



International  
Medical  
Innovations Inc.



# Driving Predictive Medicine

2001 Annual Report

## Company profile:

IMI is a leading predictive medicine company developing rapid, non-invasive tests for the early detection and monitoring of life-threatening diseases, particularly cardiovascular disease and cancer.

IMI's products are developed to meet recognized medical needs in high-potential markets, using a low-risk development strategy.

Predictive medicine is becoming a vital part of comprehensive health care. It identifies patients at risk of serious diseases, allowing for prevention, earlier treatment and significant savings to the health system.

By developing innovative tests that identify serious diseases early and are rapid and non-invasive, IMI is driving predictive medicine.

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## Annual General Meeting of Shareholders:

3:00 p.m.

Tuesday, July 10, 2001

Toronto Board of Trade,

First Canadian Place

100 King St. West

Toronto, Ontario, Canada

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### Safe Harbor:

This report contains forward-looking statements that reflect the company's current expectation regarding future events. The forward-looking statements involve risk and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors including, but not limited to, changing market conditions, successful and timely completion of clinical studies, uncertainties related to the regulatory approval process, establishment of corporate alliances and other risks detailed from time to time in the company's quarterly filings.

## Corporate Highlights 2000 – 2001

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### First quarter:

- Signed research collaboration for Cholesterol 1,2,3™ with Parke-Davis, developer of a leading cholesterol-lowering medication
- Added Dr. Herb Fritsche from MD Anderson Cancer Center in Houston to IMI's Scientific Advisory Board

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### Second Quarter:

- Raised \$12 million through private placement
- Presented strong clinical trial results on ColorectAlert™ at two major medical scientific meetings
- Added Dr. Norman Marcon from St. Michael's Hospital in Toronto to Scientific Advisory Board

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### Third Quarter:

- Began trading on The Toronto Stock Exchange
- Established European base by incorporating a subsidiary in Switzerland
- Acquired new technology that will be developed for prostate cancer screening
- Named one of "Canada's Top Ten Investment and Partnering Prospects" by the Ottawa Life Sciences Council

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### Fourth Quarter:

- Attracted worldwide attention with presentation of Cholesterol 1,2,3 trial results at the American Heart Association meeting
- Signed innovative partnership agreement with McMaster University to sponsor genomics research program and locate IMI research and product development activities at McMaster
- Received Canadian marketing clearance for Cholesterol 1,2,3, making it the first non-invasive cholesterol test approved for sale in the world

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### Subsequent to year end:

- Completed pilot study on LungAlert and presented results at the American Thoracic Society meeting; initiated large clinical trial
- Consolidated rectal mucus technology and patents by signing license agreement with Procyon BioPharma Inc.

## President's Message to Shareholders



Over the past year we have begun using the phrase “Driving Predictive Medicine” to describe our vision for health care and our vision for IMI. Predictive medicine identifies patients at risk of serious diseases, allowing for prevention, earlier treatment, and significant savings to the health care system. It is the future of health care.

Yet it is no longer just a vision. In fact, predictive medicine has been part of western health care for decades. Blood tests for cholesterol are an early form of predictive medicine as doctors use them to identify patients at greater risk of heart disease.

When we say IMI is “Driving Predictive Medicine” we mean IMI is leading the evolution of predictive medicine to the next generation of products by introducing two very fundamental improvements.

We are finding *better predictors*. Skin cholesterol has been shown to be a better predictor of coronary artery disease than blood cholesterol. Similarly, our rectal mucus test for early colorectal cancer is a better predictor of disease than the tests available today.

We are finding *better methods*. IMI is introducing rapid, non-invasive and inexpensive tests where previously the market was characterized by invasive tests that required fasting and typically took days for results.

That's the next generation of predictive medicine products: Better predictors, better methods. And it's why we say IMI is Driving Predictive Medicine.

Throughout the past year we have aggressively communicated the importance of predictive medicine. The result is that health professionals, consumers and investors have a growing appreciation for the value and potential of predictive medicine, and that IMI is increasingly recognized as a leading force in building that potential.

The year ended January 31, 2001 saw IMI and predictive medicine in the news around the world as the latest clinical research results were presented at high-profile scientific meetings such as the American Heart Association and Digestive Diseases Week.

These scientific presentations put IMI products in a global spotlight, and also gave us valuable feedback from the medical community. We heard, for example, that doctors want to know if skin cholesterol can predict heart disease in children and teens, so we are initiating a clinical trial looking at pediatric use for Cholesterol 1,2,3. We also heard that physicians might like to see a point-of-care version of our ColorectAlert test. In March 2001, just after the end of our fiscal year, we licensed a related rectal-mucus technology that we believe we can integrate into ColorectAlert and make the test simpler by eliminating a step.

**IMI is leading the evolution of predictive medicine to the next generation of products by introducing two very fundamental improvements**

THE GLOBE AND MAIL  
Asian work sparks cholesterol



USA TODAY  
Handy test checks cholesterol without blood  
Product reveals artery clogging  
is simple enough for home use

Looking beyond our products, we took several important steps on the corporate side of our business in fiscal 2001 that provide a solid foundation for growth.

In the spring of 2000 we raised \$12 million through a private placement to several institutions. These funds provide us with the resources we need to complete the development of our lead technologies with the confidence that we can see the process right through to commercial launch. As a result of that financing we obtained a listing on The Toronto Stock Exchange, and began trading in August. Listing on the TSE was an important milestone for the company, and a commitment we are pleased to have met.

In November, we completed an innovative agreement with McMaster University, one of North America's foremost medical sciences universities. Through this collaboration, IMI will sponsor a research program aimed at identifying genomic-based cancer markers that can lead to predictive medicine tools, and as the program's sponsor, IMI has a first right of refusal on new technologies from the program. The agreement also provides IMI with access to a research and product development laboratory at the university.

**IMI has the resources required to complete the development of our lead technologies with the confidence that we can see the process right through to commercial launch**

**The result is that health professionals, consumers and investors recognize the value and potential of predictive medicine**

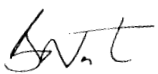
During fiscal 2001 we added to our team by hiring several key scientists to augment our development activities and reshaped our Scientific Advisory Board to include recognized experts in cardiovascular disease and cancer. At our head office we added to our management team and moved to a larger office in Toronto.

