A copy of this preliminary prospectus has been filed with the securities regulatory authorities in each of British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be distributed until a receipt for the prospectus is obtained from the securities regulatory authorities.

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 regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly in the United States of America, its territories or possessions. See "Plan of Distribution".

NEW ISSUE April 26, 2002

PRELIMINARY PROSPECTUS

LIFEBANK CRYOGENICS CORP.

Technology Place - BCIT Campus
200 - 4475 Wayburne Drive
Burnaby, British Columbia
Canada V5G 4X4
Telephone: (604) 738-2722
Facsimile: (604) 738-2726

$1,500,000 (Minimum) (● Common Shares)

$4,000,000 (Maximum) (● Common Shares)

Price: $0.● per Common Share

Lifebank Cryogenics Corp. (the "Corporation") hereby qualifies for distribution in British Columbia, Alberta and Ontario a minimum of ● Common Shares in the capital of the Corporation and a maximum of ● Common Shares at a price of $0.● per Common Share (the "Offering"). This Offering is being made to investors resident in British Columbia, Alberta and Ontario. The Offering Price and terms of this Offering have been determined by negotiation between the Corporation and Yorkton Securities Inc. (the "Agent").

Subscription proceeds for the Common Shares will be held in trust with the Agent until a minimum of ● Common Shares have been subscribed for. If the minimum Offering is not received, the subscription funds will be returned to subscribers without interest or deduction. See "Plan of Distribution".

	Number of Shares	Price to Public[(1)]	Agent's Fee[(2)]	Net Proceeds[(3)]
Per Share	●	$0.●	$0.●	$0.●
Minimum Offering	●	$1,500,000	$●	$1,350,000
Maximum Offering	●	$4,000,000	$●	$3,600,000

Notes:

(1) The offering price of a Common Share will be fixed by the Corporation and the Agent prior to the date a receipt for the (final) prospectus is issued in accordance with the rules of the TSX.

(2) The Agent will be paid a commission equal to 10% of the proceeds from the sale of Common Shares pursuant to this Offering. The Corporation will also grant Agent's Warrants to the Agent entitling the Agent to purchase up to 15% of the number of Common Shares sold pursuant to this Offering at a price of $0.● per Common Share during the initial year and

at a price of $0.● per Common Share during the second year following the completion of this Offering. This prospectus qualifies the distribution of the Agent's Warrants to the Agent. See "Plan of Distribution".
(3) Before deducting estimated balance of expenses of the Offering of $●, including the balance of the expenses of the Agent.

SECONDARY DISTRIBUTION OF UP TO 1,796,861 COMMON SHARES UPON THE EXERCISE OF PREVIOUSLY ISSUED SPECIAL WARRANTS

The Corporation is also hereby qualifying for distribution up to 1,796,861 common shares issuable upon the exercise of 1,796,861 previously issued Special Warrants. 1,143,250 of the Special Warrants were issued in April, 2001 at a price of $0.40 per Special Warrant. Of these, 800,000 were sold by the Agent and a commission of $0.05 per Special Warrant was paid by the Corporation. An additional 343,250 Special Warrants were sold by the Corporation and no commission was paid. The issue price of the Special Warrants was determined by negotiation between the Agent, the Corporation and the subscribers. The Corporation agreed to use its best efforts to obtain a receipt from the applicable Securities Commissions and approval from the TSX for a prospectus qualifying the distribution of the Common Shares on exchange of the Special Warrants.

In January 2002, the Corporation issued an additional 53,611 Special Warrants at a deemed price of $0.40 per Special Warrant to a director of the Corporation in consideration for services provided by the director.

The Corporation is also in the process of using its best efforts to sell an additional 600,000 Special Warrants at the purchase price of $0.50 per Special Warrant by way of private placement exemption.

Each Special Warrant entitles the holder thereof, upon exercise or deemed exercise of the Special Warrant and without payment of additional consideration, to receive one Common Share for each Special Warrant that is exercised. This prospectus qualifies up to 1,796,861 Common Shares issuable upon the exercise of the Special Warrants.

	Price	Agent's Fee	Net Proceeds to the Corporation (1)
Per Special Warrant (Brokered)	$0.40	$0.05	$0.35
Total (Brokered)	$320,000	$40,000	$280,000
Per Special Warrant (Non-Brokered)	$0.40 (2)	Nil	$0.40 (2)
Total (Non-Brokered)	$158,744	Nil(3)	$158,744
Per Special Warrant (Non-Brokered – Offering in Progress)	$0.50	Nil(3)	$0.50
Total (Non-Brokered - offering in progress)	$300,000	Nil (4)	$300,000

(1) Before deducting additional expenses of $33,496 incurred in connection with the brokered and non-brokered Special Warrant distributions.
(2) A portion of these special warrants were issued at a deemed price of $0.40 to a director of the Corporation in consideration for services provided.
(3) The Corporation has agreed to pay the Agent a fee equal to 2% of proceeds realized by the Corporation from the sale of these Special Warrrants and to grant the Agent an Agent's warrant for the purchase of up to a number of Common Shares equal to 15% of the Special Warrants qualified pursuant to this prospectus. The fee will be paid from the Corporation's working capital.
(4) The Corporation intends on completing the majority of the Special Warrant offering directly; however, the Corporation may pay a finder's fee to persons who introduce purchasers of Special Warrants to the Corporation equal to 7% of the gross proceeds of Special Warrants sold to such purchasers.

SECONDARY DISTRIBUTION OF 150,000 AGENT’S WARRANTS UPON EXCHANGE OF PREVIOUSLY ISSUED COMPENSATION OPTIONS

The Corporation is also hereby qualifying for distribution 150,000 Agent’s Warrants issuable upon the exercise of 150,000 previously issued compensation options. The Compensation Options were issued in April, 2001 as partial consideration paid by the Corporation to the Agent in consideration of the Agent acting as agent in the sale of 800,000 Special Warrants by the Corporation at the purchase price of $0.40 per Special Warrant. The Compensation Options entitle the Agent, upon exercise or deemed exercise of the Compensation Options and without payment of additional consideration, to receive 150,000 Agent’s Warrants. This prospectus qualifies the 150,000 Agent’s Warrants issuable upon the exchange of the Compensation Options. The 150,000 Agent’s Warrants entitle the Agent to purchase up to 150,000 Common Shares at a purchase price of $0.40 per share exercisable on or before April 17, 2002 and at a purchase price of $0.46 per share exercisable on or before April 17, 2003. The Corporation agreed to use its best efforts to obtain a receipt from the applicable Securities Commissions and approval from the TSX for a prospectus qualifying the distribution of the Agent’s Warrants in exchange of the Compensation Options.

	Price	Agent’s Fee	Net Proceeds to the Corporation
Per Compensation Option	Nil	Nil	Nil

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus. Investment in the Common Shares is speculative due to various factors, including the nature of the Corporation's business. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "Risk Factors".

The Agent, as exclusive agent of the Corporation for the purposes of this Offering, conditionally offers the Common Shares on a best efforts basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agent in accordance with the Agency Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the Corporation by DuMoulin Black and on behalf of the Agent by Anfield Sujir Kennedy & Durno. 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. Certificates representing the Common Shares will be available for delivery following closing of the Offering.

YORKTON SECURITIES INC.
11th Floor, 1055 Dunsmuir Street
Vancouver, British Columbia Canada V7X 1L4
Telephone: (604) 640-0400
Facsimile: (604) 640-0464

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GLOSSARY

“150,000 Agent’s Warrants” means the agent’s warrants to be distributed by the Corporation to the Agent upon the exchange of the Compensation Options, entitling the Agent to purchase up to 150,000 Common Shares at a purchase price of $0.40 per share exercisable on or before April 17, 2002 and at a purchase price of $0.46 per share exercisable on or before April 17, 2003;

“Agency Agreement” means the Agency Agreement dated ●, 2002 between the Agent and the Corporation;

“Agent” means Yorkton Securities Inc.;

“Agent's Warrants” means the share purchase warrants granted to the Agent as described under the heading "Plan of Distribution";

“Assay” means an analysis done to determine the presence of a substance and the amount of that substance;

“Chemotherapy” means drug therapy for cancer. Also called “chemo” for short;

“Closing Date” means such date or dates that the Corporation and the Agent mutually determine to close the sale of the Common Shares of the Corporation offered pursuant to this prospectus;

“Common Share” means a common share in the capital of the Corporation;

“Compensation Options” means an option granted by the Corporation to the Agent as partial consideration payable by the Corporation to the Agent in consideration of the Agent acting as agent in the sale of 800,000 Special Warrants at a price of $0.40 per Special Warrant prior to the Corporation becoming a reporting issuer;

“Corporation” means Lifebank Cryogenics Corp.;

“Cryopreservation” means the process of cooling and storing cells, tissues, or organs at very low temperatures to maintain viability. For example, the technology of cooling and storing cells at a temperature below the freezing point (-196 C) permits high rates of survivability upon thawing. Cryopreservation is cold storage for the purpose of preservation;

“Doula” means a person who assists an expectant mother with prenatal care, childbirth education, delivery and post-natal care. Also known as a midwife assistant or labor assistant

“Gynecologist” means a doctor who specializes in treating diseases/disorders of the female reproductive organs

“Hematopoietic Stem Cell” means those cells required for the formation of blood cells in the body;

“Midwife” means a person trained to assist a woman during childbirth;

“Obstetrician” means a physician who delivers babies and is in the practice of obstetrics, the art and science of managing pregnancy, labor and the time immediately after delivery

“Offering” has the meaning ascribed to it on the face page of this prospectus;

“Offering Price” means $0.● per Common Share;

“Peripheral Blood” means the blood that is found outside the bone marrow;

“Pre-natal Nurse” means a nurse that cares for an expectant mother prior to the birth of the child;

“Protocol” means a detailed plan of a scientific procedure;

“Reagent” means a substance used to produce a chemical reaction to detect, measure, produce, etc. other substances;

“Securities Commissions” means the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission;

“Special Warrants” means the 1,796,861 special warrants distributed or to be distributed by the Corporation at a price of $0.40 and $0.50 per special warrant prior to the Corporation becoming a reporting issuer;

“Subscriber” means a subscriber for the Common Shares subscribed for under this Offering; and

“TSX” means the TSX Venture Exchange.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

Corporation

The Corporation is engaged in the business of processing and cryopreserving umbilical cord blood stem cells for private clients in Canada and the United States. See "Narrative Description of the Business".

Management

Frank Ernest Stacey – Chief Executive Officer, President and Director
Owen Ross Granger – Chief Financial Officer, Secretary/Treasurer and Director
Dr. Christopher Morris Goddard – Director
William Cameron James - Director
John Douglas Seppala – Director

See “Directors and Officers”.

The Offering

Minimum Offering

● Common Shares

Maximum Offering

● Common Shares

Price

$● per Common Share

See “Plan of Distribution”.

Use of Proceeds

All of the proceeds of the sale of the Common Shares will be used to finance the Corporation’s operating cash requirements, equipment and marketing costs and, if the maximum Offering is completed, costs related to the Issuer setting up additional facilities in Ontario and elsewhere and to hire additional marketing personnel. See "Use of Proceeds".

Due to the nature of the Corporation’s business, budgets are regularly reviewed with respect to both the success of the Corporation’s business plan, marketing expenditures and other matters that become applicable to the Corporation. Accordingly, while it is currently intended by management of the Corporation that the Corporation will expend the proceeds of this Offering as set forth in the “Use of Proceeds”, actual expenditures may in fact differ from these amounts and allocations.

Risk Factors

An investment in the Common Shares of the Corporation should be considered highly speculative and investors may incur a loss on their investment. The Corporation’s business is in the early stages of operation and the historical financial information of the Corporation is of limited value in projecting the Corporation’s prospects. Financing of the Corporation’s business objectives as described herein is dependent on management’s projections of cash flow from operations being achieved. These projections are largely dependent on projected market demand for collection and cryopreservation of umbilical cord blood stem cells. There is no assurance that demand for these services will develop at levels projected by management or will result in sufficient cash flow to implement the Corporation's stated business objectives. There are several other companies in North America in direct competition with the Corporation. The Corporation may require additional capital to finance expansion of the Corporation's business. There is no assurance such capital will be available on acceptable terms or at all. The market of the Corporation's services is subject to rapid technological change and significant competition. There is no assurance the Corporation will be successful in adapting to such changes and competition or that it will achieve or successfully manage the rapid growth required to achieve its business objectives. There is no assurance government regulation will not be introduced which could adversely affect the Corporation. The Corporation's success is also dependent upon key personnel and on licensors and others and there is no assurance those relationships and products can be maintained. The Corporation does not maintain all risk third party insurance. The Corporation could become liable for unissued risks including those related to hazardous materials and environmental matters. See "Risk Factors".

Summary of Financial Information

The following selected financial information is subject to the detailed information contained in the financial statements of the Corporation and notes thereto appearing elsewhere in the prospectus. The selected financial information is derived from audited and unaudited financial information for the Corporation. The Corporation has established May 31 as its fiscal year end.

	Six months Ended November 30, 2001 (unaudited)	**Year Ended May 31, 2001**	**Year Ended May 31, 2000**	**Year Ended May 31, 1999**
Total revenues	$ 169,856	$ 221,864	$ 160,585	$ 137,204
Operating expenses	81,623	76,951	37,378	39,093
General and administrative expenses	198,640	154,884	130,033	150,506
Net (loss)	(110,407)	(9,971)	(6,826)	(52,395)
Net (loss) per common share, basic and fully diluted	(0.055)	(0.005)	(0.003)	(0.026)
Total assets	520,373	544,117	102,789	107,589
Long-term financial liabilities	0	0	0	0
Cash dividends per share	0	0	0	0

Selected financial information for each of the six most recently completed quarters ending with the second quarter of the fiscal year ending May 31, 2002 is as follows:

	Nov. 30, 2001	**Aug. 31, 2001**	**May 31, 2001**	**Feb. 28, 2001**	**Nov. 30, 2000**	**Aug. 31, 2000**
Total revenues	$ 77,685	$ 92,171	$ 70,623	$ 52,608	$ 49,838	$ 48,795
Operating expenses	44,151	37,472	23,511	23,453	17,746	12,241
General and administrative expenses	139,574	59,066	63,789	26,011	31,333	33,751
Net (loss) income	(106,040)	(4,367)	(16,677)	3,144	759	2,803
Net (loss) income per common share - basic - fully diluted	 (0.053) (0.053)	 (0.002) (0.002)	 (0.008) (0.008)	 0.002 0.001	 0.000 0.000	 0.001 0.001

CORPORATE STRUCTURE

Lifebank Cryogenics Corp. was incorporated pursuant to the *Company Act* (British Columbia) on February 21, 1996 and was continued to the State of Delaware under the provisions of the General Corporation Law of Delaware on August 19, 1997. The Corporation then merged with Lifebank Merger Corp., a Nevada Corporation on February 14, 2002 under the laws of the State of Nevada and was then immediately continued under the provisions of the *Canada Business Corporation Act* on February 14, 2002.

