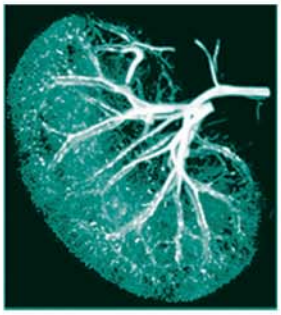
BIOLAURUS

BUSINESS PLAN

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The Venture

BioLaurus is a next-generation Contract Research Organization (CRO) founded in San Diego, Calif., in 2008. The company is focused on delivering highvalue molecular imaging research services to the $4 billion-plus outsourced Preclinical Research markets in the biotechnology, pharmaceutical, medical device and academic research sectors.

BioLaurus' unique preclinical research services employ a suite of advanced molecular imaging technologies and proprietary processes. These technologies and processes enable the company's scientists to "peer non-invasively" into living test animals and digitally record and report robust, realtime data about a novel therapy's efficacy, mechanism of action or toxicity in experimental animals over time. The result is accelerated and more robust "go-no-go" decision making for our client's therapeutic programs.

Importantly, this approach is consistent with the FDA's "Critical Path Initiative," FDA guidance which is intended to result in increased success rates during human clinical trials and an overall reduction in the costs to bring new drugs and medical devices to market. BioLaurus helps clients develop new therapeutics with unmatched efficiency, ultimately saving time, money and lives.

BioLaurus has established a first-of-kind, advanced molecular imaging laboratory in San Diego, CA. The Phase I laboratory became operational in August 2009 and the company began generating revenue in December 2009.

By introducing molecular imaging technology and associated services to the Preclinical Research sector, BioLaurus will allow client companies to reduce risk, increase therapeutic program predictability and lower the chance of expensive late-stage failures during the human clinical trial process. The company's cutting-edge technology platform is comprised of such systems as SPECT/CT Imaging, PET Imaging, Laser Fluorescent Imaging, Micro-Ultrasound Imaging, and Intravital Microscopy, to name a few.

BioLaurus is intent on becoming the first CRO to introduce and integrate these technologies – many of which are in use in human Clinical Trials – to the Preclinical Research segment of the market, which conducts studies using small-animal subjects.

The company's services comprise a proprietary research model that creates a systems approach to solving biological problems. The mix-and-match capabilities of BioLaurus' technology platform enable the company to generate thousands of experimental designs tailored to each disease model and therapeutic program. As a result, much richer data sets can be acquired and significantly improved biostatistics achieved. By capturing multi-parameter, 3-D and longitudinal data, each experiment will contain data sets that can be mined and re-mined as drug programs progress, new indications are explored, or subsequent studies raise new questions.

The company has used its Phase I molecular imaging laboratory to successfully validate its business model, develop an Intellectual Property strategy and generate a $1.5 million sales pipeline comprising research services for pharmaceutical, biotechnology and medical device companies. The initial roster of prospective customers includes, Ambrx, Anaphore, Biogen Idec, Halozyme Therapeutics, Intellikine, Isis Pharmaceuticals, Johnson & Johnson, Metabolex, Novartis, Pfizer, and others.

The company is now ready to expand its staff and to occupy a larger, commercial operations facility in San Diego to service domestic and international clients. The company has expansion plans to ultimately develop a 40,000-square-foot lab to accommodate growing demand. Additionally, the company may establish research laboratory facilities on the East Coast and perhaps Europe, should demand and growth warrant.

The company is currently seeking $7 million to $10 million in Series A funding in order to successfully commercialize BioLaurus' molecular imaging technology platform and associated preclinical service suite.

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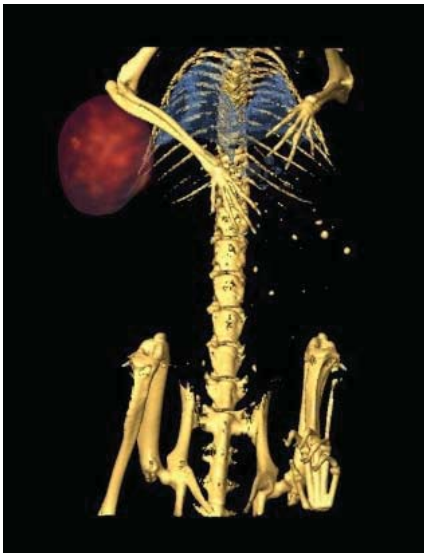
Technology Platform and Service Suite Overview

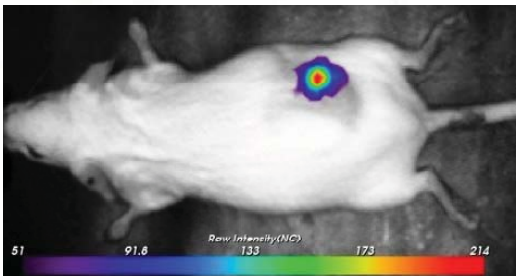
BioLaurus has assembled and will expand a comprehensive technology platform that promises to revolutionize many of the research methods, processes and capabilities in the Preclinical Research market. These systems are able to be used in tandem and in combination to provide unparalleled levels of data and insight to drive better decision making during medical device and drug development.