After a pivotal year in fiscal 2001, I am confident of our continued growth in the coming year. In these 12 months we expect to receive FDA approval for Cholesterol 1,2,3

and complete a marketing partnership leading to the launch of the product in its first markets. We will also begin development of a home version of the test and explore other expanded applications for the Cholesterol 1,2,3 technology. At the same time, we expect to drive our ColorectAlert and LungAlert products through multiple clinical and business development milestones.

Our transition from strictly a product development company to a product development and commercialization company will be complete when we begin selling Cholesterol 1,2,3. Soon afterwards we expect to see sustained growth in revenues based on our strong lead products and rich pipeline.

IMI is my life's passion. It is an excitement that I share with a talented and dedicated team, and with you, our shareholders. As we stand poised to launch revolutionary products into the market, the year ahead holds a great deal of promise for predictive medicine, and for IMI as one of the field's driving forces.



Brent Norton, MD, MBA  
*President and Chief Executive Officer*

## Product Portfolio

### Products that fulfill a vision

IMI is building a portfolio of products aimed at capitalizing on the growing need for improved predictive medicine tools. Predictive medicine itself has existed for years. Blood cholesterol tests to identify people at risk for cardiovascular disease, and fecal occult blood tests to screen for colorectal cancer, are commonly used examples of predictive medicine in today's medical practice.



The products IMI is developing and bringing to market represent significant improvements over these current tests, in two fundamental ways. First, IMI tests are *better predictors* of disease. For example, skin cholesterol as measured by Cholesterol 1,2,3, has been demonstrated to be a better indicator of coronary artery disease than blood cholesterol. Similarly, the cancer marker identified in the ColorectAlert test is more accurate than the traditional practice of looking for blood in stool samples.

Second, IMI products involve *better methods* for testing patients. Unlike tests for blood cholesterol, Cholesterol 1,2,3 does not require patients to fast, endure a needle prick to give a blood sample, or wait for results. It is painless, simple and immediate. ColorectAlert also does not rely on patients to obtain the sample themselves, as is the case with fecal occult blood tests. Instead, it can be done in the doctor's office during a routine appointment.

All of IMI's products fit this vision of improving upon predictive medicine by introducing better predictors and better methods.

### Bringing predictive medicine products to market

As a company, IMI's strength is in developing effective, user-friendly tests that meet recognized medical needs. The company's business model is built around exploiting that strength and building relationships with other companies and organizations whose strengths complement IMI's.

IMI examines technologies that have been discovered and undergone initial proof-of-principle testing at research institutions around the world. If the commercial potential of the technology is attractive, IMI moves to acquire or license the technology and any supporting patents.

It is a lower-risk strategy for IMI because when IMI acquires a technology its inventors have already demonstrated that it works in a laboratory setting. IMI's role is to develop the technology into a product that can be integrated into routine medical practice, and expand use of the product to other applications such as home testing.

IMI moves quickly to develop an initial product and undertakes a series of clinical trials to determine how the test performs in the clinical setting relative to the existing gold standard diagnostic and screening tests. These trials are conducted at world-leading clinical and research centers. Based on the successful outcome of clinical trials, IMI files submissions with regulators to market the product. To market and distribute the product across North America and ultimately the world, IMI will build strategic alliances and partnerships with large pharmaceutical, diagnostic and consumer products companies. These companies have the sales and marketing muscle, as well as the distribution infrastructure necessary to capitalize on the large market potential for IMI's products. IMI also explores opportunities to sell its products directly to customers such as pharmacies, occupational health companies and individual consumers via traditional channels and potentially the Internet.

## Cholesterol 1,2,3™

Cardiovascular disease is the number-one killer in the western world, and yet in many cases it can be managed if patients at risk are identified in time. Some 60 million North Americans are estimated to have high cholesterol, and are therefore at risk of developing coronary artery disease.

In 2000, more than 600 million cholesterol tests were performed – a number forecast to grow by more than 15 per cent in each of the next twenty years. IMI has developed Cholesterol 1,2,3 to identify people at risk of cardiovascular disease more accurately and more comfortably, and to capitalize on the vast potential market in global cardiovascular disease prediction.

Similarly, approximately 25 million North Americans are currently taking cholesterol-lowering medications. As a rapid, non-invasive test, Cholesterol 1,2,3 can also be used to monitor patients' cholesterol on a regular basis to ensure their medications are working, and to help patients recognize the value of remaining on the medication.

Cholesterol 1,2,3 is a three-minute, non-invasive test that measures the cholesterol in a person's skin. It can be performed by a trained health professional in any point-of-care setting, such as a doctor's office, pharmacy or laboratory. Two drops of liquid are placed on the palm of the hand and change color depending on the amount of cholesterol in the skin. Darker blue means a higher cholesterol level. To quantify the results precisely, the test uses a highly sensitive handheld spectrophotometer that measures the color and provides a skin cholesterol value.

IMI is working with several strategic partners to develop and commercialize Cholesterol 1,2,3.

- *X-Rite, Incorporated* developed the instrumentation and software required to measure color reactions.
- *Parke-Davis* continues to use Cholesterol 1,2,3 in a significant clinical trial in progress at multiple sites across North America.
- *The Cleveland Clinic Foundation* has led three of the most significant clinical trials on skin cholesterol.

### Milestones in Fiscal 2001

- Signed *collaborative research agreement with Parke-Davis*. Parke-Davis is using Cholesterol 1,2,3 in a phase-II trial evaluating its new plaque-busting agent.
- Completed the *largest controlled clinical trial ever done on skin cholesterol*. The 400-patient study at The Cleveland Clinic Foundation and showed that skin cholesterol, as measured by Cholesterol 1,2,3, is an independent predictor of coronary artery disease and a more precise indicator of disease than blood cholesterol.
- Presented the latest clinical trial results at the American Heart Association meeting – the *most influential medical meeting on cardiovascular health* in the world. The skin cholesterol presentation was the most-publicized news of the entire meeting.
- Initiated a *follow-up clinical trial* at two additional sites to increase the robustness of data, in preparation for filing with the Food and Drug Administration.
- Received *Canadian regulatory clearance* making Cholesterol 1,2,3 the first non-invasive cholesterol test system approved for sale anywhere in the world.





## ColorectAlert™

Colorectal cancer is the third-most common cancer, resulting in more than 60,000 deaths each year in North America. But that number can be reduced significantly if more cancers are detected early – ideally before they even become cancers.