The Corporation's head and registered offices are located at Technology Place - BCIT Campus, 200 - 4475 Wayburne Drive, Burnaby, British Columbia, Canada.

The Corporation is engaged in the business of processing and cryopreserving umbilical cord blood stem cells for private clients in Canada and the United States. See "Narrative Description of the Business".

The Corporation has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation is a cryogenic facility engaged in the business of processing and cryopreserving umbilical cord blood stem cells. The Corporation was organized in 1996 following the birth of the founding shareholder's fourth child. The shareholder elected to privately store his daughter's cord blood at the University of Arizona, as there was not then a private storage facility in Canada.

In July 1996 the Corporation stored the first private cord blood sample in Canada. The story was reported in the local Vancouver media, BCTV, UTV and The Vancouver Sun.

By the end of the fiscal year ended May 31, 1999, the Corporation had stored a total of 255 cord blood samples. Occasional advertisements in periodicals such as *B.C. Parent* and *Today's Parent,* distribution of brochures and "word-of-mouth" referrals from the Corporation's clients were the primary means of attracting clients. During the fiscal years ended May 31, 2000 and 2001, the Corporation continued to rely primarily on word-of-mouth referrals and occasional magazine advertisements to increase the number of samples stored. The Corporation stored 134 cord blood samples during the year ended May 31, 2000; 187 samples during the year ended May 31, 2001; and 137 samples during the six months ended November 30, 2001. A total of 806 samples were in storage at February 28, 2002.

In 2001, the Corporation developed and began to implement a more comprehensive marketing plan. The Corporation completely re-designed its information brochures and packages and engaged a full-time marketing representative to distribute this information and to meet directly with potential clients and their medical caregivers. Additional aspects of the marketing plan include the engagement of a media relations consultant, attendance at trade shows, and advertisements in magazines directed at expectant parents. The distribution of the brochures and the engagement of the media relations consultant began in November 2001. It is too early in the implementation of the current marketing plan to determine whether it will be successful in generating significant new clients for the Corporation.

In December 2001, the Corporation leased new laboratory and office space.

Trends

Advancements of medical research into the use of stem cells for the treatment of various diseases and increasing public awareness of the importance of stem cells have had a positive influence on the Corporation's development. The Corporation expects these trends to continue as research continues and more expectant parents become aware of the possible benefits of stem cell storage.

NARRATIVE DESCRIPTION OF THE BUSINESS

Stated Business Objectives

The Corporation's objective is to become a leader in the cryopreservation of umbilical cord blood stem cells in Canada.

The primary objectives over the short term (the balance of the current fiscal year and the year ending May 31, 2003) are to:

- Complete and implement a detailed marketing plan to increase the Corporation's exposure throughout Canada and the North-western United States.
- Increase monthly volumes to at least 150 samples per month.

The long term objectives beyond May 31, 2003 are to:

- Expand the Corporation's cord blood banking services into other areas of North America and elsewhere through opening or acquiring additional facilities.
- License or otherwise partner the Corporation's systems and protocols in those international areas in which operations are more feasible through a local operator.
- Expand the Corporation's core stem cell banking business beyond family storage to include an indexed and searchable cord blood bank to offer commercially viable stem cell related services to others, including other biotechnical, bioinformatic or pharmaceutical companies.

Milestones

The milestones that the Corporation has identified to achieve its objectives are:

Milestone	Estimated or Actual Time Period to Reach the Milestone	Estimated Cost to May 31, 2003
Conduct consumer research and test initial marketing concepts	Completed May 2001	Nil
Design and print the brochures and other information package materials	Completed September 2001	Nil
Hire a marketing and media relations director and commence detailed planning of the marketing program	Completed October 2001	Nil
Meet with local media to encourage news coverage of events related to umbilical cord blood stem cell storage	Commenced October 2001 – To continue indefinitely	$40,000
Hire a marketing representative, commence distribution of the brochures in the Greater Vancouver area and arrange meetings with local obstetricians and gynecologists	Commenced November 2001 – To continue until May 2002	$10,000
Lease appropriate facilities to permit expansion and accreditation of the laboratory at $12,500 per month	Completed December 2001	$200,000(1)

Milestone	Estimated or Actual Time Period to Reach the Milestone	Estimated Cost to May 31, 2003
Evaluate the results of the brochure distribution in the Greater Vancouver area. Refine the distribution procedures and commence distribution across Canada	June 2002 - To continue indefinitely	$210,000
Secure and retain a medical advisory board	June 2002 - To continue indefinitely	$40,000
Implement a print advertising campaign	June 2002 - To continue indefinitely	$140,000
Implement the process to become a Health Canada accredited cord blood stem cell bank	June 2002 to January 2003	$20,000
Complete leasehold improvements and furnishing of the Corporation's facilities	June 2002	$100,000
Complete the re-design of the Corporation's internet web-site and monitor and maintain search engine links	July 2002 - To continue indefinitely	$40,000
Open a satellite facility in Ontario	November 2002	$500,000

(1) The lease payments totalling $200,000 are for the period ending August 31, 2003.

Principal Products or Services

The Corporation processes and cryopreserves umbilical cord blood stem cells for private clients for a fee.

Stem cells are the parent cells which create all of a person's blood cells: red cells that carry oxygen, white cells that fight disease and platelets that help blood to clot.

Stem cell transplants are used to treat a wide range of life threating illnesses, including leukemia, metabolic disorders, immune deficiencies, bone marrow failure and some genetic disorders. Research involving the use of stem cells for other treatments is ongoing.

Human stem cells are available from three sources; bone marrow, the peripheral blood system and the umbilical cord. Stem cells can also be extracted from human embryos (fetuses, fertilized eggs or unborn babies); however, doing so also kills the embryo which raises serious ethical concerns. The use of stem cells from embryos is either illegal or highly restricted in many countries. To collect stem cells from either the bone marrow or peripheral blood is expensive and not without risk to the donor. Collecting stem cells from the umbilical cord is a simple, non-invasive process and poses no risk to mother or child. Such blood is a significant source of stem cells which are key cells found in bone marrow and which replicate and form the various cells needed in blood and the immune system. Stem cell levels in umbilical cord blood are similar to or greater than those in adult bone marrow. At present, umbilical cord blood is routinely discarded at birth.

At birth, an infant's stem cells circulate outside the bone marrow but disappear from circulation shortly after birth and reside only in the bone marrow. There is, therefore, a very narrow "window of time" in which the cells may be non-invasively and painlessly collected – i.e. at birth. These stem cells are separated from the whole blood collected from the umbilical cord, and the resulting sample volume can be cryopreserved and stored for future use.

Bone marrow transplantation is an often used means of medical treatment for a variety of diseases, resistant malignancies and genetic blood diseases. If bone marrow transplantation is needed, the patient's family is tested for suitably matched members. However, there is only a 1 in 4 chance that a patient's sibling will be a suitable match and it is highly unlikely that other members of the patient's family will match the patient. If a family member is not identified, then a search can be performed through various marrow donor program agencies for matched, unrelated volunteer bone marrow donors. The chances of finding a suitably matched unrelated donor for Caucasians is significantly higher than that for other ethnic groups as reported in National Marrow Donor program, Canadian Bone Marrow Transplant Group and Blood, Vol. 88, No. 3 (August 1) 1996: pp 795-802. The search process can take many months and is expensive.

Although it is possible to use bone marrow from a volunteer donor (which is frequently done), there are a number of serious side-effects from this process, the most serious being a condition called graft-versus-host disease, in which cells in the transplanted bone marrow graft (donor cells) start to attack the patient (recipient cells). This disease is a major cause of death when it occurs. Due to the problems of a lack of donors and the incidence of graft-versus-host disease, researchers have sought alternate sources of stem cells for transplant.

Storing a person's stem cells at birth ensures a perfect tissue match for that person with no chance of rejection, should the stem cells be required for transplantation. The stem cells may also be a match for siblings or parents.

Umbilical cord blood has several other advantages over other sources for stem cell transplantation.

- Cord blood stem cells are collected from a readily available source, the umbilical cord, which is routinely discarded after delivery.
- Collection of cord blood stem cells is non-invasive.
- Cord blood stem cells are readily available for transplantation.
- Cord blood appears to contain a more naive, or less developed and more easily manipulated or modified, cell population and thus is associated with a decreased risk of cellular rejection of the transplant by the recipient (graft-versus-host disease).
- Collecting stem cells from cord blood avoids the ethical issues surrounding embryonic stem cell collection.

Transplantation centres world-wide have found that cord blood is a viable alternative to bone marrow as a source of hematopoietic stem cells. Not surprisingly, reports have suggested that the best results were achieved in patients who received cord blood stem cells from related donors.

Stem Cell Research

Key areas of stem cell research include the developing field of gene therapy and in rescue therapy after high-dose chemotherapy.

Cord blood stem cells offer several advantages for gene therapy protocols not found with other sources of stem cells. First, due to the decrease in side effects, individuals receiving therapy would not trade one serious disease for another life threatening one. Second, it is significantly easier to introduce, or transfer, new genes in cryopreserved cord blood stem cells than in stem cells from other sources.

In transplant medicine, umbilical cord blood as a source for stem cells has demonstrated advantages over bone marrow and peripheral blood sources.

Research studies indicate that stem cells collected from umbilical cord blood could be used in the development of new treatments for repairing muscle, neural and liver tissue damaged by various human conditions.

The Corporation's cord blood storage service could provide "biological insurance" to parents for future potential therapies developed from the ongoing research.

Operations

In general, umbilical cord blood stem cell storage facilities are divided into two groups, public donor banks and private family banks. The public donor banks process and store cord blood stem cells donated for use by the general public. Private family banks process and store cord blood stem cells for the exclusive use of the family that stores the sample. Currently, there are over 20 public and private family cord blood banks in North America of which four are in Canada. The Corporation is the only private family bank in Canada that serves all of Canada and the United States. In the United States the Cord Blood Registry of Tuscon, Arizona, claims to have successfully stored over 10,000 cord blood samples and to be the largest private bank in North America.

The Corporation's administration office and processing laboratory are located at:

Technology Place – BCIT Campus
200 - 4475 Wayburne Drive
Burnaby, British Columbia
Canada V5G 4X4
Telephone: 1-888-888-7836
604-738-2722
Facsimile: 604-738-2726

Website: www.lifebank.com
e-mail: life@lifebank.com

The Corporation moved to this leased facility on December 1, 2001. It has a total of 6,050 square feet. The administrative section occupies 2,418 square feet and the laboratory and storage section, 3,632 square feet. The lease expires in 2006 but there are two options to renew the lease, first until 2011 and second until 2016.

The facility is on the campus of the British Columbia Institute of Technology. It is centrally located within a half-hour drive of all major hospitals in the Greater Vancouver metropolitan area and the Vancouver International Airport.

The Corporation believes that the laboratory and storage sections have been constructed to comply with stringent new standards that have been proposed by Health Canada. The Corporation expects that Health Canada will start accrediting stem cell processing and storage facilities sometime in 2003. The Corporation believes that it is important to become one of the first facilities in Canada to be accredited and licensed to perform cord blood stem cell banking and will attempt to receive such accreditation and licensing as soon as the standards are adopted, although there is no assurance that the standards proposed by Health Canada will not be changed or increased before adoption.

The Corporation's current laboratory space and processing equipment is sufficient to process the cord blood stem cells from over 400 new clients every month. The capacity of the Corporation's current storage tanks is 1,600 samples. The Corporation will have to purchase additional storage tanks as the number of samples stored increases. Storage tanks with a capacity of 800 samples each may be purchased at a current cost of approximately $30,000. The Corporation also plans to purchase additional processing equipment to make its processing procedures more cost efficient and will need to hire additional personnel to process the increased sample volumes.

The processing and storage of umbilical cord blood is not complex but involves procedures which must be rigidly adhered to. The Corporation's operations include the following.

Prior to Collection

Typically, expectant parents contact the Corporation to review the policies and procedures for cord blood collection. The Corporation offers a tour of its facility and provides cord blood educational material.

The Corporation obtains a personal and family medical history and an informed consent form which must be signed by the client. The consent form informs the mother of all available options, discloses all financial ramifications of the collection and storage procedure and includes a statement regarding limitations of any implied guarantee or warranties. The Corporation sends a collection kit to the expectant mother that contains all of the materials necessary to collect and ship the sample safely to the Corporation's facility for processing.

The Corporation also provides a collection protocol for the delivery room medical staff that details the collection procedure.

Collection

Collection of cord blood is performed in a manner which does not affect the delivery of the infant; does not increase the likelihood of any adverse reaction in the infant or mother; and does not interfere with the appropriate medical care of the infant or mother.

The delivering physician or midwife draws the blood sample from the umbilical cord immediately following the delivery of the baby. At the completion of collection, the collection syringes are labelled with the mother's name and date and time of collection. The sample is delivered to the Corporation within 36 hours after collection.

The collection protocol is designed to result in retention of sample sterility and stem cell viability. In utero (before placental delivery) and ex utero (following placental delivery) collection methods are both acceptable and have comparable efficacy. A closed collection system (syringe) by venipuncture of the umbilical vein under aseptic conditions is utilized.

Laboratory Procedures

The Corporation has standard operating procedures that have been reviewed and approved by the Corporation's Medical Director.

Upon receipt of the cord blood sample at the Corporation's facilities, laboratory personnel log the sample into a computerized database. The Corporation uses three unique identifiers for each sample. Additionally, laboratory personnel record details of the collection, including blood volume, collection date and time, and any variation from protocol.

The Corporation processes the cord blood sample following standard operating procedures to deplete the sample of red cells and concentrate the stem cell content.

Prior to long-term storage, the Corporation has all samples screened by third parties for infectious diseases and possible bacterial contamination. A sample of blood from the mother is collected within seven days after delivery and tested for infectious diseases such as Human Imunodeficiency Virus, syphilis and hepatitis.

Storage

The Corporation places all samples in quarantine until it has received the infectious disease test results. Non-infectious samples are transferred to the Corporation's regular storage tanks. If there is a positive test result for any infectious disease the sample remains in quarantine and the Corporation notifies the mother's attending physician.

The Corporation cryopreserves the cord blood stem cells in 10% dimethyl sulfoxide using methods described in written standard operating procedures published by N Engl J. Med 1989; 321: 1174-8, N Engl J Med 1997;337: 373-81 and Blood 1992;79: 1874-81. The Corporation labels the final product container with the client's unique identifier code, mother's name, date of storage and assigned inventory number. The label is legible and indelible. The Corporation then transfers the sample to a freezing container which allows storage of the sample in liquid nitrogen at a temperature of minus 196 degrees Celsius.