The company will be the first CRO to utilize all of the following state-of-the-art systems in the Preclinical Research market:

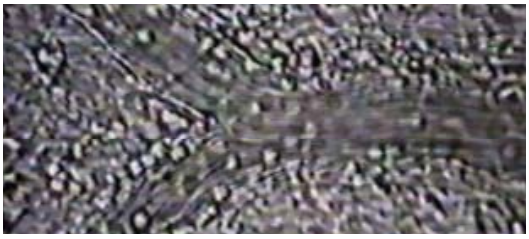
- SPECT Imaging
- Micro-CT Imaging
- PET Imaging
- Luminescence Imaging
- Micro-Ultrasound Imaging
- Microdialysis High-Throughput LC/MS/MS
- Intravital Microscopy
- HCA/HCS Cell-Based Screening
- Telemetry



SPECT and PET Imaging are used to non-invasively measure the distribution and action of experimental drugs in longitudinal small animal studies. CT Imaging is used to capture in vivo images of a test subject's bones, organs and vascular system and can be gated (taken in rapid sequence) to capture the motion of a heart beating or lungs expanding. The SPECT/CT image above was used to measure angiogenesis (the development of new vascular structure) in a mouse tumor (arrow) after experimental drug treatment.



Laser Luminescence Imaging can depict and quantify cellular and molecular events in longitudinal studies. These images can be rendered in 3-D and co-registered with CT imaging for richer results. Here a breast cancer tumor (arrow) is detected in a mouse cancer model prior to drug treatment.



Intravital Microscopy provides high resolution views into living tissue. This enables in vivo histology, pathology and toxicology, and allows BioLaurus Scientists to analyze micro-vascular events in cancer and organ models. Here, a researcher peers into a live animal to view blood flowing through a capillary.

By utilizing an innovative technology platform, and proprietary processes, BioLaurus is commercializing a comprehensive service suite that promises to change the way Preclinical Research is performed. The company offers a host of imaging-based services that are available to the industry for the first time. These unique preclinical imaging services include the following examples:

- Longitudinal Studies
- Imaging Toxicology (iTox™)
- Disease Staging
- Imaging-based In Vitro and In Vivo Efficacy
- Real-Time Biodistribution, etc.

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The Problem

The global biotechnology and pharmaceutical industries are being squeezed by a productivity crisis. And in response, bio/pharma firms are seeking ultra-efficient CROs to help them reduce costs, provide more predictive preclinical research results, shorten their drug/therapy development time, successfully bring new drugs/therapies to market and help prime their revenue pipelines.

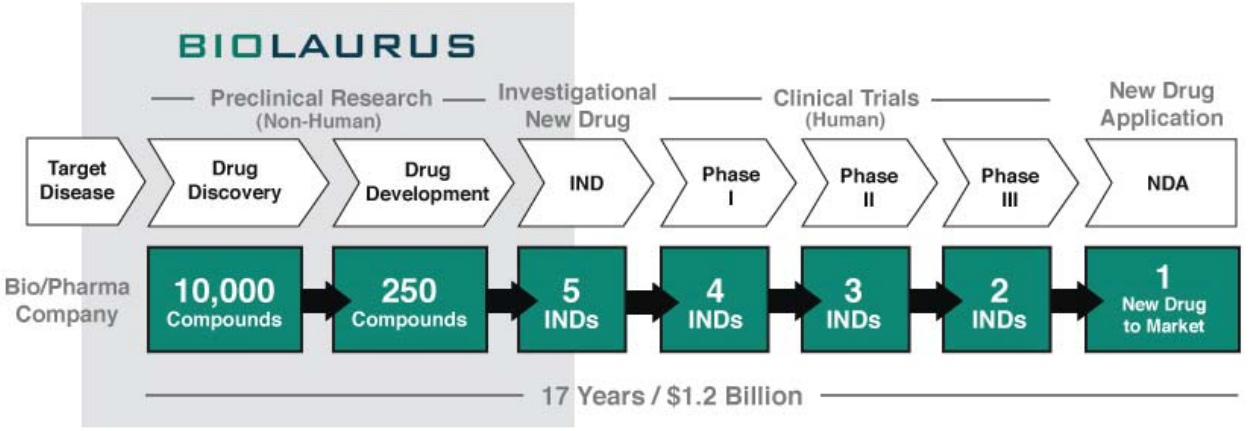
But in the meantime, the productivity crisis weighs heavy on the industry, both in the U.S. and abroa. It is a complex issue that centers around more complex disease indications and an increasingly costly and cumbersome drug discovery and development process, as detailed in the chart below.

One study estimates that pharmaceutical companies spend $480,000 per R&D employee.

Source: Goldman Sachs Global Investment Research (2007)

"The utilization of preclinical molecular imaging has allowed Novartis to discover and validate novel drug targets, develop diagnostics, and considerably accelerate phase transition time lines. Further our molecular imaging efforts have provided new and unique insights into disease progression and mechanisms of action. This would not have been possible without a strong molecular imaging program."

Thomas Krucker, Ph.D. Head Molecular Imaging Global Imaging Group, Novartis Institutes for BioMedical Research, Inc. (2009)



The drug discovery and development process is complex, cumbersome and expensive. Biotechnology and pharmaceutical firms battle enormous odds to bring successful new drugs and therapies to market. BioLaurus is focused on the Preclinical Research segment and believes it can dramatically improve the drug discovery and development process.

The industry is currently grappling with a host of seemingly intractable issues, including the following:

- Of 10,000 novel compounds that a pharmaceutical firm might explore during the drug discovery phase, only 250 advance for preclinical studies.
- Of 250 compounds in preclinical studies, only 5 are approved as Investigational New Drugs (INDs).
- Only 1-in-5 drugs that enter human Clinical Trials is approved by the FDA for release to the marketplace.
- Capitalized costs for the development of a
- new drug are $1.2 billion.
- 50% of the capitalized cost for the process is in the Preclinical Research stage.
- Time required to discover and develop a new drug, receive FDA approval and release it to the market can take more than 17 years.