Momentum is growing around the world toward screening entire populations for colorectal cancer because it is curable more than 90% of the time if detected in the early stages. Recommendations typically call for regular screening of every person over the age of 50. In North America alone, more than 73 million people are over age 50 – a group increasing in number every year as the population ages.

ColorectAlert is IMI's predictive medicine product for detecting colorectal cancer, and it is poised to capitalize on the trend toward population screening. ColorectAlert is a novel test that identifies people at risk of colorectal cancer by detecting a cancer-associated sugar in a sample of rectal mucus.

ColorectAlert has several important benefits over currently available screening tests for colorectal cancer that make it suitable for broad-based screening programs:

- Detects cancer and pre-cancerous adenomas (polyps) at the earliest stages when the disease can be treated effectively
- Does not require a blood or stool sample
- No dietary restrictions prior to obtaining sample
- Sample taken during routine doctor visit
- Cost-effective by helping avoid unnecessary procedures

### Milestones in Fiscal 2001:

- Presented latest ColorectAlert clinical trial results at two high-profile scientific meetings: Digestive Diseases Week and the American Association of Clinical Chemistry.
- Acquired rights to a related technology – Colopath™, from Procyon BioPharma Inc. – that may lead to a point-of-care version of the test. The acquisition also consolidates all relevant patents for rectal-mucus colorectal cancer screening within IMI. (Subsequent to year end)



## Pipeline

IMI is building a rich pipeline of predictive medicine products and technology platforms.

### LungAlert™

LungAlert is a novel test that identifies patients at risk of lung cancer by detecting a cancer-associated sugar in a sample of sputum. At the end of the 2001 fiscal year, IMI completed a pilot clinical trial in which LungAlert accurately identified people with lung cancer. The results of that trial were accepted for presentation at the American Thoracic Society meeting in May 2001.

Based on the success of the pilot study, a larger clinical trial was subsequently undertaken to evaluate the clinical effectiveness of the product in different populations, such as smokers.

LungAlert was developed by adapting the ColorectAlert technology to another mucus-producing site in the body. Based on the initial success with LungAlert, the Company is exploring whether the technology can be applied to further mucus-producing sites such as the cervix and breast.

### Colopath™

IMI acquired the rights to develop and commercialize Colopath in March 2001 from Procyon BioPharma Inc. Like ColorectAlert, Colopath is a test for colorectal cancer that identifies a cancer marker in a sample of rectal mucus. Using a different chemical process, Colopath has the potential to become a point-of-care test that can be performed entirely at the doctor's office.

Colopath is supported by multiple patents in major world markets and has undergone several clinical trials to date. IMI will expand on the clinical support for Colopath, in conjunction with ColorectAlert, as these products become significant pieces in IMI's growing cancer product portfolio.

### Prostate Cancer

In August 2000 IMI acquired worldwide rights to a patented technology that identifies a marker for prostate cancer in both blood and urine. IMI is developing the technology into a non-invasive predictive medicine product to capitalize on the growing trend toward screening for prostate cancer.

### Genomics

IMI signed a collaborative research agreement with McMaster University (Hamilton, Ontario) in which IMI is sponsoring research projects at McMaster aimed at using genomics to detect cancer at the earliest stages and monitor patients' response to gene therapy. As the projects' sponsor, IMI has the first opportunity to commercialize any technologies resulting from the research.

### Color measurement

All of IMI's lead products depend on sophisticated color measurement of biologic reactions, such as measuring the shade of blue in the drop of liquid in the Cholesterol 1,2,3 test. As many diagnostic tests rely on interpretation of color, IMI sees a significant opportunity in applying its proprietary color-measuring technology to other companies' products that could be significantly enhanced through more precise color measurement.

### New technologies

IMI is always seeking new opportunities to acquire technologies that have undergone initial successful proof-of-principle tests, and that we believe can be developed into predictive medicine products to fit a recognized medical need. Increasingly, these opportunities are brought directly to IMI because of the Company's growing reputation for its efficient product development process and vision for predictive medicine.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the audited financial statements and notes thereto, which have been prepared in accordance with Canadian generally accepted accounting principles.

### Nature of Operations

IMI International Medical Innovations Inc. is a predictive medicine company that develops and commercializes rapid, non-invasive tests for the early detection of life-threatening diseases, particularly cardiovascular disease and cancer. To date, the Company has developed several products including Cholesterol 1,2,3, ColorectAlert and LungAlert.

The Company searches the world for proprietary technologies that have demonstrated some clinical efficacy and then completes the final development in preparation for clinical trials. The Company seeks partners with multinational diagnostic, pharmaceutical and consumer goods companies to assist with the marketing, sales and distribution of its products.

From its inception through January 31, 2001, the company has incurred losses totaling \$6,328,588. As a development-stage company, the Company has earned no revenues to date. However, it believes substantial revenues and profits will be generated in the future following regulatory approval of the technologies. During the year, the Company listed its shares on The Toronto Stock Exchange. At that time, it ceased to be a Canadian Controlled Private Corporation ("CCPC") for the purposes of the Income Tax Act (Canada) and was therefore no longer eligible to earn refundable federal investment tax credits (ITC's) on its research expenditures. Such tax credits can only be offset against future taxable income.

### Results of Operations

*Year Ended January 31, 2001 Compared to Year Ended January 31, 2000*

The loss for the year ended January 31, 2001 ("fiscal 2001") was \$1,833,205 (\$0.11 per share), compared to \$1,332,447 (\$0.10 per share) for the year ended January 31, 2000 ("fiscal 2000"), an increase of \$500,758. The increased expenditures supported the Company's advancement of the technologies through clinical trials as well as the listing on The Toronto Stock Exchange.

Gross research and development expenses increased by \$272,675 from \$1,027,606 in 2000 to \$1,300,281 in fiscal 2001. This increase was mainly attributable to the addition of three people to the scientific staff and external clinical trials for Cholesterol 1,2,3, ColorectAlert and LungAlert. Recoveries from refundable scientific investment tax credits (ITC's) amounted to \$115,239 in fiscal 2001, which included the provincial tax credit plus an additional \$35,239 that was received during the year in excess of the amount accrued for fiscal 2000. The accrual in 2000 for recoveries from both federal and provincial governments amounted to \$332,000. The Company expects to continue its research and development program at moderately increased levels for the near future as it develops new products and expands the clinical applications of its current product line.