The Corporation's liquid nitrogen containers are equipped with a continuously monitored alarm device to detect temperature variations and malfunctions. Standard operating procedures are in place in the event of unexpected mechanical failure or liquid nitrogen loss. The entire facility is continuously monitored and secured.

Stem cells are usually stored for periods of 5 to 15 years although there are no formal applicable regulations. There is no evidence at present that stem cells stored at minus 196 degrees Celsius in an undisturbed manner lose their suitability for transplant or other use. At the current time, no expiration date is assigned to cord blood samples stored. The Corporation's present client service agreement has been established for a storage period of fifteen years.

Marketing and Sales

The Corporation's services provide individuals and matched family members with a unique biological insurance for the potential treatment of a variety of life threatening diseases.

The Corporation believes that many expectant parents would be receptive to the concept of stem cell cord blood storage once they hear that their new born's umbilical cord blood could save the life of their child or its sibling. The challenge is to get the message to the parents directly and to facilitate contact with the Corporation. The decision by parents on storage of their soon to be born infant's cord blood may be based on any number of issues including understanding the potential of stem cells, price, quality of service and reputation, past experience and level of expertise at the storage facility.

The persons having the most influence over the decision of whether or not to store a new-born's cord blood are the expectant parents and their physicians. For this reason, the Corporation's marketing strategy has been, and will continue, to focus efforts on both groups.

In order to deal effectively with physicians and other members of the medical community, it is necessary to inform the physicians that the storage of cord blood is an available and legitimate process. While initially somewhat hesitant to take an interest in cord blood banking, physicians in the greater Vancouver area are becoming more accepting of the process. It is interesting to note that to date, approximately one-quarter of the Corporation's clients are medical professionals.

The Corporation's goal is to make both target markets aware of future research and the potential therapeutic value of stored umbilical cord blood stem cells.

Target Markets

To date, clients found and chose the Corporation based primarily on a referral system, either from the medical community or from friends and acquaintances. The Corporation intends to be more direct in its marketing posture – putting the Corporation's representatives in front of expectant parents and their physicians.

The only time a collection of cord blood stem cells can occur is immediately after the birth of a child. Accordingly, the key market for the Corporation's service is families of childbearing age in Western Canada. Ultimately, market coverage is planned to include Eastern Canada and the North-western United States. This would include expectant parents and their relatives, with approaches organized through gynecologists, obstetricians, prenatal classes, hospitals and health care agencies.

Based on the Corporation's experience to date, higher income earners, particularly professionals, appear to be the most likely expectant parents to seek its services. In the United States, it has been observed that this population segment is most willing to accept this procedure as valid and is prepared to pay personally for the collection of their child's cord blood as "biological insurance". There is also significant interest from families considered to be at higher risk in terms of leukemia and other types of cancer.

Studies have shown that matching of stem cells for bone marrow transplants is difficult in non-Caucasian ethnic groups and, accordingly, the Corporation intends to work with this market to ensure that they are aware of the advantages of its services.

The total number of births in Canada from July 1, 2000 to June 30, 2001 was 329,791, as reported by Statistics Canada. The total number of births in the United States from July 1, 2000 to June 30, 2001 was approximately 4,045,000, as reported by the United States Department of Health and Human Services.

Within Canada (1) and Washington State (2), the births from July 1, 2000 to June 30, 2001 were as follows:

British Columbia	40,165
Alberta	35,938
Saskatchewan	12,541
Manitoba	14,170
Ontario	130,672
Quebec	71,463
New Brunswick	7,650
Nova Scotia	9,267
Newfoundland and Labrador	4,679
Other Canada	3,246
Washington State	80,791

Notes:

(1) As reported by Statistics Canada
(2) Estimate based on preliminary National Vital Statistics Reports published by the United States Department of Health and Human Services

Services Provided

The Corporation's services include:

- Provision of a sterilized cord blood collection kit.
- Onsite processing and storage of cord blood stem cells.
- Provision of informational material to expectant parents, physicians and midwives through printed and electronic media.
- Seminars and workshops. In collaboration with the medical community, the Corporation offers educational speakers who focus on key umbilical cord blood stem cell cryopreservation issues.

Pricing and Competitive Conditions

The Corporation's fees are based on several factors including time and resources needed to complete the process, overhead costs, and comparable fees charged by other storage facilities in North America. The Corporation's current pricing is:

- Cord blood processing and banking fees $850
- Annual storage fee $125

There are only two other facilities in Canada, both in Ontario, that store private cord blood samples. Their current pricing is:

- Cord blood processing and banking fees $500 to $625
- Annual storage fee $100

Typical processing and storage fees charged for this service in the US are:

- Cord blood processing and banking fees $225 to $1,405 (US)
- Annual storage fee $50 to $100 (US)

Specific prices charged by the Corporation's competitors are listed in the following chart. The following prices are derived from prices published by the competitors and may not include all charges, fees or discounts implemented by the competitors.

Competitor	**Location of Storage Facility**	**Processing and Banking Fees**	**Annual Storage Fee**
Canada		**Cdn$**	**Cdn$**
Cells for Life, Ltd.	Ontario	625	100
Toronto Cord Blood Program	Ontario	500	100
United States		**US $**	**US $**
Bio-Cell Inc.	Florida	595	99
California Cryobank Inc.	California	630	70
CorCell, Inc.	New Jersey	1,350	95
Cord Blood Registry	Arizona	1,290	95
Cryobank for Oncologic & Reproductive Donors, Inc.	New York	975	75
Cryobanks International, Inc.	Florida	600	95
Cryocell International Inc.	Florida	225	50
Family Link Cord Blood Storage Program	Kentucky	1,400	95
Lifebank USA (Anthrogenesis Corp.)	New Jersey	800	95
LIFECord, Inc.	California	865	85
Newborn Blood Banking, Inc.	Florida	400	100
New England Cord Blood Bank, Inc.	Massachusetts	427	75
Viacord (Viacell)	Ohio	1,405	95

In order to assist expectant parents in making the initial payment of $850 for the collection processing and first year banking, the Corporation has made credit arrangements through Medicard Finance Inc. ("Medicard"). Clients that use Medicard to finance cord blood storage are charged interest comparable with most major credit cards. The Corporation receives full payment from Medicard within 7 working days, less a fee of $25.

Advertising and Promotion

Before commencing its current marketing program, the Corporation applied the following techniques on a limited basis in Western Canada to advertise and promote its services:

- Articles in local and national parent and prenatal magazines, such as *B.C. Parent*, *Today's Parent* and *Great Expectations*
- Advertising in medical journals.
- Exhibits at Trade Shows and Medical Conferences.
- Parent Seminars – which include guest speakers.
- Alliances with clinics, midwives, and related professionals.
- Articles and editorials in local newspapers.
- Occasional television interviews on local networks.
- Occasional distribution of leaflets that describe the Corporation's services to physicians' offices, clinics and hospitals.
- Establishment of an interactive Internet site (www.lifebank.com).
- Availability of a 24-hour toll free number (1-888-888-7836).

In May 2001, the Corporation engaged a public relations consulting firm to research, design and develop a "concept" and related artwork, logo and by-lines for use in the Corporation's marketing activities. The Corporation prepared new marketing materials using this concept, which were completed in September 2001. The marketing materials consist of a formal handout folder containing the following colour print materials:

- A printed brochure describing the benefits of and procedures for storing cord blood stem cells with the Corporation.
- A printed "frequently asked questions" brochure.
- The Corporation's quarterly newsletter.
- Reprints of articles from medical journals related to cord blood stem cell banking.
- A step-by-step guide to client registration, including all of the necessary forms.
- Descriptions of the collection and storage processes and the collection protocol.
- A checklist for parents to assist them in sending their baby's cord blood stem cells to the Corporation.

The Corporation's Internet website generates limited traffic and requires a major update, which the Corporation plans to undertake upon completion of the Offering at a cost of approximately $40,000.

Marketing Personnel

The Corporation engaged a part-time contract marketing manager and media relations representative in September 2001 to develop its marketing plan, monitor its marketing activities and maintain contact with local media. The Corporation hired a full-time marketing representative in November 2001 to assist in the continued development and implementation of its marketing plan.

Marketing Plan

The Corporation's current marketing plan is to develop the market in the Vancouver metropolitan area. It will then expand its activities to other metropolitan areas, firstly in British Columbia and Alberta and secondly, across Canada and Washington State.

- The Corporation plans to meet with gynecologists, obstetricians, midwives, pre-natal nurses, doulas and other medical professionals who provide services to expectant parents. The Corporation intends to ensure that these health care professionals are fully informed of the benefits of cord blood stem cell banking and the Corporation's services. It is important that they respond favourably to questions from expectant parents on cord blood stem cell banking.
- The Corporation plans to place its brochures in the waiting rooms of gynecologists and obstetricians and in hospitals, clinics and other places that are predominantly visited by expectant parents.
- The Corporation plans to place advertisements in magazines that are directed to expectant parents, such as *Great Expectations, BC Parent Magazine,* and *Today's Parent.*
- The Corporation plans to attend trade shows aimed at expectant parents and arrange to sponsor or speak at conferences aimed at expectant parents or their medical professionals.
- The Corporation plans to maintain contact with the media, especially health and science reporters in consumer targeted mediums. The Corporation's aim is to obtain interview opportunities for its personnel or for medical professionals who advocate its services.
- The Corporation plans to publish a quarterly newsletter to improve customer relations. The first issue was published in September 2001.

Regulatory Issues

Private cord blood banks are unregulated and unaccredited in Canada. Standards covering the banks and stem-cell transplantation exist in draft form and a Health Canada official has stated that it may be 2003 before such standards become law. The Corporation plans to apply for accreditation as soon as the accreditation standards are adopted.

The Corporation's operating procedures follow the standard guidelines used by Canada's traditional blood banks.

The Corporation also adheres to policies and procedures which it believes satisfy the regulations and standard protocols of the following regulatory and advisory groups:

- The International Society for Hematotherapy and Graft Engineering
- The American Society for Blood and Marrow Transplantation
- The Canadian Bone Marrow Transplant Group
- Canadian Society for Transfusion Medicine
- American Association of Blood Banks
- Foundation for the Accreditation of Hematopoietic Cell Therapy

The Corporation is an unaccredited member of the American Association of Blood Banks, which accredits American laboratories that conduct peripheral stem cell, cord blood and bone marrow collection, processing, storage and distribution. The Corporation may consider accreditation from this organization later to enhance its marketing efforts.

USE OF PROCEEDS

Funds Available

If the minimum or maximum number of Common Shares under this Offering are sold, the net proceeds to the Corporation will be $1,350,000 or $3,600,000 respectively, less the sum of $80,000 (approximately) representing the Corporation's working capital deficiency as at March 31, 2002, and plus the sum of $300,000 representing the maximum net proceeds from the sale of Special Warrants in April, 2002, which will result in approximately $1,570,000 or $3,820,000 respectively, which funds are intended to be spent by the Corporation, in order of priority, as follows:

Principal Purposes

		Funds to be used Minimum Offering	Funds to be used Maximum Offering
(a)	To pay the estimated remaining costs of this Offering (including legal, audit and printing expenses).	$40,000	$40,000
(b)	To pay the balance of the Agent's sponsorship fee.	$15,000	$15,000
(c)	To pay rent on the Corporation's facilities for the next 16 months	$200,000	$200,000
(d)	To complete leasehold improvements and furnishing of the Corporation's facilities	$100,000	$100,000
(e)	To purchase laboratory equipment	$150,000	$150,000
(f)	To provide funding sufficient to conduct the marketing program for the period ending May 31, 2003	$500,000	$500,000
(g)	To provide funding sufficient to meet administrative costs for the period ending May 31, 2003	$410,000	$410,000
(h)	To lease and equip a satellite storage facility in Ontario	nil	$500,000
(i)	To hire and train additional marketing personnel across Canada, and to provide sufficient funds to pay their salaries and expenses for the period ending May 31, 2003	nil	$400,000
(j)	To set-up or purchase additional satellite laboratories	nil	$1,000,000
(k)	To provide general working capital to fund ongoing operations and expansion.	$155,000	$505,000
	Total:	$1,570,000	$3,820,000

Upon completion of the minimum offering, the Corporation's working capital available to fund ongoing operations will be sufficient to meet its administrative costs for twelve months. Administrative costs include all expenses that the Corporation expects to incur, other than direct operating costs that vary with revenue received.

The Corporation intends to spend the funds available to it as stated in this prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary.

The Agent will hold subscription proceeds in trust until the minimum subscription has been subscribed for. Until required for the Corporation's purposes, the proceeds will be invested only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, in certificates of deposit or interest-bearing accounts of Canadian chartered banks or trust companies or in prime commercial paper.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION AND ANALYSIS

Annual Information

The following table sets forth summary financial information of the Corporation for the fiscal years ended May 31, 2001, May 31, 2000 and May 31, 1999 and for the six month interim period ended November 30, 2001 and as at the end of those periods. This information has been summarized from the Corporation's audited financial statements for the years ended May 31, 2001, May 31, 2000 and May 31, 1999 and from the Corporation's unaudited interim financial statements for the six months ended November 30, 2001. This summary financial information should only be read in conjunction with the Corporation's financial statements, including the notes thereto, included elsewhere in this prospectus.

	Six months Ended November 30, 2001 (unaudited)	Year Ended May 31, 2001	Year Ended May 31, 2000	Year Ended May 31, 1999
Total revenues	$ 169,856	$ 221,864	$ 160,585	$ 137,204
Operating expenses	81,623	76,951	37,378	39,093
General and administrative expenses	198,640	154,884	130,033	150,506
Net (loss)	(110,407)	(9,971)	(6,826)	(52,395)
Net (loss) per common share, basic and fully diluted	(0.055)	(0.005)	(0.003)	(0.026)
Total assets	520,373	544,117	102,789	107,589
Long-term financial liabilities	0	0	0	0
Cash dividends per share	0	0	0	0

Quarterly Information

The following table sets forth certain summary financial information of the Corporation for the past six quarters. Quarterly financial information is not available for previous quarters.