Numerous drugs are coming off patent, thus removing a substantial revenue stream from the product portfolios of major biotechnology and pharmaceutical firms.

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- Much of the low-hanging fruit has been harvested in the industry. Future drugs and therapies will require more precise insights and targeted approaches.
- Bio/pharma firms are scrambling to find effective new therapies to generate top-line revenue while controlling bottom-line costs.
- Many once-promising drug candidates fail late in the Clinical Trial stage, after hundreds of millions of dollars and over a decade of time had been spent. While a Preclinical or a Phase I failure can be painful, a Phase II or Phase III failure can spell doom for an entire company.

Clearly there is a significant need for new strategies that dramatically increase the quality of preclinical research results to facilitate early selection of promising drug candidates and the termination of drug candidates that are likely to fail during clinical trials.

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The BioLaurus Solution and Value Proposition

BioLaurus promises to radically change the Preclinical Research process. By doing so, the company will show its biotechnology, pharmaceutical, medical device and academic research customers a much quicker and more efficient path through the preclinical research phase of drug development. As the first CRO to deploy the Preclin Platform™, BioLaurus will introduce to the industry a powerful suite of cutting-edge technology and unique services.

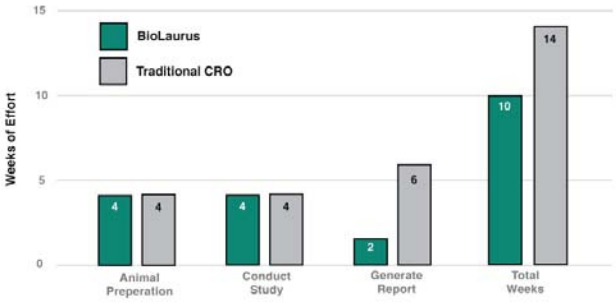
The Preclin Platform™ will fundamentally change the way preclinical studies are performed. And in the process, it will deliver to the bio/pharma industry tremendous savings in time, money and labor. It also has the promise to reduce the number of costly clinical trial-stage drug failures. This remarkable technology and service platform delivers a powerful value proposition that is detailed as follows.

Saving Time & Money. BioLaurus has a significant competitive advantage in the marketplace because of its ability to deliver measureable and significant savings in both time and hard costs. These savings occur in the following manner:

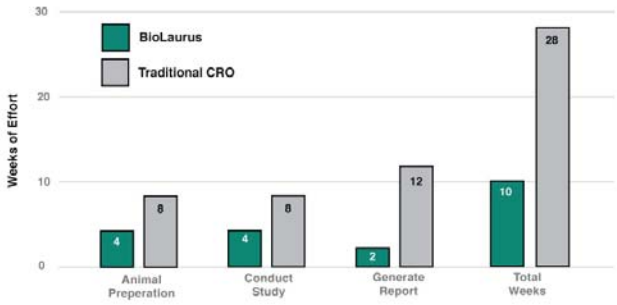
BioLaurus will reduce preclinical study costs by up to 50%. The utilization of digital molecular imaging technology will deliver significant benefits to the bottom line, in addition to providing richer and more robust data which better enables client's decision making. This technology and service approach enables BioLaurus to use fewer laboratory animals, require fewer lab personnel per client study, generate data in real-time and study reports weeks or months sooner than traditional CROs, conduct multiple studies on the same cohort of animals simultaneously and over time, and streamline current processes.

BioLaurus will reduce preclinical research time from an average of 5 years to 3.5 years. BioLaurus' molecular imaging technology enables the company to conduct multiple longitudinal studies on a single cohort of animals, as well as analyze study data and generate study reports in several weeks, as opposed to 6 to 12 weeks for traditional CROs. These time savings are significant and unmatched in the current preclinical CRO market. An overall reduction of 30% in preclinical research time would shave an entire year of the preclinical process for a typical bio/pharma firm. With the drug discovery and development processes costing $1.2 billion and taking up to 17 years, a savings of a full year would translate to over $70 million.

Leveraging the Value Chain: Reduced Study Time …



Molecular imaging studies allow data to be collected and analyzed on the fly and study reports generate in record time. A typical 14 week study will now take 10 weeks.



BioLaurus Tandem Studies™ incorporates two or more determinations (e.g. SPECT to evaluate a drug's mechanism of action and micro-ultrasound to evaluate adverse effects on the heart) within a single longitudinal study. Tandem Studies™ dramatically decrease the time to deliver study results while increasing the quality and depth of the study data.

