See "Incentive Stock Options" and "Agents' Warrants".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, senior officer or associate of a director or senior officer nor, to the best knowledge of the directors and senior officers of the Company, any person or company who beneficially owns, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company outstanding at the date hereof, or any associate or affiliate thereof, has any interest in any material transaction to which the Company is a party other than as disclosed under "Executive Compensation – Related Party Transactions" herein.

INVESTOR RELATIONS ARRANGEMENTS

The Company has not entered into any written or oral agreement or understanding with any person to provide investor relations services for the Company or its securities, either now or in the future.

RELATIONSHIP BETWEEN COMPANY OR SELLING SECURITY HOLDER AND AGENTS

The Company is not a related party or a connected party, as defined in the British Columbia Securities Rules (the "Rules"), of the Agents and the securities are not offered out of the holdings of a selling security holder who is a related party or connected party of the Agents.

RELATIONSHIP BETWEEN COMPANY AND PROFESSIONAL PERSONS

Save and except for the following disclosure, the Company is not a related party or a connected party, as defined in the Rules, to any professional persons, as referred to in the Rules, a responsible solicitor or any partner of a responsible solicitor's firm. Nor is any such person expected to be elected, appointed or employed as a director, senior officer or employee of the Company, or of an associate or affiliate of the Company, or is a promoter of the Company or of an associate or affiliate of the Company.

- David Smalley was formerly an officer of the Company and is currently a director of one of the Company's subsidiaries. Mr. Smalley is a lawyer and a partner of Fraser and Company, a law firm that provides services to the Company. See "Executive Compensation - Related Party Transactions".

- David Smalley directly owns 259,800 common shares of the Company In addition, Mr. Smalley has been granted 40,000 stock options of the Company, of which 20,000 options are currently vested. To date, none of these options have been exercised.

- Mr. Smalley is a director and minority shareholder of Alder Administrative Services Ltd. ("Alder Administrative") which currently holds 165,000 shares of the Company . The other two partners of

Fraser and Company, David Fraser and Richard Rabson, are also shareholders and directors of Alder Administrative. Mr. Fraser and Mr. Rabson are not currently, and have never been, directors or officers of the Company or any of its subsidiaries.

- As of May 31, 2000, the associate lawyers and partners of Fraser and Company collectively have a direct and indirect interest in 666,500 common shares of the Company (including shares held by David Smalley, directly and the shares held by Alder Administrative).

LEGAL PROCEEDINGS

There are no outstanding legal proceedings to which the Company is or is likely to be a party and, so far as management of the Company is aware, there are no contemplated legal proceedings involving the Company that are material to the business and affairs of the Company.

DIVIDEND RECORD

To date, the Company has not paid any cash dividends on its common shares and the board of directors of the Company does not anticipate paying cash dividends in the foreseeable future as it intends to retain future earnings to finance the growth of the Company's business. The payment of future dividends will depend on such factors as earnings levels, anticipated capital requirements, the operating and financial conditions of the Company and other factors deemed relevant by the board of directors at its sole discretion.

MATERIAL CONTRACTS

The following are a list of the material contracts entered into by the Company:

1. Assignment Agreement dated December 8, 1998 and amended December 3, 1999 and February 11, 2000 between Nicholas B. MacKinnon and the Company. (See "Acquisitions and Dispositions – Endoscopic Invention")

2. Escrow Agreement dated February 11, 2000 between Pacific Corporate Trust Company, Nicholas B. MacKinnon and the Company. (See "Acquisitions and Dispositions – Endoscopic Invention" and "Share Capital – Escrowed Shares")

3. Escrow Agreement dated February 3, 1999, as amended by agreement dated March 5, 1999, among Pacific Corporate Trust Company, Canaccord Capital Corporation, Biomax Technologies Inc. and Vigor Resources Ltd. (See "Share Capital – Escrowed Shares")

4. Promissory Notes: dated September 5, 1999 between the Company and W. Keith Smith in the amount of $25,000; dated September 30, 1999 between the Company and Thomas C. Thompson in the amount of $50,000; dated October 1, 1999 between the Company and Peter D. Whitehead in the amount of $10,000; dated October 5, 1999 between the Company and Eldon R. Smith in the amount of $25,000; dated October 5, 1999 between the Company and Samuel V. Lichenstein in the amount of $25,000; dated October 15, 1999 between the Company and Christopher R. Thompson in the amount of $15,000; and dated December 31, 1999 between the Company and Brigill Investments Ltd. in the amount of $303,000. (See "Executive Compensation – Related Party Transactions")

5. General Security Agreement dated December 31, 1999 between the Company, Brigill Investments Ltd., Thomas Thompson, W. Keith Smith, Eldon R. Smith, Samuel Lichenstein, Christopher Thompson, and Peter Whitehead. (See "Executive Compensation – Related Party Transactions")

6. 1999 Incentive Stock Option Plan. (See "Options to Purchase and Agreements to Issue Securities – Stock Option Plan")

7. Lease (for Suite 300 - 1190 Hornby Street) dated May 13, 1999 between The Standard Life Assurance Company and Biomax Technologies Inc. (See "Business of the Company – Facilities")

8. Letter of Engagement dated October 28, 1998 between Biomax Technologies Inc. and Canaccord Capital Corporation. Replaced by Agency Offering Agreement listed in item 9 below (See "Plan of Distribution – Appointment of Agents and Offering")

9. Agency Offering Agreement dated January 14, 1999, as amended January 27, 1999, and March 5, 1999 among Vigor Resources Ltd., Biomax Technologies Inc. and Canaccord Capital Corporation. (See "Plan of Distribution – Appointment of Agents and Offering")

10. Amalgamation Agreement dated as of November 25, 1998, as amended December 10, 1998, between Vigor Resources Ltd. and Biomax Technologies Inc. See "The Company".

11. Voluntary Shareholders Pooling Agreement dated November 6, 1998 between certain Seed Shareholders of Biomax Technologies Inc. and Pacific Corporate Trust Company. See "Share Capital – Pooled Shares".

12. Voluntary Insiders Pooling Agreement dated November 5, 1998 among certain Seed Shareholders who are insiders of Biomax Technologies Inc., and two other Seed Shareholders, and Pacific Corporate Trust Company. See "Share Capital – Pooled Shares".

13. Share Acquisition Agreement dated January 15, 1998, as amended by agreements dated November 24, 1998 and January 7, 1999, among Biomax Technologies Inc., Dr. Harvey Lui, Dr. David I. McLean, Dr. Haishan Zeng, Dr. Calum E. MacAulay, Dr. Branko Palcic, G6 Science Corp., Derma Technologies Inc. and Dermatech Limited Partnership, attached as Schedule "C" the BCCA Royalty Agreement dated as of May 1997 among the British Columbia Cancer Agency, Derma Technologies Inc., Dr. Harvey Lui, Dr. Haishan Zeng, Dr. Calum McAulay, Dr. David McLean and Dr. Branko Palcic. See "SCD-1 System – Acquisitions, Royalties".

The material contracts are available for inspection from 8:30 a.m. to 4:30 p.m. during the distribution of the Units under this Prospectus, at the office of the Company's corporate finance counsel, Fraser and Company, Suite 1200, 999 West Hastings Street, Vancouver, British Columbia, Canada.

AUDITOR

The Company's auditor is Dale Matheson Carr-Hilton, Chartered Accountants, Suite 1700, 1140 West Pender Street, Vancouver, British Columbia.

REGISTRAR AND TRANSFER AGENT

The Company's registrar and transfer agent is Pacific Corporate Trust Company of Suite 830, 625 Howe Street, Vancouver, British Columbia, V6C 3B8.

STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

Securities legislation in certain of the provinces of Canada provides purchasers with remedies for rescission or, in some provinces, damages where a prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser but such remedies must be exercised by the purchaser within the time limit prescribed by the securities legislation of this province. This securities legislation also provides purchasers with a right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. The purchaser should refer to any applicable provisions of the securities legislation of this province for the particulars of these rights or consult with a legal adviser.

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2000

(UNAUDITED)

REVIEW ENGAGEMENT REPORT

To the Directors of
Biomax Technologies Inc.