	Nov. 30, 2001	Aug. 31, 2001	May 31, 2001	Feb. 28, 2001	Nov. 30, 2000	Aug. 31, 2000
Total revenues	$ 77,685	$ 92,171	$ 70,623	$ 52,608	$ 49,838	$ 48,795
Operating expenses	44,151	37,472	23,511	23,453	17,746	12,241
General and administrative expenses	139,574	59,066	63,789	26,011	31,333	33,751
Net (loss) income	(106,040)	(4,367)	(16,677)	3,144	759	2,803
Net (loss) income per common share – basic	(0.053)	(0.002)	(0.008)	0.002	0.000	0.001
- fully diluted	(0.053)	(0.002)	(0.008)	0.001	0.000	0.001

Dividends

The Corporation has neither declared nor paid any dividends on its Common Shares. The Corporation intends to retain its earnings to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Management's Discussion and Analysis

This discussion is of the audited financial statements of the Corporation for the fiscal years ended May 31, 1999, May 31, 2000 and May 31, 2001, and the unaudited interim financial statements of the

Corporation for the six month periods ended November 30, 2000 and November 30, 2001. These financial statements are included in this prospectus and should be referred to when reading this discussion. The financial statements summarize the financial impact of the Corporation's financings, investments and operations.

The Corporation has experienced losses in all fiscal periods since its inception and has an accumulated deficit of $404,741 at May 31, 2001 and $515,148 at November 30, 2001. The Corporation's ability to continue as a going-concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur. The financial statements are prepared on a going-concern basis, which implies that the Corporation will realize its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the Corporation were unable to achieve and maintain profitable operations.

Liquidity and Capital Resources

The Corporation has leased facilities and acquired capital assets (laboratory and cryogenics equipment, office furnishings and equipment, and leasehold improvements) to enable it to provide its services of processing and cryogenically storing umbilical cord blood stem cells. Share capital has been issued to finance the acquisition of capital assets and to provide working capital for the Corporation until its operations are profitable.

The initial financing of the Corporation's investment in capital assets and working capital was completed in 1996 and 1997 through the issuance of a total of 2,000,000 Common Shares for cash proceeds of $425,350. The positive cash flow from operations during the fiscal years ended May 31, 1999, 2000 and 2001 financed the Corporation's activities during those years. Cash requirements during those years were kept low by management services provided without cash remuneration by the Corporation's directors and officers. The Corporation's directors and officers were given the opportunity to purchase a total of 3,020,000 preferred shares of the Corporation at nominal prices. The preferred shares were converted to Common Shares in January and February 2002.

The Corporation commenced a new marketing program in November 2001 in an attempt to increase its operating revenues. In addition, the Corporation increased its administrative personnel and moved to larger premises in December 1, 2001 in order to be able to handle increased sales volume and to manage the marketing program effectively. The Corporation purchased $57,443 in capital assets during the six months ended November 30, 2001 and plans to purchase more within the next year. Operating cash flows are not sufficient to finance these increased activities.

In April 2001, the Corporation issued 1,143,250 Special Warrants (convertible into an equal number of Common Shares for no additional consideration) for net cash proceeds of $383,804. In January 2002 the Corporation issued 53,611 Special Warrants to a director of the Corporation in consideration for commercial leasing services provided by the director during the six months ended November 30, 2001. The value of the services, $21,444, is deductible against rent for the Corporation's premises in future periods. In ●, 2002 the Corporation issued an additional • Special Warrants for net cash proceeds of $●. These funds together with the net proceeds from this Offering are expected to be sufficient to finance the Corporation's operating cash requirements and equipment and marketing costs over the next eighteen months.

At November 30, 2001, the Corporation had working capital of $68,823, capital assets of $141,726 and other assets of $109,445.

Significant working capital components include cash in current or interest bearing accounts, cash invested in term deposits, accounts receivable from clients, employees and goods and service tax refunds, prepaid expenses (which includes inventories of operating supplies and marketing materials), accounts payable and accrued liabilities and unearned revenue. Many of these components are considered "financial instruments" (see note 2 to the financial statements). The Corporation does not have any specific policy to control risks associated with its financial instruments or to avoid undue concentrations of risk.

Prepaid expenses at November 30, 2001 include for the first time $35,850 in inventories of marketing materials. These materials will be used over a period of several months, and then replenished, which will cause significant future fluctuations in prepaid expenses. Accounts payable and accrued liabilities at November 30, 2001 are higher than normal due to payroll and other operating accruals and large invoices outstanding related to the marketing program. Accounts payable (and accounts receivable) are expected to increase if sales volumes increase. Unearned revenue will continue to grow in relation to the total number of samples in storage. Storage revenue is billed to clients for a full year at a time, at the start of the storage year, and then allocated to earnings over the one year period.

The Corporation's investment in capital assets will be increased over the next year. Major additions will be leasehold improvements and office furnishings and equipment, as well as new cryogenic storage tanks and laboratory equipment. These additions will be financed with proceeds from this Offering. If sample volumes increase to approximately 150 samples per month, the Corporation will also consider setting up a satellite storage facility in Ontario, which is expected to require an investment of approximately $250,000 in capital assets and up to an additional $250,000 in other start-up costs. These additions will be financed with proceeds from this Offering in the event the maximum Offering is completed.

Lease deposits and deferred finance costs comprise other assets at November 30, 2001. The lease deposits will be applied to rent in future years (see note 8 to the financial statements). The deferred finance costs will be applied against the proceeds from this Offering.

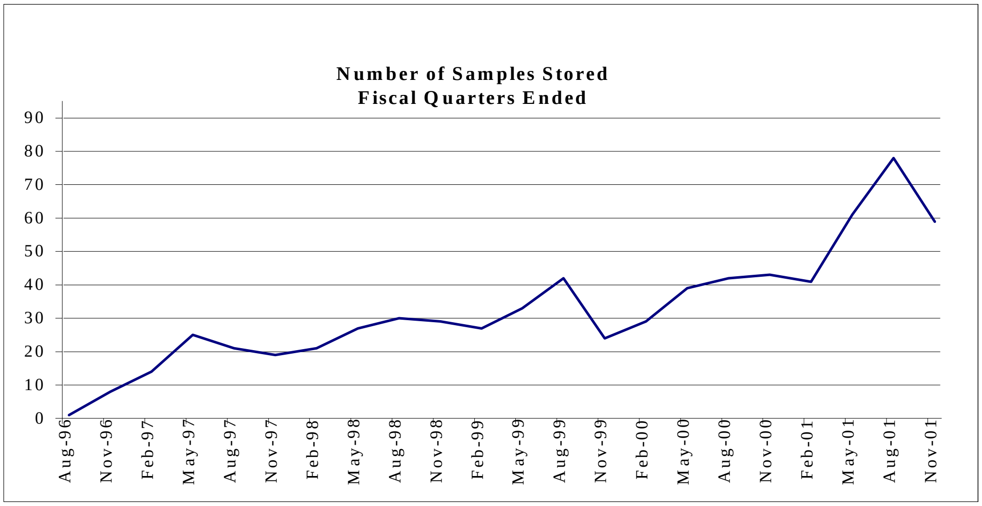
Results of Operations

Revenue

The Corporation earns revenue from registration fees, processing fees and storage fees. Other revenue is also earned from delivery charges billed back to clients and from interest on surplus cash. The table below shows the number of cord blood stem cell samples processed by the Corporation and the total number of samples in storage.

	Six months ended Nov. 30, 2001	**Fiscal years ended May 31,**				
Number of samples stored		**2001**	**2000**	**1999**	**1998**	**1997**
During the quarter ended August 31	78	42	42	30	21	1
During the quarter ended November 30	59	43	24	29	19	8
During the quarter ended February 28	n/a	41	29	27	21	14
During the quarter ended May 31	n/a	61	39	33	27	25
Total for the period	137	187	134	119	88	48
At the end of the period	713	576	389	255	136	48

The growth in the Corporation's revenue in each period, as compared to prior periods, is directly attributable to the number of samples stored in each period and to the increasing number of samples in storage. This growth is shown in the following chart.



While there are many factors that could influence the number of samples stored, the Corporation believes that its marketing efforts, or lack of marketing efforts, are the most significant factor in influencing the number of samples stored. Periods in which the number of samples stored increased follow periods when the Corporation placed advertisements, conducted a major distribution of brochures or when a significant event related to stem cell storage was covered in the media. Apart from the quarters ended on November 30, which represent a cyclical low period, periods in which the number of samples stored decreased follow periods when advertising and media covered events did not occur. Specifically:

- Regular advertisements were placed in pre-natal magazines from July 1996 to March 1997, during which period the Corporation experienced increases in the number of samples stored from July 1996 to May 1997.

- There was little marketing activity from June 1997 to December 1997.There was a corresponding decrease in sample storage volumes during those periods.

- The Corporation recommenced advertising in pre-natal and other magazines from January 1998 to August 1998. Sample storage volumes increased during those periods.

- Again, there was little marketing activity from September 1998 to April 1999. Sample storage volumes decreased during most of that period.

- The Corporation distributed approximately 20,000 brochures to doctors' offices, clinics and hospitals from May 1999 to December 1999. The Corporation's web-site was improved in May 1999 and television news features related to stem cell banking and usage were aired in November 1999. In addition, an advertisement was placed in *Great Expectations* magazine in December 1999. Apart from cylcical declines during the quarters ended in November, there was general growth in the number of samples stored from May 1999 until December 2000.

- In October 2000, *The Province* newspaper reported on the use by a six year old girl of her new-born brothers's umbilical cord blood stem cells. In April 2001, the Canadian media widely reported on the use by a nine month old boy of his own umbilical cord blood stem cells, which his mother had spuriously stored. The Corporation believes that these two media events contributed to the significant growth in the number of samples stored by the Corporation during the quarters ended May 2001 and August 2001.

- In November 2001, the Corporation started distributing its new brochures in the Greater Vancouver metropolitan area and meeting with local obstetricians and gynecologists. These activities are on-going. In January 2002, articles on the Corporation appeared in *The Vancouver Courier*, a local weekly newspaper, and the Corporation's new facilities and services were featured on the local television evening news. These activities have coincided with an increase in the number of samples stored since November 2001.

The are many other factors that could affect the number of samples stored, including factors beyond the control of the Corporation, such as birth rates, changes in attitudes to private health services, and research into stem cell utilization and alternatives to stem cell therapies. The Corporation's volumes and experience are not sufficient to determine the significance of these factors to the number of samples stored with the Corporation and, accordingly, such factors have not been addressed in this discussion. Additionally, unfavourable publicity in future could have a strong negative effect on the Corporation's sales volumes.

In general, during the time the Corporation has been in operation, cord blood stem cell storage has been gaining greater acceptance among the medical community and the general population. The Corporation's future revenues are expected to continue increasing as the Corporation increases its marketing efforts.

Operating expenses

The Corporation incurs direct costs to process and store the samples. Significant supplies used include sample collection kits, reagents to test and process the samples for storage and liquid nitrogen to cryogenically freeze the samples. Sample processing costs are for outside services, including infectious disease testing and assays of the samples to determine or confirm the quality of the sample. Wages and employee benefits are paid to the laboratory personnel who process the samples and maintain the cryogenic storage tanks. Delivery costs are incurred to send the collection kits to the expectant mother and to pick the samples up from local hospitals or the Vancouver airport.

Operating expenses normally vary in direct relation to revenue. Exceptions in the financial statements included in this prospectus are:

– Supplies expense increased to 20% of revenue during the six month period ended November 30, 2001 as compared to 12-14% for the other periods reflected in the financial statements. This increase is due primarily to the cost and quantity of reagents required to test the quality of the cord blood samples. The reagent supplier discontinued distribution of the reagents previously used by the Corporation and the sample testing must now be done with more expensive reagents.

– Sample processing expense increased to 15% of revenue during the six month period ended November 30, 2001 as compared to 9% for all other periods except the year ended May 31, 2000. This increase was due to a one-time "catch-up" to bring all sample testing up to date. Sample processing expense was unusually low during the year ended May 31, 2000 due to processing a relatively large credit for testwork related to 1997 and 1998.

– The Corporation did not incur any operating wages and employee benefits during the years ended May 31, 1999 and 2000 as the president of the Corporation performed all of the required laboratory procedures without remuneration. The processing volume increases during the year ended May 31, 2001 required the Corporation to hire part-time laboratory personnel. Laboratory staff levels at November 30, 2001 have increased to approximately one full-time equivalent.

General and administrative expenses

The general and administrative expenses are incurred to provide the infrastructure that enables the Corporation to operate. Administration and office expenses include bank charges, stationery and other office supplies, web-site hosting and a variety of miscellaneous expenses necessary to keep the Corporation in good standing and to manage the office. Depreciation and amortization reflect the utilization of the economic values of capital assets. Insurance is purchased to protect against standard risks of loss and general third-party liability claims. Marketing expenses are incurred to generate additional revenue for the Corporation. Professional fees are paid for the Corporation's auditors and lawyers. Rent is paid for the Corporation's office and laboratory space. Telephone expense covers the cost of toll-free telephone communications with clients, including cell phones for employees to enable 24 hour coverage during non-business hours. Travel and entertainment expenses are incurred to allow the Corporation to maintain good relations with the blood banking industry and to further the Corporation's objectives. Wages, salaries and consulting fees are paid to the Corporation's administrative personnel.

Significant variations in general and administrative expenses over the periods covered by the financial statements included in this prospectus are:

- Administration and office expenses increased by 35% in 2000 over 1999 and a further 7.5% in 2001 over 2000. The six months ended November 30, 2001 reflects a 62% increase over the corresponding period in 2000. These increases are due to the increasing sales volumes that the Corporation is experiencing, which generates additional administration activities and record keeping.

- Depreciation and amortization decreased in 2000 as compared to 1999 as the result of the re-evaluation of the expected useful economic lives of the Corporation's capital assets. The increases in 2001 over 2000 are due to the addition of new capital assets and the acceleration of the amortization of leasehold improvements as a result of the Corporation not exercising its option to renew the lease on its previous premises.

- Marketing expenditures were sporadic until the last quarter of the fiscal year ended May 31, 2001. Availability of cash to pay advertising expenses was the main determining factor in incurring the expense. The Corporation has adopted a marketing program and expects to incur significantly higher costs in future periods. The program budget for the 12 months ending November 30, 2002 is $372,000.

- The increased professional fees in both the year ended May 31, 2001 and the six months ended November 30, 2001 over corresponding prior periods are due to audit fees which were not incurred before and to legal fees incurred with respect to trademark registration of the “Lifebank” name and the transfer of the Corporation's jurisdiction of incorporation from Delaware to Canada.

- Rent expense will increase dramatically in future periods. The Corporation moved on December 1, 2001 to larger premises where the rent will average $12,500 per month.

- Decreases in telephone expenses from 1999 to 2000 and 2000 to 2001 are due to cheaper long-distance and cell phone rates. Usage actually increased over these periods. The increase during the six months ended November 30, 2001 over 2000 is due to increased usage.

- Travel and entertainment expenses were kept to a minimum during the three years ended May 31, 2001. During the six month period ended November 30, 2001, the president and the Medical Director of the Corporation traveled to attend conferences related to hematology and blood-banking.