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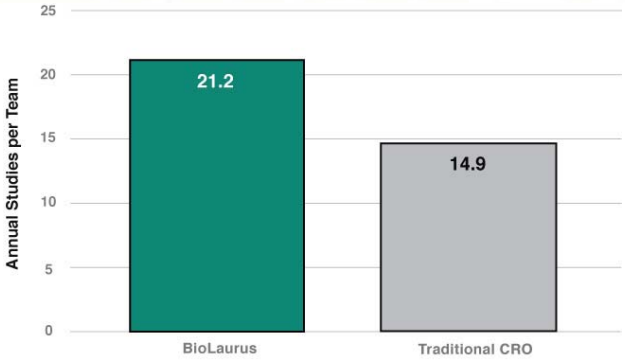
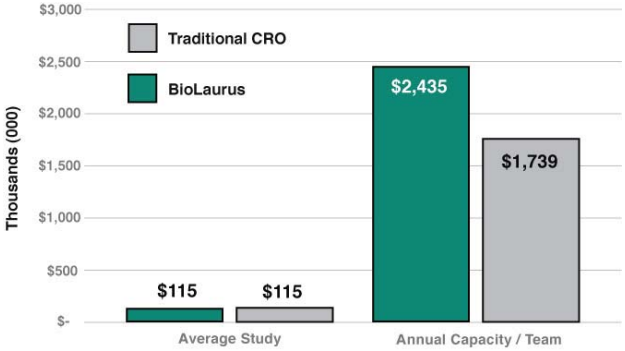
… Increases Study Throughput …



… And Dramatically Leverages Revenue



BioLaurus can help customers avoid costly late stage clinical trial failures. One of the company's major advantages is that by utilizing molecular imaging, BioLaurus is able to conduct multiparametric longitudinal studies. The company is able to perform continuous in vivo research and evaluation on each animal throughout a study. This brings the preclinical study process in line with the clinical trial process.

Currently, preclinical studies are conducted substantially differently than clinical trials. Preclinical animal subjects are routinely sacrificed at regular intervals and discrete data are gathered at specific points. In contrast, during human clinical trials, data on the experimental therapy's effect on disease and physiology are gathered continuously. BioLaurus' Preclin Platform™ brings much of the technology currently being used in clinical trial settings to the preclinical environment. By placing both systems in sync, the research can be compared as apples-to apples and oranges-to-oranges.

Quantitative Molecular Imaging delivers a wealth of data, savings and predictability. BioLaurus offers customers a dramatic improvement over their current methods of conducting preclinical studies. The company's Quantitative Molecular Imaging technology enables bio/pharma firms to dramatically streamline processes, boost quality and lower costs.

BioLaurus is able to rapidly gather data that is rich, robust and drives informed decisions for our clients. The company's combined use of cutting edge systems like SPECT/CT, PET, Fluorescence Imaging, Micro-Ultrasound, and Intravital Microscopy capture real-time, detailed, 3-D images and data. This enables BioLaurus scientists to track an experimental drug's effect on normal organ function, and the disease state in preclinical animal models. Without molecular imaging technology, it would be impossible to take a live digital picture of the beating heart of a mouse, or view the real-time reaction of a rat's liver to an experimental drug, or compare the size of a brain tumor over time in a mouse to determine the effectiveness of a potential therapy.

This enables earlier and more rational decisions in the drug development process and enables selection and optimization of predictive imaging protocols, which will be later used in human clinical trials.

BioLaurus' Preclin Platform™ enables efficient small-animal preclinical studies. By employing molecular imaging technology, BioLaurus is able to use fewer animals per study, perform precise disease staging, and gather better data than can be obtained through traditional preclinical study methods. By using up to 90% fewer animals, customers can also use up to 90% less experimental drug for each study. These experimental drugs can typically cost between $10,000 to over $100,000 per study group, with the average running around $30,000. Thus, BioLaurus can enable a bio/pharma firm that conducts 10 studies per year to save over $270,000 on experimental drugs alone.

BioLaurus' system is digital and highly automated, and typically requires at least one fewer researcher per scientific team (lowering the typical count per research team from 7 FTEs to 6.) Additionally, BioLaurus is able to conduct 2 to 3 studies simultaneously on a single group of experimental animals, whereas, traditional research methods are only able to conduct studies in sequence. By using

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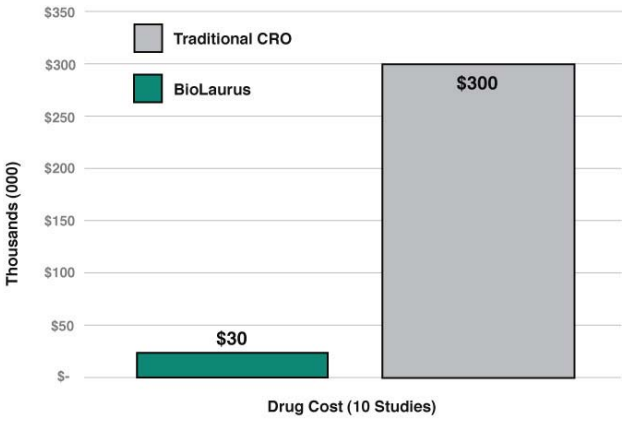
Saving Time & Money (cont.)
molecular imaging systems, BioLaurus can view in real time an experimental drug's effect on normal organ function, and the disease state in each test animal.

BioLaurus' process can shave weeks and even months off preclinical timelines, saving millions in costs and gaining millions in competitive advantage and market primacy.

Fewer Animals per Trial Lowers Costs for Expensive Experimental Drug Compounds



Delivering Value to Both Customers & Shareholders

BioLaurus' unique technology platform and service suite provides a strategic competitive advantage that delivers value not only to customers, but also to the company's cost structure, and ultimately, its investors and shareholders.