We have reviewed the consolidated balance sheet of **Biomax Technologies Inc**. as at March 31, 2000 and the consolidated statements of operations, deficit and cash flows for the three month period then ended. Our review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussions related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with generally accepted accounting principles.

"DALE, MATHESON, CARR-HILTON"

Vancouver, B.C.
June 6, 2000

CHARTERED ACCOUNTANTS

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEET - MARCH 31, 2000
(UNAUDITED)

	2000 $	1999 $ (Note 12)
ASSETS		
CURRENT ASSETS		
Cash	1,065,488	1,536,199
Restricted cash **(Note 8)**	48,609	38,211
Accounts receivable **(Note 8)**	49,579	91,291
Tax credits recoverable **(Note 3(h))**	125,000	650,910
Prepaids **(Note 4)**	84,417	32,302
	1,373,093	2,348,913
TERM DEPOSIT (Note 8)	-	9,953
CAPITAL ASSETS (Note 5)	348,244	639,812
PROPRIETARY TECHNOLOGY (Note 6)	4,182,209	3,483,847
	5,903,546	6,482,525
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities **(Note 4)**	501,743	1,111,439
DUE TO RELATED PARTIES (Note 4)	462,618	295,944
	964,361	1,407,383
COMMITMENTS (Note 8)		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 7)	9,990,420	8,057,360
DEFICIT	(5,051,235)	(2,982,218)
	4,939,185	5,075,142
	5,903,546	6,482,525

APPROVED BY THE DIRECTORS:

Brian Lock **Director**

Thomas C. Thompson **Director**

- See Accompanying Notes -

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED STATEMENT OF OPERATIONS
THREE MONTHS ENDED MARCH 31, 2000
(UNAUDITED)

	2000 $	1999 $ (Note 12)
EXPENSES		
Research and development **(Schedule)**	90,465	174,139
Administrative expenses		
Accounting and audit	13,025	5,000
Amortization	20,267	20,000
Bank charges and interest	11,091	170
Computer	1,929	-
Consulting	13,577	2,646
Courier and delivery	2,385	3,703
Insurance	3,850	2,500
Legal	30,332	-
Management fees	92,265	150,840
Office and miscellaneous	27,601	16,253
Rent	31,709	44,754
Salaries and benefits	61,988	31,277
Shareholder relations	21,030	19,976
Telephone	14,043	5,160
Travel and promotion	46,648	59,347
	391,740	391,626
LOSS BEFORE OTHER ITEMS	(482,205)	(535,765)
OTHER ITEMS		
Interest income	5,336	-
LOSS BEFORE TAX CREDIT RECOVERY	(476,869)	(535,765)
TAX CREDIT RECOVERY (Note 3(h))	-	89,910
NET LOSS	(476,869)	(445,855)
LOSS PER SHARE	(0.03)	(0.02)

-See Accompanying Notes-

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2000
(UNAUDITED)

	2000 $	1999 $ (Note 12)
CASH FLOWS PROVIDED BY (USED FOR):		
OPERATIONS		
Net loss	(476,869)	(445,856)
Add non-cash items:		
Amortization	33,554	40,000
	(443,315)	(405,856)
Net changes in non-cash operating accounts		
Accounts receivable	1,580	3,095
Investment tax credits recoverable	-	(89,910)
Prepaid expenses	(64,699)	(8,676)
Accounts payable	(38,581)	142,580
	(545,015)	(858,767)
FINANCING		
Due to related parties	(2,184)	275,760
Issuance of share capital for cash, net of issue costs	1,935,647	1,971,436
	1,933,463	(431,009)
INVESTING		
Capital asset additions	(7,594)	(169,129)
Acquisition and development of proprietary technology	(286,511)	(211,860)
Acquisition costs	-	(50,020)
	(294,105)	(431,009)
INCREASE IN CASH	1,094,343	1,457,420
CASH AND CASH EQUIVALENTS, beginning of period	19,754	116,990
CASH AND CASH EQUIVALENTS, end of period	1,114,097	1,574,410
CASH EQUIVALENTS ARE REPRESENTED BY:		
Cash	1,065,488	1,536,199
Restricted cash	48,609	38,211
	1,114,097	1,574,410

- See Accompanying Notes -

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED STATEMENT OF DEFICIT
THREE MONTHS ENDED MARCH 31, 2000
(UNAUDITED)

	2000 $	1999 $ (Note 12)
DEFICIT, beginning of period	(4,574,366)	(2,129,337)
BUSINESS COMBINATION COSTS (Note 2)	-	(407,025)
NET LOSS	(476,869)	(445,855)
DEFICIT, end of period	(5,051,235)	(2,982,217)

CONSOLIDATED SCHEDULE OF RESEARCH AND DEVELOPMENT EXPENSES
THREE MONTHS ENDED MARCH 31, 2000
(UNAUDITED)

	PDT Dosimeter	Spectrometer Systems	SCD-1 System	2000 Total	1999 Total (Note 12)
Amortization	-	3,910	376	4,286	20,000
Consultants	-	-	13,577	13,577	16,540
Product development costs	15,044	-	51,743	66,787	41,733
Salaries	-	-	5,815	5,815	95,866
	15,044	3,910	71,511	90,465	174,139

- See Accompanying Notes -

1. OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia on August 13, 1996. The Company completed an amalgamation on January 15, 1999 **(Note 2)** whereby it became a publicly traded company listed on the Canadian Venture Exchange.

The Company's operations are in the field of biomedical research and development. The Company has not reached a stage of commercial production on any of its development projects. Funding for activities is raised primarily through private and public share offerings and from financial support from related parties.

The ability of the Company to continue research and development projects and realize the capitalized value of proprietary technologies and related capital assets is dependant upon future commercial success of the technologies, raising sufficient funds to complete research and development and continued support of creditors.

To complete current research and development projects and fund operations including monthly operating overhead the company will require additional capital. If sufficient capital is not raised, the ability of the Company to continue operations and bring projects to market may be impaired.

Going concern

These financial statements have been prepared under a going concern assumption which implies that the Company will continue operations and realize its assets and liabilities in the normal course of business. No provision is made for adjustments (if any) to recoverable value of assets should the Company be unable to continue as a going concern.

The Company is in the process of drafting a prospectus for the purpose of raising additional financing **(Note 11)** which if completed will provide sufficient funding to meet currently budgeted expenditures. As at June 6, 2000, the prospectus had not been completed.

2. BUSINESS COMBINATION

On November 25, 1998 (subsequently amended on December 10, 1998) the Company entered into a proposed amalgamation agreement with Vigor Resources Ltd. ("Vigor"), a publicly traded company listed on the Canadian Venture Exchange. Pursuant to the agreement, the two companies combined to form a single entity called Biomax Technologies Inc. ("Biomax"). The amalgamation was approved by shareholders on January 5, 1999 and by the Supreme Court of British Columbia on January 15, 1999, which is the effective date of the transaction for accounting purposes. The legal amalgamation was completed on March 25, 1999.

Upon completion of the amalgamation, the Biomax shareholders received 1 common share of the amalgamated entity for each common share presently held. The shareholders of Vigor received one common share of the amalgamated entity for each 4.31 common shares currently held. Upon completion, Biomax shareholders owned 95% of the new Company. Vigor, prior to the amalgamation, was an inactive company that was acquired to facilitate a public listing for the continuation of Biomax. The transaction has been accounted for as a reverse takeover with Biomax being the acquirer and continuing entity. The purchase method has been used to account for the acquisition which, for accounting purposes, is deemed to have occurred on January 15, 1999.

The application of reverse take-over accounting to this transaction results in the following:

i) The financial statements are issued under the name of Biomax Technologies Inc. as a continuation of the business of Biomax.
ii) As Biomax is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements of the continuing entity at their historical carrying value.