General and administrative expenses were \$1,077,028 for fiscal 2001, compared to \$653,122 for fiscal 2000, an increase of \$423,906. This increase was required to support the TSE listing and related corporate activities as well as professional fees related to technology acquisitions and the establishment of a European subsidiary.

Amortization expense amounted to \$93,967 for fiscal 2001, compared to \$71,719 for fiscal 2000. The increase related to the \$138,430 in capital expenditures during the year, most of which was additional research instruments and computers for use in the Company's clinical trial program.

Interest income amounted to \$522,832 for the year, compared to \$38,906 for fiscal 2000. The increase resulted from the investment of cash received from the issuance of capital stock during the year.

#### **Liquidity And Capital Resources**

As at January 31, 2001 the Company had cash, cash equivalents and short-term investments totaling \$10,566,170 (\$741,767 in fiscal 2000). The increase resulted primarily from the issuance during the year of 3,157,895 special warrants for gross proceeds of \$12,000,000. Cash used to fund the operating activities during the year amounted to \$1,425,849 compared to \$1,362,956 in fiscal 2000. The Company has no long-term debt. In addition to meeting the listing requirements of The Toronto Stock Exchange, the additional cash will permit the Company to complete the development and launch of Cholesterol 1,2,3 as well as to provide it with opportunity funds for the acquisition of new technologies.

#### **Risks and Uncertainties**

To date, the Company has financed its activities through the issuance of shares and the recovery of research tax credits (ITC's). The Company believes that its existing cash resources together with the investment tax credits receivable of \$80,000 will be sufficient to meet its current operating and capital requirements through at least fiscal 2003 and that no additional funds would be required to support ongoing product development, research and clinical trials.

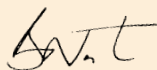
## Management's Responsibility For Financial Reporting

The management of the Company is responsible for the preparation of the accompanying consolidated financial statements. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and, where appropriate, include estimates based on careful judgment. Management has determined these amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Financial information contained elsewhere in this annual report is consistent with the consolidated financial statements.

The Company maintains a system of internal accounting and administrative controls that are designed to provide reasonable assurance, at a reasonable cost, that the financial information is accurate and reliable and that the assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board carries out this responsibility through an Audit Committee, which includes three non-management Directors, and meets periodically with management and the external auditors, Ernst & Young. The auditors have unrestricted access to the Audit Committee. The Audit Committee reviews the Company's quarterly and annual consolidated financial statements and recommends their approval by the Board. The Committee also recommends the appointment of the external auditors who are appointed at the Company's Annual Meeting.

The consolidated financial statements have been audited by Ernst & Young, on behalf of the shareholders, in accordance with Canadian generally accepted auditing standards.



Brent Norton, MD, MBA  
*President and Chief Executive Officer*



Ron Hosking, B. COMM., CA,  
*Vice President and C.F.O.*

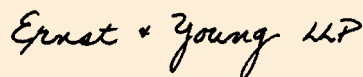
## Auditors' Report

To the Shareholders of **IMI International Medical Innovations Inc.**

We have audited the consolidated balance sheets of IMI International Medical Innovations Inc. as at January 31, 2001 and 2000 and the consolidated statements of loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.



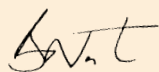
Chartered Accountants  
Toronto, Canada,  
March 19, 2001

## Consolidated Balance Sheets

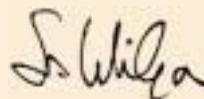
| As at January 31  | 2001<br>\$        | 2000<br>\$       |
|---|-------------------|------------------|
| <b>ASSETS</b>   |                   |                  |
| <b>Current</b>  |                   |                  |
| Cash and cash equivalents   | 2,565,534         | 741,767          |
| Short-term investments  | 8,000,636         | -                |
| Prepaid expenses and other receivables (note 4(d))                          | 152,584           | 68,114           |
| Investment tax credits receivable   | 80,000            | 332,000          |
| <b>Total current assets</b>   | <b>10,798,754</b> | <b>1,141,881</b> |
| Capital assets, (note 3)  | 150,455           | 68,906           |
| Acquired technology, net of amortization of \$312,411<br>(2000 - \$275,326) | 148,339           | 185,424          |
|   | <b>11,097,548</b> | <b>1,396,211</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                 |                   |                  |
| <b>Current</b>  |                   |                  |
| Accounts payable and accrued liabilities                                    | 436,386           | 261,333          |
| Advance collaboration funding   | 55,588            | -                |
| <b>Total current liabilities</b>  | <b>491,974</b>    | <b>261,333</b>   |
| Commitments (note 6)  |                   |                  |
| <b>Shareholders' equity</b>   |                   |                  |
| Capital stock (note 4)  | 16,934,162        | 5,630,261        |
| Deficit   | (6,328,588)       | (4,495,383)      |
| <b>Total shareholders' equity</b>   | <b>10,605,574</b> | <b>1,134,878</b> |
|   | <b>11,097,548</b> | <b>1,396,211</b> |

See accompanying notes

On behalf of the Board:



Director



Director

## Consolidated Statements of Loss and Deficit

| Years ended January 31                                      | 2001<br>\$  | 2000<br>\$  |
|---|-------------|-------------|
| <b>EXPENSES</b>   |             |             |
| Research and development                                    | 1,300,281   | 1,027,606   |
| General and administration                                  | 1,077,028   | 653,122     |
| Amortization  | 93,967      | 71,719      |
|   | 2,471,276   | 1,752,447   |
| <b>RECOVERIES AND OTHER INCOME</b>                          |             |             |
| Investment tax credits <i>(note 2)</i>                      | 115,239     | 381,094     |
| Interest  | 522,832     | 38,906      |
|   | 638,071     | 420,000     |
| <b>Net loss for the year</b>                                | (1,833,205) | (1,332,447) |
| Deficit, beginning of year                                  | 4,495,383   | 3,162,936   |
| <b>Deficit, end of year</b>                                 | 6,328,588   | 4,495,383   |
| <b>Basic and fully diluted loss per share</b>               | \$ (0.11)   | \$ (0.10)   |
| <b>Weighted average number of common shares outstanding</b> | 17,376,342  | 13,204,758  |