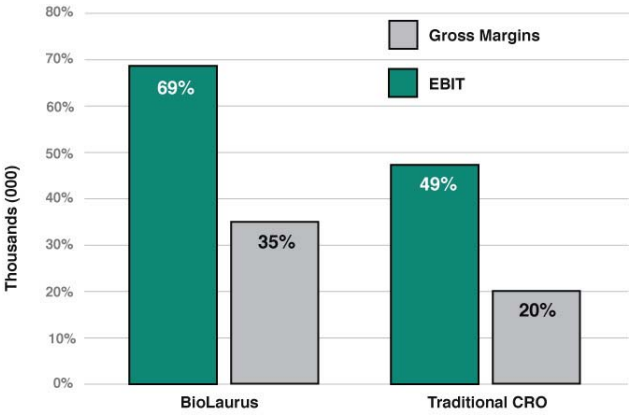
Customer Financial Benefits. BioLaurus is able to deliver to customers a number of benefits that contribute directly to their bottom line. Those benefits include dramatically reducing study times and the ability to run two-to-three concurrent studies on the same cohort of animals, rather than a series of studies, each with a new cohort of animals.

Better, more insightful data produces smarter decisions regarding which drug candidates should progress to clinical trials. This, in turn, helps reduce expensive clinical trial failures. BioLaurus can help customers save 90% on their drug compound costs by using fewer animals per trial. For VC-backed firms, where time-to market is a critical metric, BioLaurus can help lengthen the runway and increase the efficiency of cash utilization.

BioLaurus Financial Benefits. Many of these benefits will flow to BioLaurus, as well. Those benefits include the ability to generate higher study throughput. Instead of running 15 studies per year per research team like a traditional CRO, BioLaurus teams will be able to conduct 21 studies annually, and even higher by running multiple studies per cohort of animals. With the average CRO study generating $115,250 in revenue, BioLaurus would be able to boost its revenue capacity per team by more than $696,000 annually over its traditional competitors.

This enables BioLaurus to generate higher revenues per FTE. The company's low cost structure relative to its high revenue capacity will provide BioLaurus with the option to be flexible with its pricing in order to gain market share or win business from a competitor. Finally, BioLaurus believes that all this means the company will deliver to the bottom line, enabling the company to achieve EBIT of 35%-plus, compared to an industry average of 20%.

Efficiencies Deliver to the Bottom Line – For Both Customers and Company



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A Growth Opportunity

In addition to changing the preclinical research paradigm and delivering dramatic efficiencies to its customers, BioLaurus will also take advantage of positioning itself in a market that is poised for tremendous growth over the next 5 years and beyond.

Powerful Market Trends

This growth is being generated by powerful market trends that are working to transform the CRO market into a major economic sector. These trends include the following industry developments:

Bio/Pharma industry is mired in a productivity crisis. BioLaurus will be serving an industry desperate to try new paradigms and adopt new systems that promise to boost productivity. The company offers customers game-changing technology that could lift the industry from its current low-productivity morass.

Today, the industry is hamstrung by the amount of time and money it takes to bring new drugs and therapies to market. According to Goldman Sachs research, a new drug costs $1.2 billion and takes up to 17 years to bring to market. Bio/pharma researchers begin the process by examining the efficacy and toxicity of as many as 10,000 compounds in order to deliver a single, effective drug to the market. Additionally, the industry is entering a period where half of all blockbuster drugs are coming off patent.

These blockbusters have typically been the result of bio/pharma firms capitalizing on the industry's low hanging fruit over the past few decades. The major, obvious solutions have already been found. And few blockbuster replacements are now in the pipeline. As a result, top-line revenue is decreasing, costs are growing and the bottom line is shrinking for bio/pharma firms.

One of the only viable options for companies in the industry will be to become more specialized, dramatically streamline drug discovery processes, and aggressively adopt new systems and technologies. BioLaurus is well-positioned to offer players throughout the industry such solutions.

"The growth of sponsor spending on CRO services will outpace overall spending on global drug development for the foreseeable future, reflecting increasing reliance on contract providers to provide added capacity, more flexibility, and greater efficiency."

Source: Tufts Center for the Study of Drug Development, Outlook 2009

Bio/pharma firms are increasingly outsourcing their $138 billion-plus R&D budgets to CROs. In 2009, the global CRO market surpassed $29 billion, with the preclinical CRO market reaching an estimated $4.3 billion. Frost and Sullivan, Goldman Sachs, and industry leaders' project that R&D preclinical outsourcing among bio/pharma firms will grow to more than $7.5 billion by 2013. Further it has also been estimated that as much as 60% of the bio/pharma R&D budgets may be ultimately outsourced.

Estimates of R&D budgets for preclinical activities range from 25.7% to 35.4%ǂ, for a total 2009 preclinical market opportunity of **$35.5 to $48.9 billion.***

Source: PhRMA, Annual Membership Survey and Tufts Center for the Study of Drug Development ǂ*

Biotechnology firms are becoming more virtual. According to Tufts Center for the Study of Drug Development, biotechnology accounts for 50% of all new biologic drugs currently under development. And compared to their pharmaceutical cousins, VC backed biotechnology firms typically don't have the R&D infrastructure to perform extensive preclinical and clinical trials. Therefore, they have little choice but to outsource much of this activity.

According to Hoovers, Biocom and BioLaurus research, there are more than 2,000 private biotechnology companies in the U.S., with an estimated equal number in Europe/ROW. The typical VC-funded biotechnology firm has an annual preclinical research budget of between $2 million and $5 million. This would indicate a U.S. VC-funded biotechnology market for BioLaurus services of between $4 billion and $10 billion, with an equalsized market in Europe / ROW.