2. BUSINESS COMBINATION - CONT'D

iii) The number and class of outstanding shares reported at the date of the amalgamation were those of Vigor, adjusted for the amalgamation while the dollar amounts of share capital and deficit were those of Biomax.

iv) The comparative figures reported are those of Biomax, the continuing entity.

v) As the fair market value of the shares of Vigor were not determinable and Vigor had a net asset deficiency at the date of the reverse takeover, pursuant to Notice and Interpretation Note 91/21 of Canadian securities regulatory bodies, the excess of liabilities assumed over tangible assets acquired has been treated as a capital transaction and charged to deficit. No amount is recorded as goodwill or as a cost of acquiring the public listing.

vi) The Business Combination Cost was computed as follows:

	$
Tangible assets acquired:	
Cash	2,423
Accounts receivable	13,414
Prepaid expenses	1,844
Capital assets	2,682
	20,363
Less: liabilities assumed:	
Accounts payable	(168,223)
Payable to related party	(145,104)
	(313,327)
Net deficiency	292,964
Direct costs incurred to March 31, 1999	114,061
	407,025
Direct costs incurred after March 31, 1999	4,178
Total business combination cost	411,203

Upon completion of the amalgamation, 12,431,995 common shares owned by the Biomax shareholders became subject to a voluntary pooling agreement whereby the shares are to be released in increments over 18 months from the effective date of the amalgamation subject to regulatory requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

These consolidated financial statements include the accounts of Biomax Technologies Inc. and its wholly owned subsidiaries:

*Biomax Properties Inc.
*Biomax Technologies TSD (Canada) Inc.
*Biomax Technologies Sales and Marketing (Canada) Inc.
*Biomax Technologies Research and Developments Inc.
Derma Technologies Inc.
Biomax Technologies (U.S.A.) Inc.
Biomax Technologies (Barbados) Inc.
*Biomax Product Development (Barbados) Inc.
*Biomax TSD (Barbados) Inc.
* denotes inactive

The accounts and operations of Derma Technologies Inc. include a limited partnership where Derma is the general partner. The limited partnership operations are not currently material.

3. SIGNIFICANT ACCOUNTING POLICIES- CONT'D

b) Proprietary Technology

Proprietary technology consists of trade secrets, copyrights, patents, patent applications and deferred development costs. Amortization of trade secrets, copyrights, patents and patent applications is to be provided on a straight-line basis over 7 years once commercial production has commenced. As commercial production has not commenced, no amortization has been provided to date.

Research costs are expensed as incurred. Development costs are expensed unless they meet specific criteria related to technical, market and financial feasibility, in which case they are deferred and amortized to operations over the estimated market life of the product developed. No amortization has been provided to date.

The unamortized balance of deferred costs recorded in the balance sheet represents a carrying value which will be charged to income through amortization on a systematic basis. It does not necessarily represent, nor is it intended to represent net realizable value of the deferred costs, as realization is dependent on completion of the development process and the ability of the company to market the products developed. In addition, the company anticipates significant further costs will be incurred prior to technologies being ready for market. As the company does not currently have sufficient revenue from sales to fund these costs, completion of the development process and delivery of the technology to market will be dependent on the company's ability to raise additional equity financing.

If it is determined by management that the carrying value of the development costs will not be realizable by reference to the value of future expected cash flows for the projects, related costs will be written-down to recoverable value.

c) Capital Assets

Capital assets are recorded at cost. Amortization is recorded using the straight line method as follows:

Project equipment	- 4-7 years
Computer hardware	- 4 years
Computer software	- 2 years
Furniture and fixtures	- 5 years
Office equipment	- 5 years
Leasehold improvements	- over term of premises lease

Amortization polices are reviewed on a regular basis to ensure the carrying value of capital assets is equal to or greater than their net recoverable amount with reference to future expected cash flows from such assets. Adjustments, if any, to carrying value are recorded in the period of determination of an impairment in value.

d) Foreign Currency Translation

The functional currency of the company is the Canadian dollar. Balance sheet items denominated in foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date for monetary items and at exchange rates in effect at the transaction date for non-monetary items. Income statement items are translated into Canadian dollars at actual or average rates prevailing during the period. Realized gains and losses on foreign currency transactions are included in earnings.

e) Loss Per Share

Loss per common share has been computed using the weighted average number of shares of common stock outstanding during the period. Fully diluted loss per share has not been presented as this calculation has an anti-dilutive effect.

3. SIGNIFICANT ACCOUNTING POLICIES- CONT'D

f) Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Such estimates include cost allocations to projects, recoverable value of proprietary technology, recoverable tax credits and amortization of capital assets. Actual results could differ from these estimates.

g) Financial Instruments and risk management

The company's financial instruments consist of cash and term deposits, accounts receivable, accounts payable and amounts due to/from related parties. It is Management's opinion that the company is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair market value of the instruments approximates their carrying value.

h) Government assistance

Prior to the amalgamation with Vigor Resources Ltd. **(Note 2)**, the Company was a private entity and qualified for refundable scientific research tax credits. Upon the Company becoming a publicly listed entity on April 6, 1999 the company qualified only for tax credits available to offset future income taxes payable. As the Company does not currently have taxable income and has available losses to carry forward no refundable tax credits in respect of expenditures after March 25, 1999 (the legal date of amalgamation) are available.

Cumulative scientific research tax credits received or receivable to date have been recorded as a reduction of related operating expenses where applicable or as a reduction of related capitalized proprietary technology costs incurred. **(See Note 6).**

i) Revenue recognition

The Company recognized revenue from sales of equipment upon delivery. Revenue from consulting activity is recognized as the services are provided. Costs related to consulting include direct costs and allocations of certain identified general overheads.
Incidental revenues from projects under development will be recorded as reductions of project costs until such time as the company or a specific project achieves commercial production.

j) Future income taxes

The Company has adopted the new accounting recommendation put forth by the Canadian Institute of Chartered Accountants relating to the recognition, measurement, presentation and disclosure of income and refundable taxes in an enterprise's financial statements (CICA handbook Section 3465). The recommendations of Section 3465 replace the concept of "deferred income taxes" with "future income taxes".

The fundamental principle of "future income taxes" is that an enterprise would recognize a future income tax liability whenever recovery or settlement of the carrying amount of an asset or liability would result in future income tax outflows. Similarly, an enterprise would recognize a future income tax asset whenever recovery or settlement of the carrying amount of an asset or liability would generate future income tax reductions. An extension of this fundamental principle is that in the case of unused tax losses, income tax reductions, and certain items that have a tax basis but cannot be identified with an asset or liability on the balance sheet, the recognition of future income tax benefits is determined by reference to the likely realization of a future income tax reduction. No future benefit amount has been recognized by the company as the criteria set out in the recommendations for recognition have not been met.

3. SIGNIFICANT ACCOUNTING POLICIES- CONT'D

k) Year 2000 compliance

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

4. RELATED PARTY TRANSACTIONS

	2000 $	1999 $
Due to (from) related parties:		
Advances from directors	453,000	-
Brigill Investments Ltd.	9,618	-
Fees payable to senior management	-	150,840
Vigor Resources Ltd.	-	145,104
	462,618	295,944

The Company has received loans from directors totaling $453,000. The loans bear interest at 8% per annum and are repayable on May 31, 2001. The Company has agreed to grant to the directors a security interest over all its assets as collateral for the loans. As the loans are not repayable within the ensuing year, they have been classified as long term. Formal security documents were completed and registered subsequent to the period end.

During the period, the Company had the following transactions with related parties:

i) Recorded management fees of $92,265 (1999 - $150,840) for senior officers of the Company.
ii) Accounts receivable includes $12,883 due from a company controlled by a director.
iii) Accounts payable includes $18,417 accrued interest on loans from directors.
iv) Incurred legal fees of $21,384 to a law firm in which a partner was an officer of the Company. Included in accounts payable is $43,772 owing to the law firm.
v) Received a total of $139,546 in interest free loans from a company controlled by a director. These loans were repaid in full during the quarter.
vi) Paid $15,044 to the BC Cancer Agency for a collaborative contract relating to the PDT project. A director of the Company is a senior employee of the BC Cancer Agency.
vii) Paid $12,358 to the University of British Columbia for a service agreement relating to the Optical Catheter. A director of the Company is a senior employee of the University.
viii) Paid $20,000 to the Vancouver Hospital for a Human clinical trial agreement relating to the SCD1 project. A director of the Company is a senior employee of the Hospital.
ix) A company controlled by a director seconded an employee to Biomax for total fees of $15,048.
x) Related party transactions have been recorded at their dollar exchange amount.
xi) The company sublet office space during the period to a company with a director in common. Rent was charged at market rates.
xii) The company has agreed to pay fees to a director and officer for management services. The agreement provides for monthly payments for an annual commitment of $200,000 U.S. As at March 31, 2000, $134,469 of the annual amount had been paid. A balance of $61,794 is included in prepaids to be charged to operations over the balance of the fiscal year.