- The wages, salaries and consulting fees paid to administrative personnel during the three years ended May 31, 2001 were relatively stable. One full-time office administrator and occasional part-time clerical staff were employed during these periods. During the six months ended November 30, 2001, the Corporation also employed additional part-time clerical staff and, commencing in November 2001, a full-time president and a full-time marketing representative. The Corporation will need to hire additional administrative personnel over the next few months and increase its administrative salaries.

DESCRIPTION OF SECURITIES DISTRIBUTED

Authorized and Issued Share Capital

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As of the date of this prospectus, 5,020,000 Common Shares were issued and outstanding as fully paid and non-assessable shares. The Corporation has issued Special Warrants exchangeable for the issuance of a total of 1,196,861 Common Shares at no additional cost to the holders thereof. In addition, 660,000 Common Shares are reserved for issuance pursuant to incentive stock option agreements and 150,000 Common Shares are reserved for issuance pursuant to the Compensation Options. The Corporation has also agreed to grant the Agent an Agent's Warrant entitling the Agent to purchase up to 15% of the number of Common Shares sold pursuant to this Offering. See "Plan of Distribution".

The Corporation is also in the process of using its best efforts to sell an additional 600,000 Special Warrants at the purchase price of $0.50 per Special Warrant by way of private placement exemption.

Common Shares

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Corporation, are entitled to receive such dividends in any financial year as the board of directors of the Corporation may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Corporation, the remaining property and assets of the Corporation.

CONSOLIDATED CAPITALIZATION

The following table summarizes the Corporation's capitalization as at May 31, 2001 and after giving effect to this Offering.

Description	Authorized May 31, 2001	Authorized at the date of this Prospectus	Outstanding as at May 31, 2001 (Audited)	Outstanding as at March 31, 2002 (Unaudited)	Outstanding after giving effect to this Offering (Unaudited)(1)(2)
Common Shares	50,000,000	Unlimited	2,000,000 Shares	5,020,000	● Minimum Offering ● Maximum Offering
Preferred Shares	10,000,000	Nil	3,020,000 Shares(3)	Nil	Nil
Special Warrants	1,143,250	1,796,861	1,143,250(4)(5)	1,196,861(5)	Nil
Long Term Debt	Nil	Nil	Nil	Nil	Nil

Notes:

(1) As partial compensation for the sale of some of the Special Warrants, the Corporation granted the Agent the 150,000 Compensation Options, which are convertible at no additional cost to the Agent into Agent's Warrants that are exercisable for the purchase of up to 150,000 Common Shares of the Corporation exercisable at a price of $0.40 per share to April 17, 2002 and $0.46 per share to April 17, 2003. As partial consideration for the sale of Common Shares pursuant to this prospectus the Corporation has agreed to grant the Agent, Agent's Warrants entitling the Agent to purchase up to 15% of the number of Common Shares sold pursuant to the Offering at a price of $0.● per Common Share during the first year and at a price of $0.● per Common Share during the second year following completion of this Offering. In consideration of the Agent agreeing to allow the qualification of Special Warrants, the Corporaton has agreed to pay the Agent a fee equal to 2% of the proceeds realized by the Corporation from the sale of ● Special Warrants and to grant the Agent an Agent's warrant

for the purchase of up to a number of Common Shares equal to 15% of the Special Warrants qualified pursuant to this prospectus. The fee will be paid from the Corporation's working capital. See "Plan of Distribution."

(2) As of the date of this prospectus there were 660,000 Common Shares reserved for issuance upon the exercise of outstanding options. See "Options to Purchase Securities".

(3) All of the 3,020,000 preferred shares were converted to an equal number of Common Shares subsequent to May 31, 2001.

(4) An additional 53,611 special warrants were issued subsequent to May 31, 2001.

(5) The Corporation is also in the process of using its best efforts to sell an additional 600,000 Special Warrants at the purchase price of $0.50 per Special Warrant by way of private placement exemption.

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table summarizes the outstanding options of the Corporation outstanding as of the date of this prospectus.

Group	No. of Options	Securities Under Option	Grant Date	Expiry Date	Exercise Price per Common Share	Market Value of the Common Shares on the Grant Date	Market Value of the Common Shares as of ●, 2002
Executive Officers (2 persons)	300,000	Common Shares	March 13, 2002	Five years from the date of listing of the Corporation's shares on the TSX	$0.●	N/A	N/A
Directors (not Executive Officers) (3 persons)	300,000	Common Shares	March 13, 2002	Five years from the date of listing of the Corporation's shares on the TSX	●	N/A	N/A
Employees	40,000	Common Shares	March 13, 2002	Five years from the date of listing of the Corporation's shares on the TSX	●	N/A	N/A
Consultants	20,000	Common Shares	March 13, 2002	Five years from the date of listing of the Corporation's shares on the TSX	●	N/A	N/A

The Corporation issued the Agent the Compensation Options which are exchangeable for the 150,000 Agent's warrants for the purchase of up to 150,000 Common Shares of the Corporation exercisable at a price of $0.40 per share to April 17, 2002 and $0.46 per Common Share to April 17, 2003.

PRIOR SALES

The following table summarizes the sales of securities of the Corporation within the twelve months prior to the date of this prospectus.

Date	Price	Number of Securities	Reason for Issuance
April 4, 2001	$0.40	800,000 Special Warrants(1)	Private Placement
April 4, 2001	$0.40 (Deemed)	150,000 Agent's Compensation Options(2)	Services
April 9, 2001	$0.40	343,250 Special Warrants (1)	Private Placement
January 9, 2002	$0.40 (Deemed)	53,611 Special Warrants(1)	Services
May ●, 2002	$0.50	Up to 600,000 Special Warrants(1)	Private Placement

(1) The exchange of these Special Warrants to Common Shares at no additional cost to the holders thereof is being qualified by this prospectus.

(2) The exchange of the Compensation Options to agent's warrants at no additional cost to the holder hereof is being qualified by this prospectus.

ESCROWED SHARES

Escrowed Securities

Under the applicable policies and notices of the Canadian Securities Administrators securities held by Principals (as defined below) are required to be held in escrow in accordance with the national escrow regime applicable to initial public distributions. Equity securities owned or controlled by Principals (except for 10% of each Principal's holdings of Common Shares and Common Shares issuable pursuant to incentive stock options) are subject to the escrow requirements.

Principals include all persons or companies that, on the completion of the Offering, fall into one of the following categories:

(i) directors and senior officers of the Corporation or of a material operating subsidiary of the Corporation, as listed in this prospectus;

(ii) promoters of the Corporation during the two years preceding this Offering;

(iii) those who own and/or control more than 10% of the Corporation's voting securities immediately after completion of this Offering if they also have appointed or have the right to appoint a director or senior officer of the Corporation or of a material operating subsidiary of the Corporation;

(iv) those who own and/or control more than 20% of the Corporation's voting securities immediately after completion of this Offering; and

(v) associates and affiliates of any of the above.

The Principals of the Corporation are all of the directors and senior officers of the Corporation.

Pursuant to an agreement (the "Escrow Agreement") dated as of March 13, 2002 among the Corporation, Pacific Corporate Trust Company (the "Escrow Agent") and the Principals of the Corporation, the Principals agreed to deposit in escrow their Common Shares (the "Escrowed Securities") with the Escrow Agent. The Escrow Agreement provides that the Escrowed Securities will be released from escrow in equal blocks at 6 month intervals over the 36 months following the issue of the final receipt for this prospectus (that is 15% of each Principal's holdings being released in each block) (with 10% of each Principal's holdings being exempt from the escrow provisions).

The Corporation is an "emerging issuer" as defined in the applicable policies and notices of the Canadian Securities Administrators and if the Corporation achieves "established issuer" status during the term of the Escrow Agreement, it will "graduate" resulting in a catch-up release and an accelerated release of any securities remaining in escrow under the 18 month schedule applicable to established issuers as if the Corporation had originally been classified as an established issuer.

Pursuant to the terms of the Escrow Agreement, the securities held in escrow may not be transferred or otherwise dealt with during the term of the Escrow Agreement unless the transfers or dealings with escrow are:

(i) transfers to continuing or, upon their appointment, incoming directors and senior officers of the Corporation or of a material operating subsidiary, with approval of the Corporation's board of directors;

(ii) transfers to an RRSP or similar trustee plan provided that the only beneficiaries are the transferor or the transferor's spouse or children;

(iii) transfers upon bankruptcy to the trustee in bankruptcy; and

(iv) pledges to a financial institution as collateral for a *bona fide* loan, provided that upon a realization the securities remain subject to escrow. Tenders of Escrowed Securities to a take-over bid are permitted provided that, if the tenderer is a Principal of the successor corporation upon completion of the take-over bid, securities received in exchange for tendered Escrowed Securities are substituted in escrow on the basis of the successor corporation's escrow classification.

The following table sets forth details of the issued and outstanding Common Shares that are subject to the Escrow Agreement:

Name	No. of Escrowed Common Shares	Percentage
Frank Ernest Stacey	2,112,004	●%(1) ●%(2)
Owen Ross Granger	250,000	●%(1) ●%(2)
Dr. Christopher Morris Goddard	250,000	●%(1) ●%(2)
John Douglas Seppala	548,697	●%(1) ●%(2)
TOTAL	3,160,701	●%(1) ●%(2)

(1) The percentage that the escrowed Common Shares will represent of the total issued and outstanding Common Shares upon the completion of the Offering, assuming the minimum number of Common Shares are sold under the Offering.

(2) The percentage that the escrowed Common Shares will represent of the total issued and outstanding Common Shares upon the completion of the Offering, assuming the maximum number of Common Shares are sold under the Offering.

Shares Subject to Resale Restrictions

All of the Corporation's 5,020,000 Common Shares distributed prior to the approval of the Corporation's prospectus are subject to a hold period expiring one year from the Effective Date of this prospectus as required by the provisions of Multilateral Instrument 45-102.

In addition, 3,160,701 Common Shares owned by Principals of the Corporation are subject to the following TSX resale restrictions:

(a) 25% of these shares are released from resale restrictions 6 months from the date the Corporation's shares commence trading through the facilities of TSX;

(b) 25% of these shares are released from resale restrictions 9 months from the date the Corporation's shares commence trading through the facilities of TSX;

(c) 25% of these shares are released from resale restrictions 12 months from the date the Corporation's shares commence trading through the facilities of TSX; and

(d) 25% of these shares are released from resale restrictions 15 months from the date the Corporation's shares commence trading through the facilities of TSX.

● percent of ● Common Shares to be issued on the exercise of the Special Warrants will be released from resale restrictions on the date of listing the Corporation's Common Shares on the TSX and the remaining

●percent will be released three months subsequent to the date of listing the Common Shares of the Corporation on the TSX.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date of this prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares except for the following:

Prior to the Offering			After Giving Effect to the Offering	
Name	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held	Number of Common Shares Beneficially Owned Directly or Indirectly	Percentage of Common Shares Held
Frank Ernest Stacey	2,112,004	42.07%	2,112,004(1)	●%(2) ●%(2)
Art Beroff	1,000,000	19.92%	1,000,000(1)	●%(2) ●%(2)
John Douglas Seppala	548,697	10.93%	548,697(1)	●%(2) ●%(2)

Notes:

(1) The shareholdings of these persons may increase should they decide to purchase Common Shares offered pursuant to this prospectus.
(2) Based on the issuance of a minimum or maximum offering of Common Shares pursuant to this prospectus.

DIRECTORS AND OFFICERS

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Corporation that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Corporation	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly (1) (at April ●, 2002)
Frank Ernest Stacey White Rock, British Columbia President, Chief Executive Officer, Promoter and Director	March 30, 1996	Chief Executive Officer and President of the Corporation from April, 1997 to present; Laboratory manager of Canadian Blood Services from May 1998 to present (on leave of absence since November 2001) and previously Director of Operations of the Corporation from September 1996 to April 1997	2,112,004

Name and Municipality of Residence and Position with the Corporation	Director/ Officer Since	Principal Occupation for the Past Five Years	Common Shares Beneficially Owned Directly or Indirectly [(1)] (at April ●, 2002)
Owen Ross Granger Vancouver, British Columbia Chief Financial Officer, Secretary/Treasurer and Director	May 26, 2000	Certified Management Accountant. Staff Accountant for Cebu Holdings Inc., a private company providing management services to various public and private enterprises, since September 1998. Secretary/Treasurer of WestBond Enterprises Corp., a manufacturer of disposable paper and polyethylene products for the medical, industrial and airline industries, since July 1989; previously Chief Financial Officer/Secretary/Treasurer of Quest International Resources Corp., a mineral resource exploration company, from February 1988 to August 1998	250,000
Dr. Christopher Morris Goddard[(2)] Vancouver, British Columbia Director	October 31, 2000	Currently General Surgeon Consultant at West Coast General Hospital (since January 2001), Campbellton Regional Hospital (since December 2000) and Bulkley Valley Hospital (since August 2000); previously resident general surgery at Vancouver General Hospital from July 1995 to July 2000	250,000
William Cameron James[(2)] West Vancouver, British Columbia Director	April 4, 2001	Currently Partner at Scraper James, Corporate Real Estate Services, since May 2000; previously Senior Vice President and General Manager at Colliers International, a real estate agency, from October 1987 to May 2000	Nil[(3)]
John Douglas Seppala[(2)] Vancouver, British Columbia Director	May 26, 2000	Currently Associate Counsel to McCullough O'Connor Irwin since November 2001; previously Partner at DuMoulin Black from February 1992 to November 2001 and Vice President at Standard Mining Corporation from December 1989 to February 1992	548,697

Notes:
(1) Does not include options to purchase Common Shares held by directors and officers. See "Options to Purchase Shares".
(2) Denotes a member of the Audit Committee of the Corporation.
(3) William Cameron James owns 53,611 Special Warrants which are exchangeable into 53,611 Common Shares at no extra cost and are being qualified for exchange pursuant to this prospectus.

The term of office of the directors expires annually at the time of the Corporation's annual general meeting. The term of office of the officers expires at the discretion of the Corporation's directors.

None of the Directors nor Officers have non-disclosure and non-competition agreements signed with the Corporation.

Frank Ernest Stacey: Age 49, R.T., M.B.A. (in progress), Chief Executive Officer, President and Director. As the Chief Executive Officer and President of the Corporation, Mr. Stacey is responsible for overall operations of the Corporation. Mr. Stacey is a full time employee of the Corporation.

Mr. Stacey is currently on leave of absence from the position of Laboratory Manager at the Canadian Blood Services Vancouver Center; previously he was the Clinical Laboratory Manager at the Vancouver Hospital, University of British Columbia Pavilion. Since 1975, he has been involved with a number of laboratories across Canada in the capacities of instruction, management, inspection and quality control specifically in the field of hematology.