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Emerging fields of genomics, stem cells and personalized medicine require advanced technology, testing and data. New, exciting fields are beginning to emerge that promise to further fuel BioLaurus' growth. For years, industry experts have talked about the coming revolution of stem cell therapies and personalized medicine. The advancement of these developments has seemingly been slow in coming, but now appear to be ready to blossom and flourish. Many of these developments won't be able to achieve necessary breakthroughs without such technology as molecular imaging. BioLaurus intends to enable the growth of these new industries and grow in tandem with them.

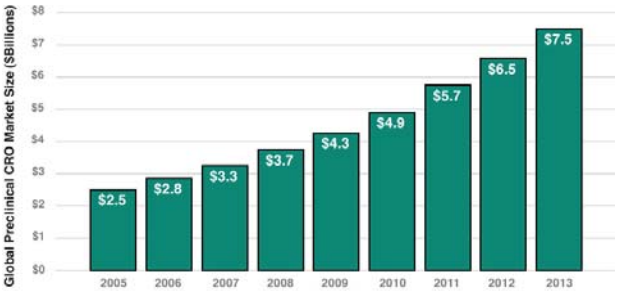
Medical device makers are turning to CROs as products like drug-coated stents and implanted defibrillators require more sophisticated preclinical testing. The medical device industry is also growing more complex and demanding more technologically intensive solutions. Many devices are now being partnered with new therapies and drugs. As a result, they, too, require a more advanced preclinicaltesting process. BioLaurus sees this as an additional growth industry well-suited for the company's technology and service offerings.

Market Size

The U.S. CRO and the global CRO markets are large multi-billion dollar sectors of the bio/pharmaceutical industry. In a time of downturn in both the U.S. and global markets, the CRO industry has maintained its solid position. The need for the industry's efficiencies remains significant even through uncertain economic times.

As shown below, the global preclinical CRO market is growing at a 15% cumulative annual growth rate. Goldman Sachs projected that the size of the CRO preclinical market in 2009 was $4.3 billion. With estimates of global R&D budgets for preclinical activities range from 25.7% to 35.4% of the total R&D budget there is significant opportunity for future market growth and ample opportunities for companies with significant value propositions.

CRO Market Growing at 15% Cumulative Annual Growth Rate



Market Sector

BioLaurus will target its technology, services and solutions toward the Preclinical Research market (non-human studies). This segment of the drug discovery and drug development process involves all activities that occur from a time a bio/pharma firm initiates a search for a treatment for a specific disease to the time a promising candidate drug enters human clinical trials as an FDA-certified Investigational New Drug (IND). This process consumes half the time and half the capitalized cost required to bring a new drug to market. It is a significant phase of drug development and today less than one-in-five INDs ultimately become a FDA approved drug.

Clearly there is a significant need for new strategies that dramatically increase the quality of preclinical research results to facilitate early selection of promising drug candidates and the termination of drug candidates that are likely to fail during clinical trials.

BioLaurus' advanced imaging services are such a strategy and will provide our clients with new and unique insights which will increase the probability of success during human clinical trials.

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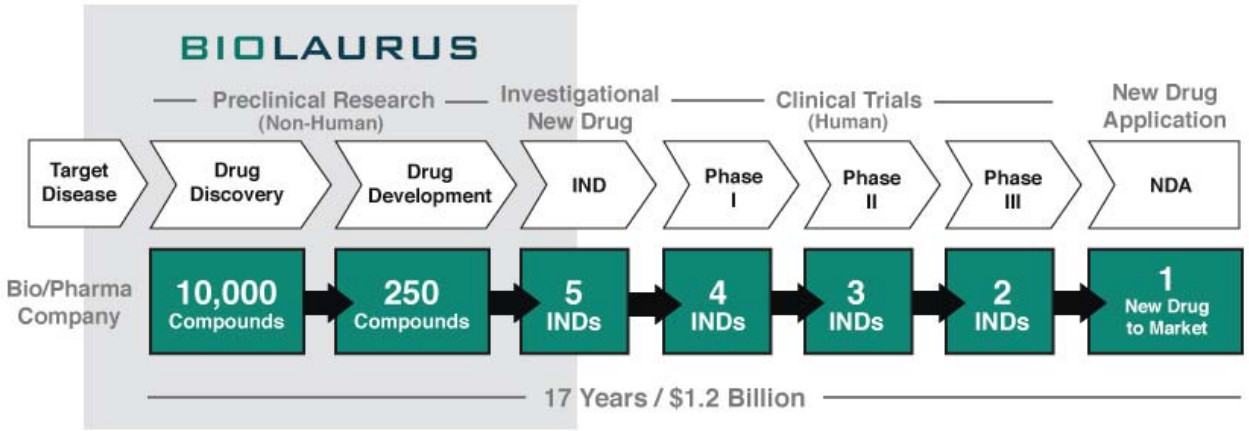
BioLaurus Delivers Technology and Services to The Preclinical Research Market Segment



Market Verticals

BioLaurus is focusing on large therapeutic markets for which its technologies and services are well suited. It will avoid markets that tend to be late adopters. As such, the company has mapped the following therapeutic markets to initially pursue:

- Oncology
- Cardiovascular
- Central Nervous System
- Pulmonary
- Inflammation
- Metabolic

International Markets

BioLaurus believes there are large and varied international markets that the company intends to pursue after establishing operations and direct sales in the U.S. The company will initially establish relationships with channel partners in Europe followed by a direct sales/business development presence and will evaluate the value of setting up a CRO facility within the European Union to gain a foothold in the very large bio/pharma market there. BioLaurus believes that markets in Japan would be attractive following initial success in Europe. The company also believes that markets in China and India represent longer-term growth opportunities.