*See accompanying notes*

## Consolidated Statements of Cash Flows

| Years ended January 31   | 2001<br>\$         | 2000<br>\$         |
|--|--------------------|--------------------|
| <b>OPERATING ACTIVITIES</b>  |                    |                    |
| Net loss for the year  | (1,833,205)        | (1,332,447)        |
| Add items not involving cash   |                    |                    |
| Amortization   | 93,967             | 71,719             |
|  | (1,739,238)        | (1,260,728)        |
| Net change in non-cash working capital<br>balances related to operations <i>(note 7)</i> | 313,389            | (102,228)          |
| <b>Cash used in operating activities</b>   | <b>(1,425,849)</b> | <b>(1,362,956)</b> |
| <b>INVESTING ACTIVITIES</b>  |                    |                    |
| Short-term investments   | (8,000,636)        | –                  |
| Purchase of capital assets <i>(note 7)</i>   | (53,649)           | (48,300)           |
| <b>Cash used in investing activities</b>   | <b>(8,054,285)</b> | <b>(48,300)</b>    |
| <b>FINANCING ACTIVITIES</b>  |                    |                    |
| Issuance of capital stock, net   | 11,303,901         | 1,386,284          |
| <b>Cash provided by financing activities</b>   | <b>11,303,901</b>  | <b>1,386,284</b>   |
| <b>Net increase (decrease) in cash and cash equivalents during the year</b>              | <b>1,823,767</b>   | <b>(24,972)</b>    |
| Cash and cash equivalents, beginning of year   | 741,767            | 766,739            |
| <b>Cash and cash equivalents, end of year</b>  | <b>2,565,534</b>   | <b>741,767</b>     |
| <b>Represented by:</b>   |                    |                    |
| Cash   | 99,187             | 194,060            |
| Cash equivalents   | 2,466,347          | 547,707            |
|  | 2,565,534          | 741,767            |

See accompanying notes

## Notes to Consolidated Financial Statements January 31, 2001

### 1. NATURE OF THE COMPANY AND BASIS OF PRESENTATION

IMI International Medical Innovations Inc. (the “Company”) operates in a single business segment and is a predictive medicine company dedicated to developing rapid, non-invasive tests for the early detection of life-threatening diseases, particularly cardiovascular disease and cancer. The Company licenses, develops and initiates the commercialization of novel, medical technologies developed by various research institutions throughout the world. The Company seeks to find proprietary products that have shown some evidence of efficacy in human trials and that have already received a considerable investment in research. The Company then evaluates the commercial potential of the product and, if it is considered sufficiently attractive, seeks to acquire or in-license rights to the corresponding intellectual property and patents and then to initiate the commercialization process. This process includes developing prototypes and manufacturing protocols, and conducting clinical trials.

The Company currently owns patents for a test used to measure skin cholesterol, has in-licensed the technologies for tests to detect the presence of colorectal cancer and of prostate cancer and has developed a technology for the detection of lung cancer and has patents pending for colour measurement in biological reactions.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied within the framework of the accounting policies summarized below.

#### Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiary. All significant intercompany transactions and balances have been eliminated upon consolidation.

#### Foreign Currency Translation

Foreign operations are considered integrated and are translated using the temporal method. Monetary items are translated using the exchange rate in effect at the year end and non-monetary items are translated at historical exchange rates, unless such items are carried at market, in which case they are translated at the rate of exchange in effect at the year end. Revenues and expenses are translated at the average rate for the year. Depreciation and amortization of assets translated at the historical exchange rates are translated at the same exchange rates as the assets to which they relate. Exchange gains or losses are included in the determination of net income for the period unless the exchange gains or losses are related to a foreign-currency-denominated monetary item with a fixed or ascertainable life extending beyond the end of the current year, in which case any gains or losses are deferred and amortized over the term of the monetary item.

#### Cash Equivalents

Cash equivalents comprise only highly liquid investments that are readily convertible to cash with maturities of less than 90 days when purchased. Cash equivalents at January 31, 2001 comprised money market funds with an average interest rate of 5.9%. Cash equivalents at January 31, 2000 comprised a term deposit with an average interest rate of 4.5%

#### Short-Term Investments

Short-term investments are carried at the lower of cost and market. Short-term investments at January 31, 2001 comprised bankers’ acceptances with an interest rate of 5.6%.

#### Capital Assets

Capital assets are recorded at acquisition cost.

The Company provides amortization on the declining balance basis at rates which are expected to charge operations with the cost of the assets over their estimated useful lives as follows:

|                          |                            |
|--------------------------|----------------------------|
| Computer equipment       | 30%                        |
| Furniture and equipment  | 20%                        |
| Research instrumentation | 30%                        |
| Laboratory equipment     | 20%                        |
| Leasehold improvements   | straight-line over 5 years |

**Acquired Technology**

Patents and technology acquired by the Company are recorded at acquisition cost and are amortized on a straight-line basis over five years.

**Stock Options**

The Company has several stock-based compensation plans, which are described in note 4(e). No compensation expense is recognized for these plans when stock or stock options are issued to employees. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to capital stock.

**Financial Instruments**

The carrying values of cash and cash equivalents, short-term investments, prepaid expenses and other receivables, accounts payable and accrued liabilities and advance collaboration funding are considered to approximate their respective fair value.

**Research and Development**

Research and development expenditures (except capital assets) are charged to expenses as incurred unless management believes a development cost meets the generally accepted criteria for deferral. All development costs incurred to date have been expensed. Prior to fiscal 2001, refundable investment tax credits were accrued when qualifying expenditures were made. Expenditures incurred in connection with advance collaboration funding, which are reimbursements for specific expenditures, have been applied against research and development.

**Income Taxes**

Effective February 1, 2000, the Company adopted the liability method of accounting for income taxes as required by The Canadian Institute of Chartered Accountants. Under this method, future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. The new income tax recommendations also establish criteria for recognition of future income tax assets based on a more likely than not test of recovery. There was no material impact on the consolidated financial statements on adoption of the new recommendations. Previously, the Company used the deferral method of accounting for income taxes. Under this method, future tax expense was based on items of income and expense that were reported in different years in the financial statements and tax returns measured at the tax rate in effect in the year the differences originated.

**Loss Per Share**

Loss per share has been calculated on the basis of net loss for the year divided by the weighted average number of common shares outstanding at the year end.