Mr. Stacey has a Health Care Management Certificate and is a Registered Technologist from the Canadian Society of Laboratory Technologists. Besides his activities as President of the Corporation, Mr. Stacey is a Clinical Instructor for the Bachelor of Medical Laboratory Science Program at the University of British Columbia. He is currently near completion of a Masters in Business Administration (Marketing).

Owen Ross Granger*:* Age 44, B.A., CMA, Chief Finanical Officer, Secretary/Treasurer and Director. As the Chief Financial Officer of the Corporation, Mr. Granger is responsible for overseeing the Corporation's financial operations. It is anticipated Mr. Granger will expend approximately 15% of his efforts for the benefit of the Corporation.

Mr. Granger received a B.A. (honors) from the faculty of Business Administration, Simon Fraser University, in 1981 and has been a Certified Management Accountant since 1986. From 1983 to date he has been employed in a variety of senior accounting and financial management positions for public enterprises. He has been a director and senior financial officer of companies listed on the TSE, TSX, NASDAQ and over-the-counter markets. In addition, since 1989, he has been a director and the part-time secretary treasurer of WestBond Enterprises Corporation, a public company engaged in the manufacture of disposable paper and polyethylene products for the medical, airline and industrial markets.

Dr. Christopher Morris Goddard: Age 35, B. Med.Sci., M.D., Ph.D., FRCS(c), Medical Director and Director. As Medical Director, Dr. Goddard is responsible for overseeing medical issues that arise in connection with the Corporation's business. It is anticipated Dr. Goddard will expend approximately 10% of his efforts for the benefit of the Corporation.

Dr. Goddard is a practicing surgeon and medical doctor and holds a Ph.D. from the University of British Columbia, Department of Experimental Medicine. Since 1991, in addition to practicing as a medical doctor, Dr. Goddard has conducted biomedical research at the University of British Columbia, the University of Alberta and Keio University Hospital in Tokyo, Japan, in the areas of high energy radiation physiology, myocardial function in sepsis and leukocyte-endothelial interaction. Dr. Goddard is the Chief Executive Officer of the Canadian federal foundation, the Living Human Tissue Foundation, and the founder of the Vancouver based biotechnology company, Cryo-Genomics Corp., which specializes in research applications of cryogenically stored human tissues for remediation of human disease states.

William Cameron James*:* Age 47, B.A. Economics and Math, Director. Mr. James acts in an advisory capacity to the Corporation and has substantial experience in managing the business affairs of companies. It is anticipated Mr. James will expend approximately 10% of his efforts for the benefit of the Corporation.

Bill James graduated from the University of Western Ontario in Economics and Mathematics. He also holds a Diploma from Université d'Aix à Marseille, France and a Management Diploma from Wharton School of Business. Mr. James has worked in France, Australia and Japan in addition to Canada. He is currently a partner with Scraper James, Corporate Real Estate Services, in Vancouver. From 1992 to 2000 he held senior management positions with Colliers International in Toronto and Vancouver.

John Douglas Seppala*:* Age 45, B.Comm., LLB, Director. Mr. Seppala acts in an advisory capacity to the Corporation and has substantial experience in legal matters related to public companies acquired over the past fifteen years. It is anticipated Mr. Seppala will expend approximately 10% of his efforts on behalf of the Corporation.

Mr. Seppala is a 1983 law graduate from the University of British Columbia. He has practiced in the Vancouver area since 1983 and currently is Associate Counsel to McCullough O'Connor Irwin and was previously a Partner with DuMoulin Black, a firm practicing primarily in corporate finance and securities. He has clients in a wide range of industries and in various geographical locations. Mr. Seppala is or has been a member of a number of advisory committees to government and securities organizations.

Corporate Cease Trade Orders or Bankruptcies

To the best of the Corporation's knowledge, save as hereinafter provided, no existing or proposed director, officer, promoter or other member of management of the Corporation is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other Corporation that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that Corporation, was the subject of a cease trade order or similar order or an order that denied the Corporation access to any statutory exemptions for a period of more than 30 consecutive days, was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

Penalties or Sanctions

To the Corporation's knowledge, no existing or proposed director, officer, promoter or other member of management of the Corporation has, during the ten years prior to the date hereof, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion, formation or management of a publicly traded company, or involving fraud or theft.

Personal Bankruptcies

To the Corporation's knowledge no existing or proposed director, officer, promoter or other member of management of the Corporation has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interest of Corporation and to disclose any interests, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Corporation's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Corporation, its promoters, directors and officers or other members of management of the Corporation or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Corporation and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

The following table discloses compensation paid to or awarded to the Corporation's Chief Executive Officer (the "Named Executive Officer") for the three most recently completed financial years of the Corporation and for the six months ended November 30, 2001

		Annual Compensation			Long-Term Compensation (1)			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compen-sation $	Securities Under Options/ SARs Granted (#)	Restricted Shares or Restricted Share Units ($)	LTIP Payouts ($)	All Other Compen-sation ($)
Frank Ernest Stacey CEO	1999 2000 2001 Nov. 2001	7,692 Nil Nil 6,835 (3)	Nil Nil Nil Nil	Nil Nil Nil Nil	2,000,000 Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil 3,607 (2) 1,908 (2) Nil

Notes:

(1) Long-term compensation awards of securities under options or stock appreciation rights granted are in respect of preferred shares sold by the Corporation to Mr. Stacey at a price of US$0.001 per share on February 16, 1999. Pursuant to an agreement with the Corporation and the articles of the Corporation (as they were at the time of issuance of the preferred shares), 500,000 of the preferred shares became convertible into Common Shares on February 16, 1999 and 500,000 became convertible on each of August 16, 1999, February 16, 2000 and August 16, 2000, upon payment of $0.009 per share to the Corporation. Any preferred shares not converted into Common Shares by February 16, 2002 would have been cancellable by the Corporation. The Corporation also had the right in certain circumstances to cancel any shares which had not been converted if Mr. Stacey ceased to be engaged actively in the affairs of the Corporation. 218,000 of Mr. Stacey's preferred shares were converted into Common Shares at $0.009 per share on January 23, 2002, and the remaining 1,782,000 preferred shares were converted into Common Shares for no additional consideration upon the merger and continuation of the Corporation on February 14, 2002.

(2) Other compensation consists of tuition fees reimbursed to Mr. Stacey with respect to his M.B.A. courses.

(3) Mr. Stacey has been paid a salary at the rate of $80,000 per year since November 1, 2001.

Long-Term Incentive Plan Awards During the Most Recently Completed Financial Year

The Corporation did not have any long-term incentive plans during the most recently completed financial year.

Option/SAR Grants During the Most Recently Completed Financial Year

No options or stock appreciation rights were granted during the most recently completed financial year, ended May 31, 2001, or during the six months ended November 30, 2001. The following table sets forth stock options granted to the Named Executive Officer, directors or officers of the Corporation after November 30, 2001.

Name	Securities Under Options/SAR's Granted (#)	% of Total Options/SAR's Granted to Employees in Fiscal Year	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SAR's on Date of Grant ($/Security)	Expiration Date
Frank Ernest Stacey	150,000	22.72%	Initial Public Offering Price	Not Applicable	Five years from the date of listing the Corporation’s shares on the TSX
Owen Ross Granger	150,000	22.72%	Initial Public Offering Price	Not Applicable	Five years from the date of listing the Corporation’s shares on the TSX

Name	Securities Under Options/SAR's Granted (#)	% of Total Options/SAR's Granted to Employees in Fiscal Year	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SAR's on Date of Grant ($/Security)	Expiration Date
Dr. Christopher Morris Goddard	100,000	15.15%	Initial Public Offering Price	Not Applicable	Five years from the date of listing the Corporation's shares on the TSX
William Cameron James	50,000	7.58%	Initial Public Offering Price	Not Applicable	Five years from the date of listing the Corporation's shares on the TSX
John Douglas Seppala	150,000	22.72%	Initial Public Offering Price	Not Applicable	Five years from the date of listing the Corporation's shares on the TSX

Aggregated Options/SAR Exercises in Last Financial Year and Financial Year-End Option/SAR Values

None of the Named Executive Officer, directors or officers of the Corporation exercised any options in respect of the Corporation's Common Shares during the most recently completed financial year.

Termination of Employment, Changes in Responsibility and Employment Contracts

The Corporation has no employment contract with the Named Executive Officer.

The Corporation has no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officer in the Corporation's most recently completed or current financial year to compensate such Named Executive Officer in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, where in respect of the Named Executive Officer the value of such compensation exceeds $100,000.

Compensation of Directors

The only arrangements the Corporation has, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are the following.

During the year ended May 31, 2001, the Corporation sold a total of 400,000 preferred shares to two directors at a price of US$0.001 per share. Pursuant to agreements between the Corporation and the directors and the articles of the Corporation (as they were at the time of issuance of the preferred shares), the preferred shares became convertible into common shares in stages upon payment of $0.009 per share to the Corporation. 150,000 of the preferred shares became convertible during the year ended May 31, 2001, and 112,500 preferred shares became convertible from June 1, 2001 to February 5, 2002. The Corporation waived the conversion restrictions on the remaining 137,500 preferred shares on February 5, 2002.

Also during the year ended May 31, 2001, the conversion restrictions expired on a total of 175,000 preferred shares previously issued under similar arrangements to directors other than the Named Executive Officer. On January 23, 2002, directors other than the Named Executive Officer converted 82,000 preferred shares into common shares upon payment of $0.009 per share to the Corporation.

Any preferred shares not converted into Common Shares within three years of the issuance of the preferred shares would have been cancellable by the Corporation. The Corporation also had the right in certain circumstances to cancel any shares which had not been converted if the director ceased to be engaged actively in the affairs of the Corporation. All of the preferred shares outstanding on February 14, 2002, including 918,000 preferred shares owned by directors other than the Named Executive Officer, were converted into Common Shares for no additional consideration upon the merger and continuation of the Corporation on that date.

On January 9, 2002 the Corporation issued 53,611 Special Warrants to a director of the Corporation in payment of a realtor's commission of $21,444 earned by the director in connection with the lease of premises for the Corporation. The amount of the commission is equal to the commission that would have been paid to a real estate agent dealing at arm's length with the Corporation.

The Corporation issued a total of 300,000 incentive options to the three of its directors who are not also executive officers and a total of 300,000 incentive options to the two of its directors who are executive officers. See "Option/SAR Grants During the Most Recently Completed Financial Year," above.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness for travel and other expense advances, no existing or proposed director, executive officer or senior officer of the Corporation or any associate of any of them, was indebted to the Corporation as at May 31, 2001, or is currently indebted to the Corporation.

PLAN OF DISTRIBUTION

Common Shares

The Offering consists of a minimum of ● Common Shares, in the case of the minimum Offering, and a maximum of ● Common Shares, in the case of the maximum Offering.

Pursuant to the Agency Agreement, the Corporation engaged the Agent as its exclusive agent for the purposes of the Offering, and the Corporation, through the Agent, hereby offers for sale to the public under this prospectus, on a best efforts basis, the Common Shares to be issued and sold under the Offering at the Offering Price, subject to prior sale if, as and when issued. The Offering Price was established through negotiation between the Corporation and the Agent. The Agent has agreed to use its best efforts to secure subscriptions for the Common Shares offered pursuant to the Offering in the provinces of Alberta, British Columbia and Ontario. This prospectus qualifies the distribution of the Common Shares to the Subscribers in those jurisdictions. The Agent may, in connection with the Offering and in its sole discretion, retain one or more licensed dealers, brokers and investment dealers (referred to herein as the "Selling Firms") as sub-agents and may receive subscriptions for Common Shares from such Selling Firms. The Agent is not obligated to purchase Common Shares in connection with this Offering. The duties and obligations of the Agent under this Offering are subject to the Agency Agreement that may be terminated at any time in the Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain other events.

The Corporation has agreed to pay the Agent a 10% cash commission on the Offering price of each Common Share issued and sold under the Offering, payable on the Closing Date. In addition, the Agent is entitled to receive upon successful completion of the Offering, as part of its remuneration, Agent's Warrants entitling the holder thereof to purchase a number of previously unissued Common Shares equal in number to 15% of the Common Shares sold under the Offering. The Agent's Warrants will be exercisable for a period of two years after the closing of the Offering exercisable at a price of $0.● per share during the initial year and at a price of $0.● per share during the second year. This prospectus qualifies the distribution of Agent's Warrants to the Agent.

Closing of this Offering is conditional upon the minimum Offering of ● Common Shares being sold. Subscription proceeds for the Common Shares will be deposited with the Agent, as trustee. Subject to the terms of the Agency Agreement, all subscription proceeds deposited with the Agent will be delivered to the Corporation at the closing of the Offering.

An application has been made to conditionally list the securities offered under this prospectus on the TSX. Listing is subject to the Corporation fulfilling all of the listing requirements of the TSX.

The Agency Agreement provides that, upon the occurrence of certain events or at the discretion of the Agent on the basis of its assessment of the state of financial markets, the Agent may terminate the Offering and the obligations of subscribers to purchase the Common Shares will then cease. The Agent may also terminate the Agency Agreement if a final receipt for the prospectus is not issued within 120 days from the date of the Agency Agreement.

The Corporation has granted the Agent a right of first refusal to future equity financing to the Corporation for a period of one year from the listing of the Corporation's Common Shares on the TSX.

Subscriptions will be received for the Common Shares offered hereby subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time. Upon rejection of a subscription, or in the event that the Offering does not complete within the time required, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction.

Special Warrants

The Corporation issued 800,000 Special Warrants on April 4, 2001 and 343,250 Special Warrants on April 7, 2001 for a total of 1,143,250 Special Warrants, all at a price of $0.40 per Special Warrant. These Special Warrants were sold by the Corporation while the Corporation was a non-reporting issuer. The issue price of the Special Warrants was determined by negotiation between the Agent, the Corporation and the subscribers.

The Corporation issued 53,611 Special Warrants at a deemed price of $0.40 per Special Warrant on January 9, 2002 to a director of the Corporation in payment for services rendered by the director.

In addition, the Corporation is in the process of using its best efforts to sell an additional 600,000 Special Warrants at the purchase price of $0.50 per Special Warrant. These Special Warrants will be sold by the Corporation while the Corporation is a non-reporting issuer.

In consideration of the Agent agreeing to allow the qualification of Special Warrants, the Corporaton has agreed to pay the Agent a fee equal to 2% of the proceeds realized by the Corporation from the sale of ● Special Warrants and to grant the Agent an Agent's warrant for the purchase of up to a number of Common Shares equal to 15% of the Special Warrants qualified pursuant to this prospectus. The fee will be paid from the Corporation's working capital. This Prospectus also qualifies the distribution of the additional Agent's warrant to the Agent.