CUSTOMERS AND EARLY ADOPTERS

BioLaurus is in discussions with a core group of prospective customers and early adopters who have shown strong interest in BioLaurus' technology platform and service suite. Discussions are with senior executives and/or senior scientists who have the budget and authority to outsource preclinical research. BioLaurus has entered into Confidentiality Agreements with a number of entities, many of these companies have executed and/or are reviewing Master Service Agreements and studyspecific Statements of Work. These clients range from venture-backed biotechnology companies to major bio/pharma drug discovery firms and medical device companies.

These organizations operate in markets where it is imperative to reduce costs, speed the preclinical research process, improve data, avoid costly late stage clinical trial failures and boost overall drug/device development success rates. Additionally, these early adopters are seeking strategic competitive advantages over their rivals. These prospects include such firms as Ambrx, Anaphore, Biogen Idec, Halozyme Therapeutics, ImaginAB, Intellikine, Isis Pharmaceuticals, Johnson & Johnson, Metabolex, Novartis, Pfizer, and others. Collectively these early adopters represent a twelve month sales pipeline of over $1.5 million.

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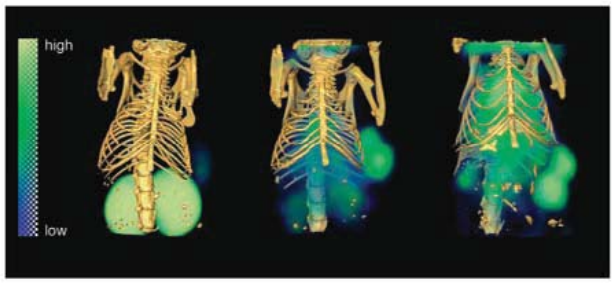
The following provides a brief overview of several of the above mentioned companies, their needs which can be uniquely met by BioLaurus and examples of the revenues which could result from services provided by BioLaurus:

Anaphore

Venture-backed Anaphore is an early-stage San Diego-based biotechnology firm developing a new class of protein therapeutics to address significant unmet medical needs for patients with serious or life-threatening diseases. Anaphore is currently developing novel protein therapeutics to target and treat cancer. As such, they will have an ongoing need to evaluate the biodistribution of their potential drugs in animal models. An example of data from a protein therapeutic biodistribution study in live animals is shown below.



SPECT/CT was used to evaluate the biodistribution and tumor targeting (arrow) of three unique protein drug candidates. The first drug candidate (left) shows little tumor targeting and significant accumulation in the kidneys, the second (middle) shows good tumor targeting and some non-tumor distribution and although the third (right) shows good tumor targeting it also has a significant accumulation in non-tumor tissue which resulted in several adverse effects. (Dennis MS et al., 2007).

Discussions between BioLaurus and Anaphore are now under a mutual CDA and Anaphore is reviewing BioLaurus' Master Service Agreement in anticipation of initiating a biodistribution study with Anaphore's first candidate drug. This study is likely to begin during the first or second quarter of 2010.

Anaphore's VP of R&D, Senior Director of Translational Research and their CEO believe that BioLaurus' technology platform and services are ideally suited to address their preclinical study needs.

Should Anaphore select BioLaurus to assist with its preclinical research efforts, BioLaurus might expect to generate $255,000 in revenue for conducting a series of Biodistribution, PK and iTox™ Studies, in Year 1, followed by over $1 million in Year 2. The Anaphore/BioLaurus revenue model is as follows:

Year 1			
Service	**Charge**	**Quantity**	**Total**
Biodistribution	$45,000	3	$135,000
PK	$60,000	1	$60,000
iTox™ I	**$60,000**	**1**	**$60,000**
Total			**$225,000**
Year 2			
Service	**Charge**	**Quantity**	**Total**
Biodistribution	$45,000	4	$180,000
Efficacy	$150,000	3	$450,000
iTox™ II	$150,000	2	$300,000
PK	$60,000	2	$120,000
Total			**$1,050,000**

Halozyme Therapeutics

Halozyme Therapeutics is a San Diego-based biopharmaceutical company developing and commercializing products targeting the extracellular matrix for the endocrinology, oncology, dermatology and drug delivery markets. The publicly traded company (NASDAQ:HALO) has key partnerships with Roche and Baxter Healthcare. BioLaurus is in discussions with key members of the prospective client's preclinical research team, including their VP of Preclinical Development, Group Leader Pharmacology and Director of Toxicology. Halozyme is interested in working with BioLaurus, and has signed a Letter of Interest with the company stating its intentions to develop proposals to utilize molecular imaging technology for PK and efficacy studies in cardiovascular and oncology models.

Halozyme believes BioLaurus technology and services can address key issues dealing with animal disease staging, study speed and quality. It is critical that test animals are staged accurately for oncology and cardiology trials. Only BioLaurus technology can provide the precise staging Halozyme is seeking. Additionally, Halozyme is extremely interested in utilizing methods that will speed the preclinical process, as well as provide timely information to

make go/no-go decision on experimental drugs and IND submissions to the FDA. Halozyme's 2009 budget for outsourcing of preclinical services was $3 million.