5. CAPITAL ASSETS

	2000 $			1999 $
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Project equipment	287,950	128,797	159,153	403,914
Computer hardware	105,470	57,174	48,296	56,437
Computer software	27,970	18,207	9,763	10,181
Furniture and fixtures	125,555	71,844	53,711	70,797
Office equipment	62,269	36,961	25,308	36,864
Leasehold improvements	86,842	34,829	52,013	61,709
	696,056	347,812	348,244	639,812

6. PROPRIETARY TECHNOLOGY

	2000 $	1999 $
Cumulative expenditures		
Optical Catheter:		
Acquisition costs	204,015	204,015
Patent applications and related costs	437,680	322,133
Deferred development costs		
Wages	688,386	239,762
Research contracts	952,613	986,938
Outside consultants	457,247	191,518
Materials, supplies and other	431,928	258,379
	3,171,869	2,202,745
Optical measurement of skin properties:		
Acquisition costs	1,321,216	1,321,216
Patent application cost and related costs	170,589	95,242
	1,491,805	1,416,458
Miscellaneous patent applications and related costs	99,450	347,275
Total Proprietary Technology	4,763,124	3,966,478
Less related investment tax credits	(580,915)	(482,631)
	4,182,209	3,483,847

(a) The Company is developing a technology whereby an optical catheter is inserted into the heart. The catheter illuminates the heart tissue and resulting data is measured, saved and analyzed by the Company's proprietary software.

(b) The Company is developing equipment for optical measurement of skin properties where light is used to measure and analyze the interactions between light and skin for use in detection and delineation of certain skin cancers.

6. PROPRIETARY TECHNOLOGY - CONT'D

Both of the above projects are in the development stage in large animal studies or human clinical trials.

Deferred development costs consist of project contracted costs, consultants, salaries, supplies and certain legal costs relating to the company's technologies. The company anticipates that significant additional costs will be incurred in order to complete the development process. **(See Note 3(b)).**

Effective January 1, 1998 the optical catheter, together with certain other product development projects were transferred to the company's subsidiary Biomax Technologies (Barbados) Inc.

7. SHARE CAPITAL

Authorized: 1,000,000,000 common shares without par value

	2000		1999	
	Shares	Amount $	Shares	Amount $
Issued:				
Balance, beginning of period (Biomax)	18,181,118	8,054,774	15,501,118	6,085,924
Issued upon completion of amalgamation:				
To Vigor shareholders	-	-	740,000	-
To Biomax shareholders	-	-	15,501,118	6,085,924
	18,181,118	8,054,774	16,241,118	6,085,924
Issued during period for cash:				
Exercise of options and warrants i)	376,515	470,644	1,740,000	2,175,000
Corporate finance fees	-	-	200,000	250,000
	376,515	470,644	1,940,000	2,425,000
Less: shares issues costs	-	(34,998)	-	(453,564)
	376,515	435,646	1,940,000	1,971,436
	18,557,633	8,490,420	18,181,118	8,057,360
Shares allotted, issued subsequently for private placements ii)	3,000,000	1,500,000	-	-
	21,557,633	9,990,420	18,181,118	8,057,360

i) During the period the following warrants and stock options were exercised:

		Exercise Price	$
356,515	warrants	1.25	445,644
20,000	stock options	1.25	25,000
			470,644

7. SHARE CAPITAL - CONT'D

ii) The Company completed a non-brokered private placement issuing 3,000,000 common shares at $0.50 per share for net proceeds of $1.5 million.

Stock Options

The Company has the following stock options outstanding as at the period end:

i) 1,510,000 granted to directors and employees. The options have a term of five years with an exercise price of $1.25 per share. The options are exercisable in increments of 371,250 or 6,250 shares commencing July 6, 1999 and August 26, 1999 respectively and annually thereafter for three years.

ii) 250,000 granted during the period to a director exercisable at $0.77 per share expiring January 25, 2005.

Warrants

Share purchase warrants outstanding at the period end are as follows:

Number	Expiry Date	Exercise Price
774,485	March 17, 2001	$1.4375
750,000	January 31, 2003	$2.50
1,524,485		

Escrow shares

The Company had 100,000 shares held in escrow at the period end and are subject to release upon approval of regulatory authorities.

Pooled shares

As at the period end, 7,882,334 shares were subject to a voluntary pooling agreement. The pooled shares are to be released in increments over 18 months from the effective date of the amalgamation subject to regulatory approval and requirements.

8. COMMITMENTS

Leases

The Company has entered into three lease agreements for office and visitor accommodation space expiring between June 30, 2000 and June 30, 2004. The minimum payments required are: $158,256 in 2000, $143,256 in each of 2001 to 2003, and $65,795 in 2004 for a total over the next five years of $653,819.

The Company has sub-leased office space to a related party at a rate of $10,600 per month. The sub-lease expires December 31, 2000 and is renewable at the option of the related party.

As security for one lease, a term deposit totaling $9,953 is pledged and restricted from use until August 1, 2000.

An amount of $38,656 (1999 - $38,211) included in cash is restricted from use and pledged as security for corporate credit cards.

8. COMMITMENTS - CONT'D

Clinical Trial Agreement **(Note 7)**

In August 1999, the Company entered into an agreement for $70,894 with the University of British Columbia and the Vancouver Hospital to conduct a study in the use of the Biomax SCD-I System. The agreement requires payments totaling $50,894 in 2000.

Collaborative contract

In September 1999, the Company entered into a collaborative contract for $35,818 with the British Columbia Cancer Agency to develop a practical method for the use of photodynamic therapy in a clinical setting. The six-month agreement requires payments of $15,042 in 2000.

9. INCOME TAXES

The Company has available losses of $1,077,000, the benefit of which has not been reflected in these financial statements. The losses may be carried forward to apply against future income for tax purposes but will expire in 2006. The Company also has available undeducted research and development expenses of approximately $2,125,000 which may be claimed in the future against taxable income. These deductions have no expiry date. The Company has available investment tax credits totaling $308,000 which can be carried forward and deducted against future Federal taxes payable.

The Company has not recorded the potential income tax benefits of the above amounts.

10. SEGMENTED INFORMATION

Identifiable assets by geographic location are as follows:	**2000** **$**	**1999** **$**
Barbados	3,746,347	2,067,389
Canada	1,633,740	3,932,170
USA	523,459	482,966
	5,903,546	6,482,525

The Company does not account separately for operating segments as its technologies are still in the research and development stage. Accordingly segmented information by operating segments is not presented.

11. SUBSEQUENT EVENTS

Subsequent to the period end the following transactions occurred:

i) On April 26, 2000, the Company entered into a letter of intent for a fully marketed prospectus offering with agents to raise up to $5-million. If this offering completes, the principal terms and conditions are as follows:

   a) each unit will consist of one common share and one half of a share warrant
   b) the offering price will be based on the context of the market less appropriate discount
   c) each warrant will be exercisable into a common share at an exercise price to be determined
   d) agent's commissions of 8.5% of the gross proceeds will be payable in cash
   e) the Company will pay agents warrants representing 12% of the offering exercisable into an agent's unit at a price still to be determined for a term of one year. Each agent's unit will consist of one common share of the Company and a half warrant. Each full warrant will be exercisable for a term of one year at a price to be determined, subject to regulatory approval.
   f) the Company will grant the agent's an over-allotment option of 15% to cover potential over-subscriptions of the offering expiring sixty days from closing.
   g) the Company will grant an agent a right of first refusal with regards to any equity financing the company undertakes over the twelve month period following the closing date.