**3. CAPITAL ASSETS**

Capital assets consist of the following:

|                          | 2001           |                             |                |
|--------------------------|----------------|-----------------------------|----------------|
|                          | Cost           | Accumulated<br>depreciation | Net book value |
|                          | \$             | \$                          | \$             |
| Computer equipment       | <b>100,131</b> | <b>56,726</b>               | <b>43,405</b>  |
| Furniture and equipment  | <b>51,574</b>  | <b>28,602</b>               | <b>22,972</b>  |
| Research instrumentation | <b>111,882</b> | <b>39,255</b>               | <b>72,627</b>  |
| Laboratory equipment     | <b>7,306</b>   | <b>3,980</b>                | <b>3,326</b>   |
| Leasehold improvements   | <b>8,705</b>   | <b>580</b>                  | <b>8,125</b>   |
|                          | <b>279,598</b> | <b>129,143</b>              | <b>150,455</b> |

|                          | 2000       |                                   |                      |
|--------------------------|------------|-----------------------------------|----------------------|
|                          | Cost<br>\$ | Accumulated<br>depreciation<br>\$ | Net book value<br>\$ |
| Computer equipment       | 64,543     | 38,123                            | 26,420               |
| Furniture and equipment  | 42,218     | 22,859                            | 19,359               |
| Research instrumentation | 27,100     | 8,130                             | 18,970               |
| Laboratory equipment     | 7,306      | 3,149                             | 4,157                |
|                          | 141,167    | 72,261                            | 68,906               |

#### 4. CAPITAL STOCK

##### (a) Authorized

The authorized capital of the Company consists of an unlimited number of common shares, without nominal or par value, and an unlimited number of preferred shares, issuable in series.

##### (b) Issued and outstanding shares

|                                  | Number<br># | Stated value<br>\$ |
|----------------------------------|-------------|--------------------|
| <b>Series 1 Preferred shares</b> |             |                    |
| Balance, January 31, 1999        | 1,104,000   | 11                 |
| Converted to common shares       | (559,000)   | (6)                |
| Balance, January 31, 2000        | 545,000     | 5                  |
| Converted to common shares       | (545,000)   | (5)                |
| <b>Balance, January 31, 2001</b> | -           | -                  |

|   | Number<br>#       | Stated value<br>\$ | Contributed<br>Surplus<br>\$ | Total<br>\$       |
|---|-------------------|--------------------|------------------------------|-------------------|
| <b>Common shares</b>                              |                   |                    |                              |                   |
| Balance, January 31, 1999                         | 12,416,075        | 4,172,912          | 71,054                       | 4,243,966         |
| Issued on conversion of Series I Preferred Shares | 559,000           | 6                  | -                            | 6                 |
| Issued under Special Warrants (note 4(c))         | 1,200,000         | 1,034,159          | -                            | 1,034,159         |
| Issued on exercise of warrants (note 4(d))        | 342,000           | 256,500            | -                            | 256,500           |
| Issued under share purchase plan (note 4(e))      | 55,774            | -                  | -                            | -                 |
| Issued on exercise of options (note 4(e))         | 172,500           | 95,625             | -                            | 95,625            |
| Balance, January 31, 2000                         | 14,745,349        | 5,559,202          | 71,054                       | 5,630,256         |
| Issued on conversion of Series I Preferred Shares | 545,000           | 5                  | -                            | 5                 |
| Issued under Special Warrants (note 4(c))         | 3,157,895         | 11,134,901         | -                            | 11,134,901        |
| Issued on exercise of warrants (note 4(d))        | 180,000           | 150,000            | -                            | 150,000           |
| Issued under share purchase plan (note 4(e))      | 6,955             | -                  | -                            | -                 |
| Issued on exercise of options (note 4(e))         | 20,000            | 19,000             | -                            | 19,000            |
| <b>Balance, January 31, 2001</b>                  | <b>18,655,199</b> | <b>16,863,108</b>  | <b>71,054</b>                | <b>16,934,162</b> |

##### (c) Special Warrants

###### (i) Fiscal 2001 transactions

During fiscal 2001, the Company issued, by way of private placement, 3,157,895 Special Warrants at a price of \$3.80 per Special Warrant for gross proceeds of \$12,000,000. Each Special Warrant entitled the holder thereof to acquire one common share and one-half common share purchase warrant.

Pursuant to the final prospectus qualifying the common shares and common share purchase warrants, the Company issued 3,157,895 common shares and 1,578,947 common share purchase warrants. Each common share purchase warrant entitles the holder to acquire one common share at a price of \$4.50 per share and expires on May 30, 2001. In connection with this offering, the Company granted to the agent and sub-agent compensation options to purchase up to an aggregate of 315,790 common shares at an exercise price of \$4.50 per share at any time on or before May 30, 2001. At January 31, 2001, the 1,578,947 purchase warrants and the 315,790 broker's warrants remain outstanding.

**(ii) Fiscal 2000 transactions**

During fiscal 2000 the Company issued by way of private placement, 1,200,000 Special Warrants at \$1.00 each for gross proceeds of \$1,200,000. Each Special Warrant entitled the holder thereof to acquire one common share and one-half common share purchase warrant.

Pursuant to the final prospectus qualifying the common shares and common share purchase warrants, the Company issued 1,200,000 common shares and 600,000 common share purchase warrants. Each common share purchase warrant entitles the holder to acquire one common share at a price of \$1.25 per share and expires on June 29, 2001. In connection with this offering, the Company granted to the agent and sub-agent compensation options to purchase up to an aggregate of 120,000 common shares at an exercise price of \$1.25 per share at any time on or before June 29, 2001. At January 31, 2001, 575,000 purchase warrants and 115,000 broker's warrants remain outstanding.

**(d) Warrants**

During fiscal 2001, pursuant to a research collaboration agreement, the Company granted warrants to purchase up to 50,000 common shares at an exercise price of \$4.50, such warrants to be issued in annual increments of 10,000 warrants. The Company issued 10,000 of these warrants during the year which remain outstanding at January 31, 2001.

During fiscal 2001, 180,000 common shares were issued for total proceeds of \$150,000 in connection with options granted during fiscal 2000 to the agent of the Company's private placements and holders of the purchase warrants and in connection with options granted during fiscal 1998 pursuant to a fiscal advisory agreement.