Should Halozyme select BioLaurus to assist with its preclinical research efforts, BioLaurus might expect to generate $780,000 in revenue for conducting a series of Drug Efficacy, PK, ADME and iTox™ Studies in Year 1, followed by over $1.1 million in Year 2. The Halozyme / BioLaurus revenue model is as follows:

Year 1			
Service	**Charge**	**Quantity**	**Total**
Efficacy	$160,000	3	$480,000
PK	$60,000	2	$80,000
ADME	**$40,000**	**1**	**$40,000**
iTox™ I	**$60,000**	**3**	**$180,000**
Total			**$780,000**
Year 2			
Service	**Charge**	**Quantity**	**Total**
Efficacy	$160,000	4	$640,000
iTox™ II	$150,000	2	$300,000
PK	$40,000	6	$240,000
Total			**$1,180,000**

Intellikine

Venture-backed Intellikine is a San Diego-based biopharmaceutical firm dedicated to developing small molecule kinase inhibitors for the treatment of cancer. BioLaurus has signed a Master Service Agreement with Intellikine to assist with its preclinical research programs. BioLaurus conducted initial pilot studies with Intellikine during the fourth quarter, 2009, which will likely lead to follow-on studies and contracts during 2010.

Intellikine's 2009 budget for outsourcing of preclinical services was $2.5 million. Should Intellikine select BioLaurus to assist with its preclinical research efforts, BioLaurus might expect to generate $800,000 in revenue for conducting a series of Oncology Efficacy Studies, Mechanism of Action and PK Studies in Year 1, followed by $920,000 in Year 2. The Intellikine / BioLaurus revenue model is as follows:

Year 1			
Service	**Charge**	**Quantity**	**Total**
Efficacy	$160,000	3	$480,000
MOA	$60,000	2	$120,000
PK	**$40,000**	**5**	**$200,000**
Total			**$800,000**
Year 2			
Service	**Charge**	**Quantity**	**Total**
iTox™ II	$160,000	3	$480,000
MOA	$60,000	4	$240,000
PK	$40,000	3	$120,000
ADME	$40,000	2	$80,000
Total			**$920,000**

Intellikine is keenly interested in speeding its current preclinical processes and is in a race against time to identify useful compounds. Furthermore, the company requires highly precise data for decision making and can't afford to spend time pursuing ineffective compounds. BioLaurus believes that its technology platform and services will dramatically speed its prospective client's processes, as well as enable the company to make critical go/no-go decisions on experimental drugs in a more rapid, confident manner.

Metabolex

Metabolex, Inc., is a privately held biopharmaceutical company focused on the discovery and development of proprietary new medicines for the treatment of metabolic diseases, with an emphasis on type 2 diabetes. Metabolex has signed a Letter of Interest with BioLaurus, stating that the Bay Area biopharmaceutical firm would welcome the chance to work with BioLaurus in establishing preclinical research programs in which molecular imaging technology could be used to improve the speed and quality of Metabolex's current processes.

Metabolex is keenly interested in leveraging BioLaurus' technology and service suite to gain rapid insight into the potential of a given compound. Metabolex is seeking ways to quickly eliminate experimental drugs early in the process that are likely to fail during later clinical stages. Metabolex believes BioLaurus' longitudinal study capabilities can provide such insight. Additionally, Metabolex believes it can dramatically reduce the amount of investigational drug necessary for each study by

utilizing BioLaurus' technology and service platform. Metabolex believes that savings in reduced experimental compounds required for each study are likely to total several hundred thousand dollars annually.

Novartis Institutes for BioMedical Research, Inc. (NIBR)

The Novartis Institutes for BioMedical Research (NIBR) is the global pharmaceutical research organization of Novartis and is focused on developing new medicines for the treatment of cancer, cardiovascular, metabolic, central nervous system, ophthalmic and respiratory diseases. Globally, Novartis employs over 96,000 and had a 2008 R&D budget of over $7.2 billion.

Thomas Krucker, Ph.D. Head Molecular Imaging Global Imaging Group at NIBR has stated in a December 2009 "Letter of Intent" to BioLaurus that they are interested in transferring in-house-validated molecular imaging assays to BioLaurus so that NIBR can obtain much needed throughput. It is reasonable to assume that an initial contract would be for at least $250,000 to $500,000.

Dr. Krucker has also indicated during several conversations that he would be interested in working collaboratively with BioLaurus to develop novel imaging assays which may be applied to Novartis projects and may be available to BioLaurus for other client's projects. A relationship with NIBR could reasonably yield millions of dollars in annual revenue for BioLaurus.

EXECUTIVE SUMMARY

Summary Financial Projections

BioLaurus is seeking to raise between $7 million and $10 million in equity. Shown below are the Uses of Proceeds and the Summary Financial Projections for BioLaurus through year 5. Detailed financials are included later in this plan.

Uses of Proceeds ($,000)	
Product Development	3,112
Property, Plant and Equipment	1,335
Professional Services	95
Sales & Marketing	1,172
Operating Expenses	987
Working Capital	298
Total Financing	**$7,000**

Summary Financial Projections ($,000)				
	Year 1	**Year 2**	**Year 3**	**Year 4**
Gross Income	1,879	9,442	29,897	57,110
Gross Profit	-1,178	4,505	13,413	32,098
Operating Expenses	2,215	3,956	7,431	10,833
Net Profit / (Loss)	**($3,393)**	**$550**	**$5,982**	**$21,264**

Capitalization Table	
Shareholder	**Common Shares**
Mario Bourdon	9,500,000
John Bauer	1,187,500
Craig Collins	1,187,500
Option Pool	1,500,000
Common Shares Outstanding	6,625,000

Advisors	
Legal	Mintz Levin
IP Law	Foley & Lardner
Accounting	Ernst & Young