   As at June 6, 2000, the Company and the agents have not executed formal agreements or finalized specific items and conditions.

ii) Pursuant to an agreement dated February 11, 2000 with an unrelated third party, the Company acquired 100% right, title and interest in an Endoscopic Invention which provides a method for direct viewing of target tissue through specialized filters. Total consideration for the acquisition is $100,000 to be settled by the issuance of 90,000 common shares of the company. The agreement and acquisition were subject to regulatory approval and other conditions which were completed in the subsequent quarter. The acquisition will be recorded in the second quarter financial statements.

12. COMPARATIVE FIGURES

Certain of the prior period comparative figures have been reclassified to conform with current presentation.

The comparative figures for the prior period were prepared by management and were not subject to review or audit.

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997

(IN CANADIAN DOLLARS)

AUDITORS' REPORT

To the Directors of
Biomax Technologies Inc.

We have audited the consolidated balance sheets of **Biomax Technologies Inc.** as at December 31, 1999, 1998 and 1997 and the consolidated statements of deficit, operations, and cash flows for each of the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the company as at December 31, 1999, 1998 and 1997 and the results of its operations and cash flows for each the years then ended in accordance with generally accepted accounting principles. As required by the British Columbia Company Act, we report that in our opinion these principles have been applied on a basis consistent with that of the preceding year.

"DALE, MATHESON, CARR-HILTON"

Vancouver, B.C.
April 3, 2000

CHARTERED ACCOUNTANTS

(Except for Note 12(iii)
which is as at April 12, 2000)

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEETS - DECEMBER 31, 1999, 1998 AND 1997
(IN CANADIAN DOLLARS)

	1999 $	1998 $	1997 $
ASSETS			
CURRENT ASSETS			
Cash and term deposit **(Note 9)**	-	78,779	696,889
Restricted cash **(Note 9)**	38,656	38,211	-
Accounts receivable **(Note 8)**	51,159	80,972	52,373
Share subscriptions receivable	-	-	365,000
Tax credits recoverable **(Note 3(h))**	125,000	561,000	488,884
Prepaid expenses	19,718	21,782	26,720
Due from related parties **(Note 4)**	-	124,920	100,000
	234,533	905,664	1,729,866
DEFERRED ACQUISITION COSTS (Note 2)	-	61,618	-
TERM DEPOSIT (Note 9)	-	9,953	30,292
CAPITAL ASSETS (Note 5)	374,203	508,001	497,127
PROPRIETARY TECHNOLOGY (Note 6)	3,895,697	3,271,987	885,804
	4,504,433	4,757,223	3,143,089
LIABILITIES			
CURRENT LIABILITIES			
Bank indebtedness	18,902	-	-
Accounts payable and accrued liabilities **(Note 8)**	540,321	800,636	209,508
	559,223	800,636	209,508
DUE TO RELATED PARTIES (Note 4)	464,802	-	-
	1,024,025	800,636	209,508
SHAREHOLDERS' EQUITY			
SHARE CAPITAL (Note 7)	8,054,774	6,085,924	4,007,003
DEFICIT	(4,574,366)	(2,129,337)	(1,073,422)
	3,480,408	3,956,587	2,933,581
	4,504,433	4,757,223	3,143,089

COMMITMENTS (Note 9)

APPROVED BY THE DIRECTORS:

"Thomas C. Thompson" **Director**

"Brian Lock" **Director**

- See Accompanying Notes -

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
(IN CANADIAN DOLLARS)

	1999 $	1998 $	1997 $
SALES OF EQUIPMENT	-	121,531	-
COST OF SALES	-	88,267	-
	-	33,264	-
EXPENSES			
Research and development **(Schedule)**	556,023	694,236	295,240
Administrative expenses			
Accounting and audit	34,867	35,498	14,545
Amortization	71,659	69,047	58,598
Bank charges and interest	19,593	2,278	1,576
Computer	6,327	5,590	15,654
Consulting	190,848	112,320	24,868
Courier and delivery	10,057	6,432	8,261
Insurance	28,486	4,721	1,394
Legal	77,158	86,478	69,602
Management fees	444,254	-	56,000
Office and miscellaneous	43,074	68,029	61,286
Rent	154,958	140,495	114,821
Salaries and benefits	192,990	171,708	161,585
Shareholder relations	110,757	32,116	25,493
Telephone	43,089	25,004	9,972
Tradeshows and conferences	2,635	1,359	15,978
Travel and promotion	114,558	92,779	63,132
	1,545,310	853,854	702,765
	2,101,333	1,548,090	998,005
LOSS BEFORE OTHER ITEMS	(2,101,333)	(1,514,826)	(998,005)
OTHER ITEMS			
Recovery from settlement of accounts payable **(Note 8(iii))**	169,299	-	-
Interest income	29,322	41,924	21,066
Write-down of proprietary technology	(181,263)	-	-
Forensic consulting **(Schedule)**	(47,635)	40,244	26,866
	(30,277)	82,168	47,932
LOSS BEFORE TAX CREDIT RECOVERY	(2,131,610)	(1,432,658)	(950,073)
TAX CREDIT RECOVERY (Note 3(h))	97,784	376,743	111,919
NET LOSS	(2,033,826)	(1,055,915)	(838,154)
LOSS PER SHARE	(0.12)	(0.07)	(0.09)

-See Accompanying Notes-

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
(IN CANADIAN DOLLARS)

	1999 $	1998 $	1997 $
CASH FLOWS PROVIDED BY (USED FOR):			
OPERATIONS			
Net loss	(2,033,826)	(1,055,915)	(838,154)
Add non-cash items:			
Recovery from settlement of accounts payable	(169,299)	-	-
Write-down of proprietary technology	181,263	-	-
Amortization	71,659	129,848	113,484
	(1,950,203)	(926,067)	(724,670)
Net changes in non-cash operating accounts			
Accounts receivable	29,813	(28,306)	(34,578)
Investment tax credits recoverable	436,000	(46,875)	(401,665)
Prepaid expenses	2,064	4,938	(6,720)
Accounts payable	(201,287)	544,501	(151,669)
	(1,683,613)	(451,809)	(1,319,302)
FINANCING			
Due to related parties	589,722	(49,012)	(91,000)
Issuance of share capital for cash	1,968,850	1,393,831	3,589,033
Allotment of share capital	-	(199,710)	(1,430,290)
	2,558,572	1,145,109	2,067,743
INVESTING			
Capital asset additions	(147,632)	(140,722)	(363,156)
Acquisition and development of proprietary technology	(777,895)	(1,091,198)	(681,783)
Business combination costs	(56,621)	(61,618)	-
	(982,148)	(1,293,538)	(1,044,939)
DECREASE IN CASH	(107,189)	(600,238)	(296,498)
CASH AND CASH EQUIVALENTS, beginning of year	126,943	727,181	1,023,679
CASH AND CASH EQUIVALENTS, end of year	19,754	126,943	727,181
CASH EQUIVALENTS ARE REPRESENTED BY:			
Cash and term deposits	-	78,779	696,889
Restricted cash	38,656	38,211	-
Term deposit	-	9,953	30,292
Bank indebtedness	(18,902)	-	-
	19,754	126,943	727,181

- See Accompanying Notes -

BIOMAX TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF DEFICIT
YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
(IN CANADIAN DOLLARS)

	1999 $	1998 $	1997 $
DEFICIT, beginning of year	(2,129,337)	(1,073,422)	(235,268)
BUSINESS COMBINATION COSTS (Note 2)	(411,203)	-	-
NET LOSS	(2,033,826)	(1,055,915)	(838,154)
DEFICIT, end of year	(4,574,366)	(2,129,337)	(1,073,422)

CONSOLIDATED SCHEDULES OF FORENSIC CONSULTING
YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
(IN CANADIAN DOLLARS)

	1999 $	1998 $	1997 $
Revenue	102,171	189,731	48,765
Direct expenses			
Consultants	97,260	98,512	21,899
Salaries	16,523	18,270	-
Travel and accommodation	36,023	32,705	-
	149,806	149,487	21,899
Net (loss) profit	(47,635)	40,244	26,866

CONSOLIDATED SCHEDULES OF RESEARCH AND DEVELOPMENT
YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997
(IN CANADIAN DOLLARS)

	PDT Dosimeter	Spectrometer Systems	SCD-1 System	Time Since Death	1999 Total	1998 Total	1997 Total
Amortization	-	15,639	1,504	7,323	24,466	60,801	54,886
Consultants	4,800	-	63,370	23,737	91,907	272,868	57,944
Product Development Costs	25,223	5,012	72,387	108,307	210,929	133,226	39,192
Salaries	36,153	-	47,610	144,958	228,721	227,341	143,218
	66,176	20,651	184,871	284,325	556,023	694,236	295,240

- See Accompanying Notes -

1. OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia on August 13, 1996. The Company completed an amalgamation on January 15, 1999 **(Note 2)** whereby it became a publicly traded company listed on the Canadian Venture Exchange.