The Corporation agreed to use its best efforts to obtain a receipt from the applicable Securities Commissions and approval from the TSX for a prospectus qualifying the distribution of the exchange of the Special Warrants for Common Shares.

Each Special Warrant entitles the holder thereof, upon exercise or deemed exercise of the Special Warrant and without payment of additional consideration, to receive one Common Share for each Special Warrant that is exercised. This prospectus qualifies up to 1,796,861 Common Shares issuable upon the exercise of the Special Warrants.

Compensation Options

The Compensation Options were issued in April, 2001 as partial consideration payable by the Corporation to the Agent in consideration of the Agent acting as agent in the sale of 800,000 Special Warrants by the Corporation at the purchase price of $0.40 per Special Warrant. The Corporation agreed to use its best efforts to obtain a receipt from the applicable Securities Commissions and approval from the TSX for a prospectus qualifying the distribution of the exchange of the Compensation Options for 150,000 Agent's Warrants.

The Compensation Options entitle the Agent, upon exercise or deemed exercise of the Compensation Options and without payment of additional consideration, to receive 150,000 Agent's Warrants. This prospectus qualifies the 150,000 Agent's Warrants issuable upon the exchange of the Compensation Options. The 150,000 Agent's Warrants entitle the Agent to purchase up to 150,000 Common Shares at a purchase price of $0.40 per share exercisable on or before April 17, 2002 and at a purchase price of $0.46 per share exercisable on or before April 17, 2003.

RISK FACTORS

History of Operating Losses

Since its incorporation, the Corporation has invested significant time and funds into the development of its business. The Corporation experienced losses since it began operations and expects to incur additional losses for the foreseeable future while it develops its business. There is no assurance that the Corporation will be able to achieve and maintain profitable operations.

Competition

As the market for the Corporation's services is new and evolving, it is difficult to predict the size of the market, its future rate of growth, if any, or the level of prices the market will pay for the Corporation's services. There are several other companies in North America that provide services similar to the Corporation. The Corporation expects competition in the market to increase because there are few barriers to entry. The Corporation will be competing with established businesses that have longer operating histories, greater financial resources, management experience and market share than the Corporation has. There is no assurance that the Corporation will be able to compete or capture adequate market share. The Corporation will not become profitable if the Corporation cannot compete successfully with other businesses.

Key Personnel

The Corporation's success will depend to a great extent on its ability to attract and retain highly qualified staff, as well as to establish and maintain relations with hospitals, physicians and other health professionals. The loss of key employees could compromise the Corporation's business. There is no assurance the Corporation will be able to attract and retain qualified staff. The Corporation does not have any key man life insurance.

No Guarantee of Market Acceptance

Even if the Corporation's business plan is successfully implemented there is no guarantee the public or health professionals will accept the collection, processing and cryopreserving of umbilical cord blood of stem cells as a viable mechanism to increase the availability of stem cells in the future to combat, as yet, uncontracted diseases. The Corporation may not be able to generate interest among doctors and other practitioners and and the Corporation's marketing efforts may not succeed in increasing the Corporation's sales. Also, negative media coverage of stem cells or related topics could adversely affect the Corporation's revenues.

Government Regulations

The collection, processing and cryopreserving of umbilical cord blood stem cells is not presently subject to any significant government regulation. The Corporation expects that government regulation will be introduced which could adversely affect the financial viability of the Corporation's business. There is no assurance that the Corporation would be able to comply with such regulation.

Dependence on Licensors and Others

The Corporation's marketing plan anticipates that the Corporation will enter into various arrangements for the marketing and expansion of its business. There can be no assurance, however, that the Corporation will be able to establish such additional arrangements on favourable terms, if at all, or that its current or future arrangements will be successful. The Corporation relies on inventory materials that it sources from third parties. Any shortage in these inventories may affect the Corporation's performance. In addition, increased costs of reagents or any other third party supplied material could adversely affect the Corporation's performance.

Liability Insurance

While the Corporation maintains basic liability insurance, such insurance cannot cover all risks of third party liability. Liability insurance is costly, availability is limited and additional insurance may not be on terms which would be acceptable to the Corporation. An inability to maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential liability claims could prevent or inhibit the development of the Corporation's business. A liability claim brought against the Corporation, or restriction of its ability to store and deliver stem cells could have a material adverse effect upon the Corporation and its financial condition.

Hazardous Materials and Environmental Matters

Certain of the Corporation's processes involve the controlled use of hazardous materials. The Corporation is subject to federal, provincial and local laws and regulations governing the use, manufacture, storage, handling and disposal of such materials and certain waste products. Although management of the Corporation believes that its procedures for handling and disposing of such materials comply with the standards prescribed, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, the Corporation could be held liable for damages and such liability could exceed the resources of the Corporation. The Corporation is not specifically insured with respect to this liability. Although management of the Corporation believes that the Corporation currently complies in all material respects with current environmental laws and regulations, other laws and regulations may be adopted in the future. Furthermore, there can be no assurance that the operations, business or assets of the Corporation will not be materially adversely affected by current or future environmental laws or regulations.

Rapid Change

The biotechnical industries are characterized by rapid and substantial technological change. There can be no assurance that developments by others will not render the Corporation's services non-competitive or obsolete, or that the Corporation will keep pace with technological developments. Competitors may develop services or technologies that could be more effective and less costly than the services provided by the Corporation. In addition, alternative forms of medical treatment may render the Corporation's services of lower or no value. The Corporation's future success will depend on its ability to adapt to this change and keep pace with biotechnical developments and emerging industry standards. There is no assurance that the Corporation will be able to do so.

Ability to Manage Growth

The Corporation has experienced a period of significant increase in sales and personnel through internal growth that has placed strains upon its management systems and resources. In the future, the Corporation will be required to continue to improve its financial and management controls, reporting systems and procedures. In addition, the Corporation's business plans and anticipated increased sales of its services will require the Corporation to acquire, train and manage additional employees. If the Corporation is unable to hire the skilled employees it needs in a timely manner, it might be unable to fulfil the demand for its services or meet its business plan. There can be no assurance that the Corporation will be able to effectively manage its growth.

Financing Requirements

The Corporation may need additional financing to continue to operate its business and there can be no assurance that such financing will be available or, if available, will be provided on reasonable terms. If financing is obtained by issuing Common Shares, control of the Corporation may change and subscribers to this Offering may suffer additional dilution. To the extent financing is not available, the Corporation's ability to continue as a going concern may be in doubt.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers and principal shareholders of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers and principal shareholders are directors of other corporations. Conflicts, if any, will be subject to the procedures and remedies under the *Canada Business Corporations Act*, whereby a director who has an interest in a contract or agreement, or a proposed contract or agreement, will disclose such interest and refrain from voting on any matter in respect of such contract or agreement, unless otherwise permitted by the *Canada Business Corporations Act*.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation in creating revenues, cash flows or earnings. The value of Common Shares distributed hereunder will be affected by such volatility.

Before this Offering, there has been no public market for the Corporation's Common Shares. An active public market for the Common Shares may not develop or be sustained after this Offering. The initial public offering price of the Common Shares has been determined by negotiations between the Corporation and representatives of the Agent and this price will not necessarily reflect the prevailing market price of the Common Shares following this Offering. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial public offering price.

Dividends

The Corporation does not anticipate paying any dividends on its Common Shares in the foreseeable future.

PROMOTERS

Frank Ernest Stacey, the Chief Executive Officer and President of the Corporation, is the promoter of the Corporation and has been over the past two years. Over the past two years Frank Ernest Stacey has received consideration either directly or indirectly from the Corporation in the amount of $12,350. Frank Ernest Stacey has been paid a salary at the rate of $80,000 per year since November 1, 2001. On completion of the Offering, Frank Ernest Stacey will own 2,112,004 Common Shares of the Corporation representing ●% of the issued shares based upon a minimum offering or ●% of the issued shares based upon a maximum offering.

Frank Ernest Stacey has not been a promoter of any person or company during the past ten years that was subject to a cease trade order for a period of more than 30 consecutive days nor became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS

The Corporation is not a party to any legal proceedings and is not aware of any such proceedings known to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The directors, senior officers and principal shareholders of the Corporation or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which the Corporation has participated within the three year period prior to the date of this prospectus, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Corporation.

RELATIONSHIP BETWEEN THE CORPORATION AND AGENT

The Corporation is not a related party or connected party to the Agent (as such terms are utilized in the *Securities Act* (British Columbia), the *Securities Act* (Alberta) or the *Securities Act* (Ontario).

AUDITORS

The auditors of the Corporation are Grant Thornton LLP, Chartered Accountants, of Suite 2800 – 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N3.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Corporation is Pacific Corporate Trust Company of 10th Floor, 625 Howe Street, Vancouver, British Columbia, Canada V6C 3B8.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Offering Agency Agreement dated ●, 2002 between the Corporation and Yorkton Securities Inc. and referred to under "Plan of Distribution";

2. Agency Agreement between the Corporation and Yorkton Securities Inc. dated April 15, 2001;

3. Escrow Agreement among the Corporation, Pacific Corporate Trust Company and the Principals of the Corporation dated March 13, 2002;

4. Sub-Lease Agreement dated effective December 1, 2001 between the Corporation and Discovery Parks Incorporated relating to the premises at 4475 Wayburne Drive, Burnaby, British Columbia, for a primary term expiring on November 30, 2006; and

5. Incentive Option Agreements dated March 13, 2002 between the Corporation and Frank Ernest Stacey, Owen Ross Granger, William Cameron James, Christopher Morris Goddard, John Douglas Seppala, Sharon Stacey, Lori Miller and Roy Jackson referred to under “Options to Purchase Securities”.

A copy of any material contract may be inspected during distribution of the Common Shares being offered under this prospectus and for a period of 30 days thereafter during normal business hours at the Corporation’s offices at 200 - 4475 Wayburne Drive, Burnaby, British Columbia, Canada.

EXPERTS

Certain legal matters related to this Offering will be passed upon on behalf of the Corporation by DuMoulin Black and on behalf of the Agent by Anfield Sujir Kennedy & Durno.

Income tax consequences to purchasers are not viewed as a material aspect of the Offering of the Common Shares hereunder. **Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition of Common Shares under this prospectus.**

RELATIONSHIP BETWEEN THE CORPORATION’S PROFESSIONAL PERSONS AND EXPERTS

There is no beneficial interest, direct or indirect, in any securities in excess of one percent of the Corporation’s issued capital or property of the Corporation or of an associate or affiliate of the Corporation, held by a professional person as referred to in section 106(2) of the Rules under the Securities Act (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm or by any person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this prospectus or prepared or certified a report or valuation described or included in this prospectus. No such person is or is expected to be elected, appointed or employed as a director or employee of the Corporation.

OTHER MATERIAL CONTRACTS

There are no other material facts other than as disclosed herein.

PURCHASERS’ STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in the Provinces of British Columbia, Alberta and Ontario provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

Attached to and forming a part of this prospectus are unaudited financial statements of the Corporation for the six month periods ended November 30, 2001 and November 30, 2000 and audited financial statements of the Corporation for the years ended May 31, 2001, May 31, 2000 and May 31, 1999.

AUDITORS' REPORT

To the Directors of Lifebank Cryogenics Corp.

We have audited the balance sheets of Lifebank Cryogenics Corp. as at May 31, 2001 and 2000 and the statements of operations, cash flows and shareholders' equity for the three years ended May 31, 2001. 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 Canadian 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 financial statements present fairly, in all material respects, the financial position of the company as at May 31, 2001 and 2000 and the results of its operations and cash flows for the three years ended May 31, 2001 in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
August 24, 2001, except for
note 9, which is as at February 14, 2002

Chartered Accountants

Lifebank Cryogenics Corp.
Balance Sheets

	November 30, 2001 (unaudited)	May 31, 2001	May 31, 2000
	$	$	$
ASSETS			
Current Assets			
Cash and cash equivalents	198,322	406,930	563
Accounts receivable	24,693	35,243	4,446
Prepaid expenses	46,187	12,671	3,218
Total Current Assets	269,202	454,844	8,227
Capital Assets (note 3)	141,726	89,273	94,562
Other Assets (note 4)	109,445	-	-
Total Assets	520,373	544,117	102,789
LIABILITIES			
Current Liabilities			
Bank overdraft	-	-	1,896
Accounts payable and accrued liabilities	156,899	99,808	41,848
Unearned revenue	43,480	35,352	24,558
Total Liabilities	200,379	135,160	68,302
SHAREHOLDERS' EQUITY			
Share Capital (notes 5 and 9)			
Common shares	2,825	2,825	2,825
Preferred shares	4,544	4,544	3,907
Special warrants	405,248	383,804	-
Contributed surplus	422,525	422,525	422,525
Total Share Capital	835,142	813,698	429,257
Deficit	(515,148)	(404,741)	(394,770)
Shareholders' Equity	319,994	408,957	34,487
Total Liabilities and Shareholders' Equity	520,373	544,117	102,789

Continuance of Operations (note 1)

APPROVED BY THE BOARD OF DIRECTORS

Director Director

The accompanying notes are an integral part of these financial statements.

Lifebank Cryogenics Corp.
Statements of Operations

	Six months ended November 30,		Years ended May 31,		
	2001 (unaudited)	**2000 (unaudited)**	**2001**	**2000**	**1999**
	$	**$**	**$**	**$**	**$**
Revenue	169,856	98,633	221,864	160,585	137,204
Expenses					
Operating expenses					
Supplies	33,379	13,827	28,718	19,305	16,438
Sample processing	24,733	9,065	19,263	5,428	12,529
Wages and employee benefits	16,032	3,693	20,018	-	-
Delivery costs	5,510	2,611	6,696	6,558	7,466
Other	1,969	791	2,256	6,087	2,660
Total operating expenses	81,623	29,987	76,951	37,378	39,093
General and administrative expenses					
Administration and office	13,059	8,077	17,464	16,242	12,023
Depreciation and amortization	4,990	4,749	11,383	9,280	20,128
Insurance	4,886	4,700	9,056	8,942	8,689
Marketing	96,315	4,049	21,013	8,956	19,416
Professional fees	16,899	1,360	14,232	1,734	865
Rent	20,234	20,785	37,965	40,994	38,923
Telephone	4,479	3,394	6,997	7,982	10,522
Travel and entertainment	5,290	48	1,548	1,535	545
Wages, salaries and consulting fees	32,488	17,922	35,226	34,368	39,395
Total general and administrative expenses	198,640	65,084	154,884	130,033	150,506
Total Expenses	280,263	95,071	231,835	167,411	189,599
Net (Loss) Income	(110,407)	3,562	(9,971)	(6,826)	(52,395)
Weighted Average Number of Common Shares Outstanding	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Net (Loss) Income per Common Share – Basic	(0.055)	0.002	(0.005)	(0.003)	(0.026)
Fully Diluted Number of Common Shares Outstanding	2,000,000	4,690,164	2,000,000	2,000,000	2,000,000
Net (Loss) Income per Common Share – Fully Diluted	(0.055)	0.001	(0.005)	(0.003)	(0.026)

The accompanying notes are an integral part of these financial statements.