Subsequent to year end, pursuant to a license agreement, the Company granted warrants to purchase up to 75,000 common shares at an exercise price of \$4.50. The warrants are exercisable as follows: i) 37,500 common shares at any time after March 2002 and prior to March 2004, and ii) 37,500 common shares at any time after March 2003 and prior to March 2004.

During fiscal 2000, 342,000 common shares were issued for total proceeds of \$256,000 in connection with options granted during fiscal 1998 to the agent of the Company's initial public offering.

The Company provided loans during 1999 to two executive officers of the Company in order to exercise warrants. The balance of these loans at January 31, 2001 is \$31,506 (January 31, 2000 – \$31,262) bears interest at 5%, is collateralized by 45,000 shares and is included in prepaid expenses and other receivables.

**(e) Options**

Prior to May 1, 1998, the Company had outstanding options to its employees, directors and consultants to purchase up to 2,374,500 common shares. As at January 31, 2001, 830,000 of these options remain outstanding. Under the 1998 Stock Option Plan, the Company may issue options for up to 1,300,000 common shares. As at January 31, 2001, 559,000 options had been issued under this Plan and the remaining 716,000 are eligible to be issued. The exercise price of each option granted may not be less than the market price of the Company's stock at the time of the grant and no option may have a term exceeding ten years.

Some options vest over a fixed term and others vest based on performance upon the achievement of certain milestones. A summary of the status of the two types of options as of January 31, 2001 and 2000, and changes during the years ending on those dates is presented below:

**Fixed Stock Options**

|  | 2001             |                         | 2000             |                         |
|--|------------------|-------------------------|------------------|-------------------------|
|  | Number of Shares | Wtd. Avg Exercise Price | Number of Shares | Wtd. Avg Exercise Price |
| Outstanding beginning of year          | <b>613,000</b>   | <b>\$ 1.16</b>          | 635,000          | \$ 0.70                 |
| Granted                                | <b>414,000</b>   | <b>3.30</b>             | 187,000          | 2.10                    |
| Exercised                              | <b>(20,000)</b>  | <b>0.95</b>             | (162,000)        | 0.54                    |
| Expired or forfeited                   | <b>(178,000)</b> | <b>3.63</b>             | (47,000)         | 0.71                    |
| <b>Outstanding end of year</b>         | <b>829,000</b>   | <b>\$ 1.70</b>          | 613,000          | \$ 1.16                 |
| <b>Options exercisable at year-end</b> | <b>649,672</b>   |                         | 452,336          |                         |

The following table summarizes information about stock options outstanding at January 31, 2001:

| Range of Exercise Prices | Number Outstanding | Weighted Average Remaining Life (in years) | Weighted Average Exercise Price | Number Exercisable | Weighted Average Exercise Price |
|--------------------------|--------------------|--|---------------------------------|--------------------|---------------------------------|
| \$ 0.67 – 1.15           | 446,000            | 1.14                                       | \$ 0.77                         | 414,672            | \$ 0.76                         |
| 2.15 – 3.80              | 348,000            | 3.10                                       | 2.67                            | 220,000            | 2.79                            |
| 4.00 – 4.50              | 35,000             | 5.07                                       | 4.07                            | 15,000             | 4.17                            |
|                          | <b>829,000</b>     |  |                                 | <b>649,672</b>     |                                 |

**Performance Stock Options**

|  | 2001             |                         | 2000             |                         |
|--|------------------|-------------------------|------------------|-------------------------|
|  | Number of Shares | Wtd. Avg Exercise Price | Number of Shares | Wtd. Avg Exercise Price |
| Outstanding beginning of year          | <b>495,000</b>   | <b>\$ 0.70</b>          | 517,500          | \$ 0.68                 |
| Granted                                | <b>80,000</b>    | <b>2.88</b>             | 15,000           | 1.50                    |
| Exercised                              | -                | -                       | (10,500)         | 0.75                    |
| Expired or forfeited                   | <b>(15,000)</b>  | <b>1.50</b>             | (27,000)         | 0.75                    |
| <b>Outstanding end of year</b>         | <b>560,000</b>   | <b>\$ 0.99</b>          | 495,000          | \$ 0.70                 |
| <b>Options exercisable at year-end</b> | <b>39,250</b>    |                         | 24,000           |                         |

The following table summarizes information about stock options outstanding at January 31, 2001:

| Range of Exercise Prices | Number Outstanding | Weighted Average Remaining Life (in years) | Weighted Average Exercise Price | Number Exercisable | Weighted Average Exercise Price |
|--------------------------|--------------------|--|---------------------------------|--------------------|---------------------------------|
| \$ 0.67 – 0.75           | 480,000            | 1.78                                       | \$ 0.68                         | 30,000             | \$ 0.75                         |
| 2.50 – 4.00              | 80,000             | 5.11                                       | 2.88                            | 9,250              | 2.50                            |
|                          | <b>560,000</b>     |  |                                 | <b>39,250</b>      |                                 |

**Employee Share Purchase Plan**

As a result of ongoing interest by its employees and directors to purchase shares of the Company, the Company implemented a share purchase plan effective March 22, 1999 and as amended on August 24, 1999. Pursuant to the terms of the plan, the Company will match the value of the common shares purchased by its employees or directors by issuing from treasury an equal number of common shares, up to a maximum value of the lesser of \$6,750 or 9% of the employee's annual salary. The maximum number of common shares which may be issued by the Company pursuant to the purchase plan is 350,000. Under the plan, the Company issued 6,955 shares to employees and directors in fiscal 2001 and 55,774 shares in fiscal 2000. The Toronto Stock Exchange regulations require plans of this type to be approved by the shareholders. Further shares will only be issued under this plan following shareholder approval.