The Company's operations are in the field of biomedical research and development. The Company has not reached a stage of commercial production on any of its development projects. Funding for activities is raised primarily through private and public share offerings and from financial support from related parties.

The ability of the Company to continue research and development projects and realize the capitalized value of proprietary technologies and related capital assets is dependant upon future commercial success of the technologies, raising sufficient funds to complete research and development and continued support of creditors.

To complete current research and development projects and fund operations the company will require additional capital. If sufficient capital is not raised, the ability of the Company to continue operations and bring projects to market may be impaired.

Going concern

These financial statements have been prepared under a going concern assumption which implies that the Company will continue operations and realize its assets and liabilities in the normal course of business. No provisions is made for adjustments (if any) to recoverable value of assets should the Company be unable to continue as a going concern.

Subsequent to the year end the Company completed a financing and is in the process of an additional financing **(Note 12)** which if completed will provide sufficient funding to meet currently budgeted expenditures.

2. BUSINESS COMBINATION

On November 25, 1998 (subsequently amended on December 10, 1998) the Company entered into a proposed amalgamation agreement with Vigor Resources Ltd. ("Vigor"), a publicly traded company listed on the Canadian Venture Exchange. Pursuant to the agreement, the two companies would be combined to form a single entity called Biomax Technologies Inc. ("Biomax"). The amalgamation was approved by shareholders on January 5, 1999 and by the Supreme Court of British Columbia on January 15, 1999, which is the effective date of the transaction for accounting purposes. The legal amalgamation was completed on March 25, 1999.

Upon completion of the amalgamation, the Biomax shareholders received 1 common share of the amalgamated entity for each common share presently held. The shareholders of Vigor received one common share of the amalgamated entity for each 4.31 common shares currently held. Upon completion, Biomax shareholders owned 95% of the new Company. Vigor, prior to the amalgamation, was an inactive company that was acquired to facilitate a public listing for the continuation of Biomax. The transaction has been accounted for as a reverse takeover with Biomax being the acquirer and continuing entity. The purchase method has been used to account for the acquisition which, for accounting purposes, has been deemed to have occurred on January 15, 1999.

The application of reverse take-over accounting to this transaction results in the following:

i) The financial statements are issued under the name of Biomax Technologies Inc. as a continuation of the business of Biomax.
ii) As Biomax is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements of the continuing entity at their historical carrying value.

(IN CANADIAN DOLLARS)

2. BUSINESS COMBINATION - CONT'D

iii) The number and class of outstanding shares reported are those of Vigor, adjusted for the amalgamation while the dollar amounts of share capital and deficit are those of Biomax.

iv) The comparative figures reported are those of Biomax, the continuing entity.

v) As the fair market value of the shares of Vigor were not determinable and Vigor had a net asset deficiency at the date of the reverse takeover, pursuant to Notice and Interpretation Note 91/21 of Canadian securities regulatory bodies, the excess of liabilities assumed over tangible assets acquired has been treated as a capital transaction and charged to deficit. No amount is recorded as goodwill or as a cost of acquiring the public listing.

vi) The Business Combination Cost is computed as follows:

	$
Tangible assets acquired:	
Cash	2,423
Accounts receivable	13,414
Prepaid expenses	1,844
Capital assets	2,682
	20,363
Less: liabilities assumed:	
Accounts payable	(168,223)
Payable to related party	(145,104)
	(313,327)
Net deficiency	292,964
Direct costs incurred	118,239
Total business combination cost	411,203

Upon completion of the amalgamation, 12,431,995 common shares owned by the Biomax shareholders became subject to a voluntary pooling agreement whereby the shares are to be released in increments over 18 months from the effective date of the amalgamation subject to regulatory requirements.

As the acquisition was effective January 15, 1999, transactions of Vigor subsequent to that date and up to the date of legal amalgamation are included in the statement of operations. Transactions of Vigor between January 1, 1999 and January 15, 1999 were not material

3. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

These consolidated financial statements include the accounts of Biomax Technologies Inc. and its wholly owned subsidiaries:

*Biomax Properties Inc.
*Biomax Technologies TSD (Canada) Inc.
*Biomax Technologies Sales and Marketing (Canada) Inc.
*Biomax Technologies Research and Developments Inc.
Derma Technologies Inc.
Biomax Technologies (U.S.A.) Inc.
Biomax Technologies (Barbados) Inc.
*Biomax Product Development (Barbados) Inc.
*Biomax TSD (Barbados) Inc.

* denotes inactive

The accounts and operations of Derma Technologies Inc. include a limited partnership where Derma is the general partner. The limited partnership operations are not currently material.

(IN CANADIAN DOLLARS)

3. SIGNIFICANT ACCOUNTING POLICIES- CONT'D

On January 31, 1998 the Company acquired a 100% interest in Derma Technologies Inc. ("DTI") in exchange for 1,250,000 common shares and 750,000 share purchase warrants. The acquisition has been accounted for using the purchase method . The 1998 financial statements include results of operations of "DTI" from February 1, 1998 to December 31, 1998.

	$
Consideration	
1,250,000 common shares at $1	1,250,000
Assets	(2,256)
Liabilities	70,719
Net tangible assets	68,463
Excess of consideration over net tangible assets, being Proprietary Technology	1,318,463

No value has been assigned to the share purchase warrants. The transferors are entitled to an ongoing royalty on future sales from technology through the Limited Partnership.

b) Proprietary Technology

Proprietary technology consists of trade secrets, copyrights, patents, patent applications and deferred development costs. Amortization of trade secrets, copyrights, patents and patent applications is to be provided on a straight-line basis over 7 years once commercial production has commenced. As commercial production has not commenced, no amortization has been provided to date.

Research costs are expensed as incurred. Development costs are expensed unless they meet specific criteria related to technical, market and financial feasibility, in which case they are deferred and amortized to operations over the estimated market life of the product developed. No amortization has been provided to date.

The unamortized balance of deferred costs recorded in the balance sheet represents a carrying value which will be charged to income through amortization on a systematic basis. It does not necessarily represent, nor is it intended to represent net realizable value of the deferred costs, as realization is dependent on completion of the development process and the ability of the company to market the products developed. In addition, the company anticipates significant further costs will be incurred prior to technologies being ready for market. As the company does not currently have significant revenue from sales to fund these costs, completion of the development process and delivery of the technology to market will be dependent on the company's ability to raise additional equity financing.

If it is determined by management that the carrying value of the development costs will not be realizable by reference to the present value of future expected cash flows for the projects, related costs will be written-down to recoverable value.

c) Capital Assets

Capital assets are recorded at cost. Amortization is recorded using the straight line method as follows:

Project equipment	- 4-7 years
Computer hardware	- 4 years
Computer software	- 2 years
Furniture and fixtures	- 5 years
Office equipment	- 5 years
Leasehold improvements	- over term of premises lease

3. SIGNIFICANT ACCOUNTING POLICIES- CONT'D

c) Capital Assets - cont'd

Amortization polices are reviewed on a regular basis to ensure the carrying value of capital assets is equal to or greater than their net recoverable amount with reference to future expected cash flows from such assets. Adjustments, if any, to carrying value are recorded in the period of determination of an impairment in value.

d) Foreign Currency Translation

The functional currency of the company is the Canadian dollar. Balance sheet items denominated in foreign currency are translated into Canadian dollars at exchange rates prevailing at the balance sheet date for monetary items and at exchange rates in effect at the transaction date for non-monetary items. Income statement items are translated into Canadian dollars at actual or average rates prevailing during the period. Realized gains and losses on foreign currency transactions are included in earnings.

e) Loss Per Share

Loss per common share has been computed using the weighted average number of shares of common stock outstanding during the period. Fully diluted loss per share has not been presented as this calculation has an anti-dilutive effect.

f) Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Such estimates include cost allocations to projects, recoverable value of proprietary technology, recoverable tax credits and amortization of capital assets. Actual results could differ from these estimates.

g) Financial Instruments and risk management

The company's financial instruments consist of cash and term deposits, accounts receivable, accounts payable and amounts due to/from related parties. It is Management's opinion that the company is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair market value of the instruments approximates their carrying value.

h) Government assistance

Prior to the amalgamation with Vigor Resources Ltd. **(Note 2)**, the Company was a private entity and qualified for refundable scientific research tax credits. Upon the Company becoming a publicly listed entity on April 6, 1999 the company qualified only for tax credits available to offset future income taxes payable. As the Company does not currently have taxable income and has available losses to carry forward no refundable tax credits in respect of expenditures after March 25, 1999 (the legal date of amalgamation) are available.