Lifebank Cryogenics Corp.
Statements of Cash Flows

	Six months ended November 30, 2001 (unaudited)	Six months ended November 30, 2000 (unaudited)	Years ended May 31, 2001	Years ended May 31, 2000	Years ended May 31, 1999
	$	$	$	$	$
Operating Activities					
Net (loss) income	(110,407)	3,562	(9,971)	(6,826)	(52,395)
Adjustments to reconcile net (loss) income to net cash flows from operating activities:					
- depreciation and amortization	4,990	4,749	11,383	9,280	20,128
- decrease (increase) in accounts receivable	10,550	1,268	(30,797)	2,037	11,087
- (increase) decrease in prepaid expenses	(33,516)	1,000	(9,453)	(1,000)	-
- increase (decrease) in accounts payable and accrued liabilities	57,091	(4,026)	57,960	(8,394)	13,792
- increase in unearned revenue	8,128	5,081	10,794	8,373	7,520
Net Cash Flows from Operating Activities	(63,164)	11,634	29,916	3,470	132
Investing Activities					
Purchase of capital assets	(57,443)	-	(6,094)	(4,976)	(2,205)
Long-term lease deposit	(48,001)	-	-	-	-
Net Cash Flows from Investing Activities	(105,444)	-	(6,094)	(4,976)	(2,205)
Financing Activities					
Deferred finance costs	(40,000)	-	-	-	-
Proceeds from sale of special warrants	-	-	457,300	-	-
Special warrant issuance costs	-	-	(73,496)	-	-
Proceeds from sale of preferred shares	-	607	637	151	3,756
(Decrease) increase in bank overdraft	-	(1,896)	(1,896)	1,896	(1,661)
Net Cash Flows from Financing Activities	(40,000)	(1,289)	382,545	2,047	2,095
(Decrease) Increase in Cash and Cash Equivalents	(208,608)	10,345	406,367	541	22
Cash and Cash Equivalents at the Beginning of the Period	406,930	563	563	22	-
Cash and Cash Equivalents at the End of the Period	198,322	10,908	406,930	563	22
Non-Cash Investing and Financing Activities					
Special warrants issuable for long-term lease deposit	21,445	-	-	-	-

The accompanying notes are an integral part of these financial statements.

Lifebank Cryogenics Corp.

Statement of Shareholders' Equity

Years ended May 31, 2001, 2000 and 1999
Six months ended November 30, 2001 (unaudited)

	Preferred Stock		Common Stock		Special Warrants				
	Number of Shares	Par value	Number of Shares	Par value	Number of Warrants	Amount Paid	Contributed Surplus	Deficit	Total Shareholders' Equity
		$		$		$	$	$	$
Balance, May 31, 1998	-	-	2,000,000	2,825	-	-	422,525	(335,549)	89,801
Issuance of shares for cash	2,500,000	3,756	-	-	-	-	-	-	3,756
Net loss, year ended May 31, 1999	-	-	-	-	-	-	-	(52,395)	(52,395)
Balance, May 31, 1999	2,500,000	3,756	2,000,000	2,825	-	-	422,525	(387,944)	41,162
Issuance of shares for cash	100,000	151	-	-	-	-	-	-	151
Net loss, year ended May 31, 2000	-	-	-	-	-	-	-	(6,826)	(6,826)
Balance, May 31, 2000	2,600,000	3,907	2,000,000	2,825	-	-	422,525	(394,770)	34,487
Issuance of shares for cash	420,000	637	-	-	-	-	-	-	637
Issuance of special warrants for cash, net of issuance costs of $73,496	-	-	-	-	1,143,250	383,804	-	-	383,804
Net loss, year ended May 31, 2001	-	-	-	-	-	-	-	(9,971)	(9,971)
Balance, May 31, 2001	3,020,000	4,544	2,000,000	2,825	1,143,250	383,804	422,525	(404,741)	408,957
Special warrants subscribed (issued January 9, 2002)	-	-	-	-	53,611	21,444	-	-	21,444
Net loss, six months ended November 30, 2001 (unaudited)	-	-	-	-	-	-	-	(110,407)	(110,407)
Balance, November 30, 2001 (unaudited)	3,020,000	4,544	2,000,000	2,825	1,196,861	405,248	422,525	(515,148)	319,994

The accompanying notes are an integral part of these financial statements.

Lifebank Cryogenics Corp.
Notes to the Financial Statements
May 31, 2001, 2000 and 1999
November 30, 2001 (unaudited)

1. Operations and Basis of Presentation

The company is a Delaware corporation that operates a private cryogenic facility in Vancouver, British Columbia, dedicated to the collection, processing and cryopreservation of umbilical cord blood stem cells.

Subsequent to November 30, 2001, the company continued its incorporation under the *Canada Business Corporations Act*.

The company has experienced losses in all fiscal periods since its inception and has an accumulated deficit of $404,741 at May 31, 2001 and $515,148 at November 30, 2001. Its ability to continue as a going-concern is dependent upon its ability to achieve profitability and fund any additional losses it may incur.

The company has adopted a marketing program in an effort to increase sales and achieve profitability. The company intends to issue share capital to fund the marketing program and any additional losses it may incur (note 9).

These financial statements are prepared on a going-concern basis, which implies that the company will realize its assets and discharge its liabilities in the normal course of business. These financial statements do not reflect adjustments to the carrying value of assets and liabilities that would be necessary if the company were unable to achieve and maintain profitable operations.

2. Significant Accounting Policies

General Principles - These financial statements have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles.

Currency and Foreign Exchange - The functional currency of the company is the Canadian dollar. Monetary assets and liabilities denominated in another currency are translated at exchange rates in effect at the balance sheet dates. Other balance sheet items denominated in another currency are translated at the rates of exchange in effect at the time the items arose. Revenue and expenses are translated at the exchange rates in effect at the time of the transaction. Gains and losses arising from fluctuations in exchange rates are included in operations for the periods in which they occur.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash within ninety days of deposit.

Financial Instruments - The company has various financial instruments, including cash and cash equivalents, accounts receivable, bank overdraft and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values.

2. Significant Accounting Policies (continued)

Capital Assets - Capital assets are carried at cost less accumulated depreciation. Depreciation is charged to earnings using the straight-line method in amounts sufficient to depreciate the costs of capital assets over their estimated useful lives as follows:

Laboratory and cryogenics equipment - 5 to 25 years
Office equipment and furnishings – 3 to 10 years
Leasehold improvements - 5 to 10 years.

Revenue – Revenue is recognized in the period during which the related services are performed. Storage revenue received in advance is deferred and allocated on a monthly basis to the storage period.

Income Taxes - Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet and unutilized losses carried forward are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The carrying value of future income tax assets is limited to the amount that is more likely than not to be realized.

Net Income (Loss) per Share - The basic net income and loss per share amounts have been calculated using the weighted average number of common shares outstanding during the period. Fully diluted net income per share has been calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of warrants and the conversion of preferred shares and that the assumed proceeds from the exercise of warrants and conversion of preferred shares are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is taken into account during periods in which a net loss is incurred as the effect is anti-dilutive.

3. Capital Assets

	November 30, 2001 (unaudited)			May 31, 2001			May 31, 2000
	Cost $	Accumulated depreciation $	Net book value $	Cost $	Accumulated depreciation $	Net book value $	Net book value $
Laboratory and cryogenics equipment	182,362	49,428	132,934	131,009	45,865	85,144	87,886
Office equipment and furnishings	17,782	10,376	7,406	13,078	9,239	3,839	4,411
Leasehold improvements	1,386	-	1,386	3,774	3,484	290	2,265
Total fixed assets	201,530	59,804	141,726	147,861	58,588	89,273	94,562

4. Other Assets

	November 30, 2001 (unaudited)	May 31, 2001	May 31, 2000
	$	$	$
Long-term lease deposit to be applied to rent in future years (note 8)	69,445	-	-
Deferred finance costs to be applied against the proceeds from the issuance of shares	40,000	-	-
Total other assets	109,445	-	-

5. Share Capital

Authorized Capital

The authorized capital consists of 50,000,000 common shares, par value U.S.$0.001, and 10,000,000 preferred shares, par value U.S.$0.001. On the continuance of the company under the *Canada Business Corporations Act* subsequent to November 30, 2001, the authorized capital was changed to an unlimited number of common shares without par value.

Preferred Shares

The preferred shares vote equally with the common shares. The preferred shares are not entitled to receive dividends but participate in the distribution of the assets of the company upon wind-up or other dissolution at the rate of 0.4% of the amount being distributed per common share. Each preferred share is convertible at the option of the holder into one common share upon payment of an additional Cdn$0.009 to the company. Subsequent to November 30, 2001, 300,000 of preferred shares were converted into common shares for proceeds of $2,700. On the continuance of the company under the *Canada Business Corporations Act* subsequent to November 30, 2001, the remaining 2,720,000 preferred shares were exchanged for common shares for no additional consideration.

Special Warrants

Each special warrant is convertible into one common share until April 17, 2011 without payment of additional consideration. Any special warrants not converted into common shares by the earlier of five business days after the company receives a receipt for a prospectus qualifying the issuance of common shares pursuant to the conversion of special warrants and April 17, 2011 will be automatically converted into common shares. There are no voting or participation rights attached to the special warrants.

5. Share Capital (continued)

Agent's Warrants

The sales agent for a portion of the special warrants issued was granted the right to receive warrants to purchase up to 150,000 common shares of the company at Cdn$0.40 per share until April 17, 2002 or at Cdn$0.46 per share until April 17, 2003.

6. Management Services

The directors and officers of the company have provided management and other services to the company for no remuneration.

7. Income Taxes

The potential benefits arising from differences in the tax and accounting bases of capital assets and from non-capital losses and other deductions carried forward for income tax purposes have been recognized as future income tax assets. As it is more likely than not that all or a portion of the future income tax assets will not be realized, a valuation allowance has been provided for the full value of the future income tax assets.

The components of the company's future income tax assets are as follows.

	November 30, 2001 (unaudited)	May 31, 2001	May 31, 2000
	$	$	$
Capital assets	32,369	31,834	26,826
Non-capital losses carried forward	200,859	150,637	145,267
Deferred financing costs	23,283	25,871	-
Total future income tax assets	256,511	208,342	172,093
Valuation allowance	256,511	208,342	172,093
Net book value	-	-	-

The company has non-capital losses available to reduce future taxable income of $456,497 which under Canadian income tax laws expire as follows:

May 31, 2003	$ 172,733
2004	125,401
2006	32,018
2008	12,205
2009	114,140

7. Income Taxes (continued)

The income tax (recovery) expense shown on the statements of operations differs from the amounts obtained by applying combined Canadian and British Columbia statutory rates to the net (loss) income before taxes as follows:

	Six months ended November 30,		Years ended May 31,		
	2001 (unaudited)	2000 (unaudited)	2001	2000	1999
Combined statutory rate	44%	44%	44%	44%	44%
	$	$	$	$	$
Income tax (recovery) expense based on the statutory rate	(48,579)	1,567	(4,387)	(3,003)	(23,054)
Tax effect of expenses that are not deductible for income tax purposes	410	11	476	308	110
Tax effect of share issuance costs that are deductible for income tax purposes	-	-	(32,338)	-	-
Increase (decrease) in valuation allowance	48,169	(1,578)	36,249	2,695	22,944
Income tax (recovery) expense for the period	-	-	-	-	-

8. Commitment

The company has committed to lease office and laboratory space for a five year period commencing December 1, 2001. Future minimum lease payments are as follows:

	Total Basic Rent	Deposit Applied	Minimum Payments
Year ending May 31, 2002	$ 30,051	$ -	$ 30,051
2003	90,153	-	90,153
2004	90,153	15,551	74,602
2005	90,153	13,932	76,221
2006	90,153	13,016	77,137
2007	45,077	26,946	18,131

Building operating expenses, currently estimated at $60,000 per year, are payable in addition to the basic rent.

9. Subsequent Events

Subsequent to November 30, 2001:

- The company continued its incorporation into Canada under the *Canada Business Corporations Act.*
- At the time of continuance into Canada, all of the then outstanding preferred shares of the company were converted into common shares on a one-for-one basis without additional payment to the company, and the authorized capital of the company was changed to an unlimited number of common shares without par value.
- The company issued ● additional special warrants for net cash proceeds of $ ●. Each special warrant is convertible into one common share until ● without payment of additional consideration. Any special warrants not converted into common shares by the earlier of five business days after the company receives a receipt for a prospectus qualifying the issuance of common shares pursuant to the conversion of special warrants and ● will be automatically converted into common shares. There are no voting or participation rights attached to the special warrants.
- The company issued 53,611 special warrants to a director of the company in payment of a realtor's commission of $21,444 earned by the director prior to November 30, 2001 in connection with the lease of premises for the company. The amount of the commission is equal to the commission that would have been paid to a real estate agent dealing at arm's length with the company. An amount equal to the commission is deductible from rent in future years (note 8).
- The company made an application to list the company's shares on the Canadian Venture Exchange ("CDNX"). Along with the application, the company also filed an Initial Public Offering ("IPO") Prospectus covering the sale of a minimum of ● common shares, and a maximum of ● common shares at $ ● per share, for total minumum proceeds of $ ● and total maximum proceeds of $ ●.

  The sales agent for the IPO will receive a commission of 10% of the proceeds from the IPO and a two-year warrant to purchase up to 15% of the number of shares sold on the IPO at a price of $ ● per share during the first year and $ ● per share during the second year.

  The IPO is subject to the CDNX and the securities commissions in British Columbia, Alberta and Ontario approving a final prospectus and the company fulfulling the listing requirements of the CDNX. As at the report date, these approvals have not been received.

CERTIFICATE OF LIFEBANK CRYOGENICS CORP.

Dated: April 26, 2002

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) and by Part XV of the Securities Act (Ontario) and the respective regulations thereunder.

(signed) *Ernest Stacey*
Frank Ernest Stacey
President and Chief Executive Officer

(signed) *Owen Granger*
Owen Ross Granger
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) *William James*
William Cameron James
Director

(signed) *Christopher Goddard*
Christopher Morris Goddard
Director

PROMOTER

(signed) *Ernest Stacey*
Frank Ernest Stacey

CERTIFICATE OF THE AGENT

Dated: April 26, 2002

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) and by Part XV of the Securities Act (Ontario) and the respective regulations thereunder.

YORKTON SECURITIES INC.

By: (signed) *John McCoach*
Vice-President, Corporate Finance
British Columbia