**5. INCOME TAXES**

(a) Significant components of the Company's future tax assets and liabilities are as follows:

|  | 2001<br>\$         | 2000<br>\$  |
|--|--------------------|-------------|
| <b>Future tax assets</b>                     |                    |             |
| Federal loss carryforwards                   | <b>600,760</b>     | 889,526     |
| Ontario loss carryforwards                   | <b>429,103</b>     | 577,861     |
| Investment tax credits carryforwards         | <b>183,653</b>     | 12,483      |
| Financing and share issue costs              | <b>412,892</b>     | 198,816     |
| SR&ED expenditures                           | <b>865,796</b>     | 615,916     |
| Future tax assets before valuation allowance | <b>2,492,204</b>   | 2,294,602   |
| Valuation allowance                          | <b>(2,459,974)</b> | (2,116,404) |
| <b>Future tax assets</b>                     | <b>32,230</b>      | 178,198     |
| <b>Future tax liabilities</b>                |                    |             |
| Investment tax credits claimed               | -                  | 148,138     |
| Capital assets                               | <b>32,230</b>      | 30,060      |
| <b>Future tax liabilities</b>                | <b>32,230</b>      | 178,198     |
| <b>Net future tax assets (liabilities)</b>   | -                  | -           |

No future tax assets have been recognized in the consolidated financial statements as the realization of the future tax assets does not meet the more likely than not recognition criteria.

(b) The Company has Federal non-capital losses as at January 31, 2001 which are available to reduce future years' taxable income. The potential income tax benefits associated with these losses have not been recorded in the accounts. The approximate amounts and expiry dates of these non-capital loss carryforwards are as follows:

| Year of expiry | \$               |
|----------------|------------------|
| 2005           | 393,000          |
| 2006           | 832,000          |
| 2007           | 1,062,000        |
|                | <b>2,287,000</b> |

The Company also has available Ontario tax loss carryforwards of \$3,216,000 which begin to expire in 2004.

(c) The Company has available research and development expenditures for income tax purposes which may be carried forward indefinitely to reduce future years' taxable income. The total of such expenditures accumulated to January 31, 2001 is approximately \$2,056,000. The potential income tax benefits associated with these expenditures have not been recorded in the accounts.

## 6. COMMITMENTS

### (a) Research and collaboration agreements

(i) The Company has acquired or is developing in collaboration with others a number of technologies which will require the Company to make payments upon the successful achievement of certain technological milestones. Additionally, in connection with the development of the technologies, the Company has entered into research agreements whereby a minimum fee will be paid for research and development to be carried out by other parties. The Company is committed to make minimum annual payments of \$120,000 per year in connection with these agreements. In addition, the Company is committed, upon the completion of clinical trials and successful achievement of future milestones, to make further payments of approximately \$658,588 and to issue up to 40,000 purchase warrants at an exercise price of \$4.50 (see also note 4(d)) to these parties. Upon the successful commercialization of these technologies, the Company will be required to also pay royalties based on product sales. In addition, subsequent to year end, on March 19, 2001 the Company signed a license agreement with Procyon BioPharma Inc. ("Procyon") to acquire the worldwide rights to Procyon's colorectal cancer screening technologies. Under the agreement, the Company receives an exclusive worldwide license to develop, market, distribute and sublicense Procyon's rectal mucus based screening devices for colorectal cancer, in exchange for a combination of warrants and total up-front and additional payments of up to \$350,000 upon the successful achievement of certain milestones and a royalty on revenues from rectal-mucus-based colorectal cancer screening products sold by the Company.

(ii) On January 20, 2000, the Company entered into an agreement with Parke-Davis, a division of Warner-Lambert Company. Under the terms of the agreement, Parke-Davis will use the Company's Cholesterol 1,2,3<sup>TM</sup> test systems to monitor the effects of their new investigational drug directed at the treatment of cardiovascular disease. This international Phase II clinical trial will be financed by Parke-Davis.

### (b) Operating leases

The Company has future minimum annual lease payments under operating leases for its office premises and equipment as follows:

|      | \$             |
|------|----------------|
| 2002 | 72,300         |
| 2003 | 72,000         |
| 2004 | 75,600         |
| 2005 | 77,600         |
| 2006 | 27,300         |
|      | <b>324,800</b> |

## 7. CONSOLIDATED STATEMENTS OF CASH FLOWS

Changes in non-cash working capital balances related to operations comprise:

|  | 2001<br>\$      | 2000<br>\$ |
|--|-----------------|------------|
| Prepaid expenses and other receivables   | <b>(84,470)</b> | (13,055)   |
| Investment tax credits receivable        | <b>252,000</b>  | (152,000)  |
| Accounts payable and accrued liabilities | <b>90,271</b>   | 62,827     |
| Advance collaboration funding            | <b>55,588</b>   | -          |
|  | <b>313,389</b>  | (102,228)  |

Included in accounts payable and accrued liabilities is a capital asset acquisition of \$84,782 which has not been included in the consolidated statements of cash flows.

# Corporate Information

## Board of Directors

Stephen A. Wilgar, BA, MBA  
*Chairman*

Past President of The SunBlush Technologies Corporation.  
Formerly President of Warner-Lambert Canada, Asia,  
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and Dimethaid Research Inc.

H.B. Brent Norton, MD, MBA  
*Director, President and Chief Executive Officer*  
Director of PLC Medical Systems.

John Carroll, BA, MBA  
*Director*  
President and Director of Clairon Holdings, Director of AXA  
Insurance Co. Ltd., and Battery Technologies Inc. Formerly  
a Director of Quaker Oats of Canada, Scott Paper Limited  
and former Executive Chairman of Molson Breweries  
of Canada.

Anthony F. Griffiths, BA, MBA  
*Director*  
Director and Chairman of Vitran Corporation Inc.,  
Slater Steel Inc. and Russel Metals Inc.  
Director of QLT Inc., ShawCor,  
Calian Technology, and Leitch Technology.

David Rosenkrantz, P. ENG.  
*Director*  
Founding partner of Patuca Corporation, a merchant  
banking company. Director of Versent Corporation,  
Canadian Automotive Repair Finance Corp.,  
NeuroMolecular Inc. and LymphoSign Inc.

## Management

Brent Norton, MD, MBA  
*President and Chief Executive Officer*

Mike Evelegh, PH. D.  
*Executive Vice President,*  
*Clinical and Regulatory Affairs*

Ron Hosking, B.Comm., CA  
*Vice President & C.F.O.*

Tim Currie, B.A.  
*Director, Business Development*

Andrew Weir, M.A.  
*Director, Communications*

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## Scientific Advisory Board

John Bienenstock, FRCP, FRCPC, FRSC  
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Section Head, Preventive Cardiology & Rehabilitation,  
The Cleveland Clinic Foundation;  
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## Business Information

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### Transfer Agent and Registrar

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### Legal Counsel

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### Share Listing

Common shares listed on The Toronto Stock Exchange  
Symbol: IMI



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