Cumulative scientific research tax credits received or receivable to date have been recorded as a reduction of related operating expenses where applicable or as a reduction of related capitalized proprietary technology costs incurred. **(See Note 6).**

(IN CANADIAN DOLLARS)

3. SIGNIFICANT ACCOUNTING POLICIES- CONT'D

i) Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. The effects of the Year 2000 Issue may be experienced after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failures which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties have been fully resolved.

j) Revenue recognition

The Company recognized revenue from sales of equipment upon delivery. Revenue from consulting activity is recognized as the services are provided. Costs related to consulting include direct costs and allocations of certain identified general overheads.

Incidental revenues from projects under development will be recorded as reductions of project costs until such time as the company or a specific project achieves commercial production.

4. DUE TO (FROM) RELATED PARTIES

	1999 $	1998 $	1997 $.
Advances from directors	453,000	-	-
Brigill Investments Ltd.	11,802	(111,214)	(100,000)
Vigor Resources Ltd.	-	(13,706)	-
	464,802	(124,920)	(100,000)

During the current year the Company received loans from directors totaling $453,000. The loans bear interest at 8% per annum and are repayable on May 31, 2001. The Company has agreed to grant to the directors a security interest over all its assets as collateral for the loans. As the loans are not repayable within the ensuing year, they have been classified as long term. **(Note 8).** As at the year end, formal security documents had not been completed or registered **(Note 12).**

5. CAPITAL ASSETS

	1999 $			1998 $	1997 $.
	Accumulated Cost	Net Book Amortization	Net Book Value	Value	Value .
Project equipment	296,988	126,972	170,016	289,819	274,478
Computer hardware	101,980	50,866	51,114	35,451	42,009
Computer software	27,970	16,255	11,715	-	6,175
Furniture and fixtures	123,875	65,580	58,295	76,703	76,414
Office equipment	62,270	34,028	28,242	39,977	40,968
Leasehold improvements	86,842	32,021	54,821	66,051	57,083
	699,925	325,722	374,203	508,001	497,127

(IN CANADIAN DOLLARS)

6. PROPRIETARY TECHNOLOGY

	1999 $	1998 $	1997 $
Optical Catheter:			
Acquisition costs	204,015	204,015	204,015
Patent applications and related costs	427,331	287,067	143,690
Deferred development costs			
Wages	590,805	239,706	81,286
Research contracts	940,254	986,738	630,677
Outside consultants	375,654	162,200	37,469
Materials, supplies and other	363,891	200,562	78,413
	2,901,950	2,080,288	1,175,550
Optical measurement of skin properties:			
Acquisition costs	1,321,216	1,321,216	-
Patent application cost and related costs	164,877	114,621	-
	1,486,093	1,435,837	-
Miscellaneous patent applications and related costs	88,569	238,493	-
Total Proprietary Technology	4,476,612	3,754,618	1,175,550
Less related investment tax credits	(580,915)	(482,631)	(289,746)
	3,895,697	3,271,987	885,804

(a) The Company is developing a technology whereby an optical catheter is inserted into the heart. The catheter illuminates the heart tissue and resulting data is measured, saved and analyzed by the Company's proprietary software.

(b) The Company is developing equipment for optical measurement of skin properties where light is used to measure and analyze the interactions between light and skin for use in detection and delineation of certain skin cancers.

Both of the above projects are in the development stage in large animal studies or human clinical trials.

Deferred development costs consist of project contracted costs, consultants, salaries, supplies and certain legal costs relating to the company's technologies. The company anticipates that significant additional costs will be incurred in order to complete the development process. **(See Note 3(b)).**

Effective January 1, 1998 the optical catheter, together with certain other product development projects were transferred to the company's subsidiary Biomax Technologies (Barbados) Inc.

7. SHARE CAPITAL

Authorized
1,000,000,000 common shares without par value

Issued	1999		1998		1997	
	Shares	Amount $	Shares	Amount $	Shares	Amount $
Balance, beginning of year (Biomax)	15,501,118	6,085,924	12,319,860	3,442,093	6,872,000	218,060
Issued upon completion of amalgamation:						
To Vigor shareholders(a)	740,000	-	-	-	-	-
To Biomax shareholders(a)	15,501,118	6,085,924	-	-	-	-
	16,241,118	6,085,924	12,319,860	3,442,093	6,872,000	218,060

-continued-

(IN CANADIAN DOLLARS)

7. SHARE CAPITAL - CONT'D

	1999		1998		1997	
	Shares	Amount $	Shares	Amount $	Shares	Amount $
Issued during year for:						
Cash(b) (d)	1,740,000	2,175,000	1,931,258	1,411,828	5,247,860	3,170,160
Management fees	-	-	-	-	200,000	100,000
Corporate finance fees(c)	200,000	250,000	-	-	-	-
	1,940,000	2,425,000	1,931,258	1,411,828	12,319,860	3,488,220
Less: related share issues costs	-	(456,150)	-	(17,997)	-	(46,127)
	1,940,000	1,968,850	1,931,258	1,393,831	12,319,860	3,442,093
Shares issued for acquisition of subsidiary **(Note 3)**	-	-	1,250,000	1,250,000	-	-
Allotted(e)	-	-	314,000	314,000	564,910	564,910
Less: subscriptions cancelled	-	-	(314,000)	(314,000)	-	-
Balance, end of year	18,181,118	8,054,774	15,501,118	6,085,924	12,884,770	4,007,003

The outstanding share capital of Vigor prior to amalgamation was 3,190,000 shares which were exchanged for 740,000 shares of the new entity upon amalgamation.

(a) Upon completion of the amalgamation detailed in Note 2 the following share transactions occurred:

i) The shareholders of Vigor received 740,000 common shares of the amalgamated entity
ii) The shareholders of Biomax received 15,501,118 common shares of the amalgamated entity

(b) 1,740,000 common shares were issued pursuant to an Exchange Offering Prospectus. Units offered in the prospectus consisted of one common share and one-half of one share purchase warrant for a total unit price of $1.25. Each whole warrant entitles the holder to purchase one additional common share of the Company for a period of two years at a price of $1.25 per share during the first year and $1.4375 per share during the second year.

(c) 200,000 common shares of the Company were issued to the agent for the offering as a corporate finance fee. A total of 100,000 of these shares will be held in escrow pending completion of a planned secondary offering. In addition, a guarantee fee of 261,000 share purchase warrants was provided to the agent. A "greenshoe" option was included to allow the agent to purchase up to an additional 15% of the units offering. Agent's warrants are subject to the same terms and exercise prices as described in (b) above.

(d) During the prior year 1,411,258 shares were issued at $1.00 per share and 520,000 shares were issued for $0.001 per share.

(e) During the prior year 314,000 shares had been allotted for issue under subscriptions. As the subscription proceeds were not received the allotments were cancelled

Stock Options

The company has 1,510,000 stock options outstanding at the year end which were granted to directors and employees. The options have a term of five years with an exercise price of $1.25 per share. The options are exercisable in increments of 371,250 or 6,250 shares commencing July 6, 1999 and August 26, 1999 respectively and annually thereafter for three years. **(See Note 12).**

(IN CANADIAN DOLLARS)

7. SHARE CAPITAL - CONT'D

Warrants

Share purchase warrants outstanding at the year end **(See Note 12)** are as follows:

Number	Expiry Date	Exercise Price
261,000	March 17, 2000 (expired)	$1.25
	March 17, 2001	$1.4375
870,000	March 17, 2000 (expired)	$1.25
	March 17, 2001	$1.4375
750,000	January 31, 2003	$2.50
1,881,000		

Escrow shares

The Company had 100,000 shares held in escrow at the year end and are subject to release upon approval of regulatory authorities.

Pooled shares

As at the year end, 10,850,979 shares were subject to a voluntary pooling agreement. The pooled shares are to be released in increments over 18 months from the effective date of the amalgamation subject to regulatory approval and requirements.

8. RELATED PARTY TRANSACTIONS

During the year, the Company had the following transactions with related parties:

i) Received loans from its directors totaling $453,000 **(Note 4)**.

ii) Incurred legal fees of $65,874 to a law firm in which a partner was an officer of the Company. Included in accounts payable is $47,388 owing to the law firm.

iii) A company controlled by a director settled certain liabilities of Biomax totaling $180,587 with third parties in exchange for an assignment of their debt. In payment for the assigned debt a cellular imaging system was transferred at net book value of $162,741 to the related company. The net gain on settlement of $17,846 has been recorded as a recovery from settlement of accounts payable in the statement of operations. The transfer of the asset occurred at fair market value and was recorded at its equivalent dollar exchange amount.

iv) Entered into an agreement with the University of British Columbia relating to the use of the optical catheter technology. A director of the company is a senior employee of the institution **(Note 9).**

v) Entered into an agreement with the University of British Columbia and the Vancouver Hospital to fund research and clinical trials relating to the Company's SCD-I system. A director of the company is a senior employee of the institution **(Note 9).**

vi) Entered into an agreement with British Columbia Cancer Agency relating to the use of photodynamic therapy. A director of the Company is a senior employee of the institution. **(Note 9).**

vii) Director's and a company controlled by a director provided management, consulting, and office and shareholder relations services as follows:

	1999 $	1998 $	1997 $
Management fees	443,623	-	47,000
Consulting fees	111,656	175,177	49,650
Office and shareholder relation services	148,255	49,414	-
	703,534	224,591	96,650

In 1998, Management fees were foregone.

8. RELATED PARTY TRANSACTIONS - CONT'D

viii) Related party transactions have been recorded at their dollar exchange amount.

ix) The company sublet office space during the year to a company with a director in common. Rent was charged at market rates. As at the year end, accounts receivable includes $7,034 due from this company.

9. COMMITMENTS

Leases

The Company has entered into three lease agreements for office and visitor accommodation space expiring between June 30, 2000 and June 30, 2004. The minimum payments required are: $158,256 in 2000, $143,256 in each of 2001 to 2003, and $65,795 in 2004 for a total over the next five years of $653,819.

The Company has sub-leased office space to a related party at a rate of $10,600 per month. The sub-lease expires December 31, 2000 and is renewable at the option of the related party.

As security for one lease, a term deposit totaling $9,953 is pledged and restricted from use until August 1, 2000.

Restricted cash

An amount of $38,656 (1998 - $38,211) included in cash is restricted from use and pledged as security for corporate credit cards.

Service Agreement **(Note 7)**

In November 1999, the Company entered into a service agreement for $24,717 with the University of British Columbia for the testing of an optical catheter used for detection of transplant heart rejection in swine. In February 2000, the final payment of $12,359 is due.

Clinical Trial Agreement **(Note 7)**

In August 1999, the Company entered into an agreement for $70,894 with the University of British Columbia and the Vancouver Hospital to conduct a study in the use of the Biomax SCD-I System. The agreement requires payments totaling $50,894 in 2000.

Collaborative contract

In September 1999, the Company entered into a collaborative contract for $35,818 with the British Columbia Cancer Agency to develop a practical method for the use of photodynamic therapy in a clinical setting. The six-month agreement requires payments of $15,042 in 2000.

10. INCOME TAXES

The Company has available losses of $1,077,000, the benefit of which has not been reflected in these financial statements. The losses may be carried forward to apply against future income for tax purposes but will expire in 2006. The Company also has available undeducted research and development expenses of approximately $2,125,000 which may be claimed in the future against taxable income. These deductions have no expiry date. The Company has available investment tax credits totaling $308,000 which can be carried forward and deducted against future Federal taxes payable.

The Company has not recorded the potential income tax benefits of the above amounts.

(IN CANADIAN DOLLARS)

11. SEGMENTED INFORMATION

Identifiable assets by geographic location are as follows:

	1999 $	1998 $	1997 $
Barbados	3,400,146	1,175,544	-
Canada	653,848	3,190,171	3,143,089
USA	450,439	391,508	-
	4,504,433	4,757,223	3,143,089

The Company does not account separately for operating segments as its technologies are still in the research and development stage. Accordingly segmented information by operating segments is not presented.

12. SUBSEQUENT EVENTS

Subsequent to the year end the following transactions occurred:

i) The Company granted a director 250,000 stock options at $0.77 per share expiring January 25, 2005.

ii) The Company completed a non-brokered private placement issuing three million common shares at $0.50 per share for net proceeds of $1.5 million.

iii) On February 22, 2000, the Company announced a letter of Intent with agents to raise up to $8 million through a brokered private placement and prospectus offering. The announced offering is in the process of renegotiation as at April 12, 2000. The terms of the proposed offering and agency agreement are not sufficiently advanced to provide specific details of share price, commission or net proceeds to the company.

iv) Pursuant to an agreement dated February 11, 2000 with an unrelated third party, the Company acquired 100% right, title and interest in an Endoscopic Invention which provides a method for direct viewing of target tissue through specialized filters. Total consideration for the acquisition is $100,000 to be settled by the issuance of 90,000 common shares of the company.

v) The following warrants and stock options were exercised:

		Exercise Price	$
356,515	warrants	1.25	445,644
20,000	stock options	1.25	25,000
			470,644

vi) An additional loan of $110,000 was advanced by a company controlled by a director.

vii) The Company agreed to a minimum of $200,000 U.S. compensation to a director and officer in 2000 for management services to be provided.

13. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform with current presentation.

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XV of the *Securities Act* (Ontario) and the respective regulations thereunder.

Dated: June 30, 2000

"*Thomas Thompson*"	"*Richard Barnett*"
(signed) Thomas C. Thompson	(signed) Richard Barnett
Chief Executive Officer	Chief Financial Officer

On behalf of the Board of Directors

"*Christopher Thompson*"	"*Brian Lock*"
(signed) Christopher Thompson	(signed) Brian Lock
Director	Director

Promoter

"*Brian Lock*"
(signed) Brian Lock

CERTIFICATE OF THE AGENTS

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XV of the *Securities Act* (Ontario) and the respective rules and regulations thereunder.

Dated: June 30, 2000

HAYWOOD SECURITIES INC.

"*Keith Peck*"
By: (signed) KEITH L. PECK

CANACCORD CAPITAL CORPORATION

"*Michael Greenwood*"
By: (signed) MICHAEL G. GREENWOOD

PACIFIC INTERNATIONAL SECURITIES INC.

"*Max Meier*"
By: (signed) MAX MEIER

The following indicates the name of every person or company having an interest, directly or indirectly, to the extent of not less then 5% in the capital of:

Haywood Securities Inc.:	John Tognetti, David Elliott, David Shepherd, David Lyall, Robert Disbrow, Eric Savics and William Vance
Canaccord Capital Corporation:	Peter M. Brown (through The MacLachlan Investments Corporation), Bradley D. Griffiths (through 3759971 Canada Inc.) and Michael G. Greenwood (directly and through 728541 Alberta Ltd.). Their interests are held indirectly through Canaccord Investment Ltd. and Canaccord Holdings Ltd.
Pacific International Securities Inc.:	National Bank Financial Inc., Meico Investment Corporation, 555051 British Columbia Ltd., Eymann Investments Corp. and Lawrence H. McQuid