

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 10-QSB**

X QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

**For the quarterly period ended December 31, 2004**

— TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
**Commission File Number 000-24541**

**CORGENIX MEDICAL CORPORATION**

(Name of Small Business Issuer in its Charter)

**Nevada**

**93-1223466**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

**12061 Tejon Street, Westminster, Colorado 80234**

(Address of principal executive offices, including zip code)

**(303) 457-4345**

(Issuer's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

The number of shares of Common Stock outstanding was 5,343,826 as of February 14, 2005.

Transitional Small Business Disclosure Format. Yes  No

# CORGENIX MEDICAL CORPORATION

December 31, 2004

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**PART I**  
**Item 1. Consolidated Financial Statements**  
**CORGENIX MEDICAL CORPORATION**  
**AND SUBSIDIARIES**  
**Consolidated Balance Sheets**

	<u>December 31,</u> <u>2004</u>	<u>June 30, 2004</u>
	(Unaudited)	
<b>Assets</b>		
Current Assets:		
Cash and equivalents	\$ 425,295	468,954
Accounts receivable, less allowance for doubtful accounts of \$30,410 and \$13,410	779,547	834,153
Inventories	1,147,048	982,227
Prepaid expenses	32,384	30,276
Total current assets	2,384,274	2,315,610
Equipment:		
Capitalized software costs	122,855	122,855
Machinery and laboratory equipment	638,721	588,219
Furniture, fixtures, leaseholds and office equipment	521,057	511,488
	1,282,633	1,222,562
Accumulated depreciation and amortization	(971,164)	(913,020)
Net equipment	311,469	309,542
Intangible assets:		
Licenses	9,473	-
Patents, net of accumulated amortization of \$1,056,722 and \$1,019,474	60,822	98,070
Goodwill, net of accumulated amortization of \$44,979	13,677	13,677
Net intangible assets	83,972	111,747
Due from officer	12,000	12,000
Other assets	94,460	98,925
Total assets	\$2,886,175	2,847,824
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Current portion of notes payable	\$ 580,875	569,988
Current portion of capital lease obligations	43,689	51,395
Accounts payable	729,214	483,642
Accrued payroll and related liabilities	177,456	173,392
Accrued interest	145,895	127,831
Accrued liabilities	170,559	169,929
Total current liabilities	1,847,688	1,576,177
Notes payable, less current portion	275,402	238,445
Capital lease obligations, less current portion	32,058	9,712
Total liabilities	2,155,148	1,824,334
Redeemable common stock, 880,282 shares issued and outstanding, aggregate redemption value of \$500,000, net of unaccreted discount and issuance costs of \$21,641 and \$64,919	478,359	435,081
Stockholders' equity:		
Preferred stock, \$0.001 par value. Authorized 5,000,000 shares, none issued or outstanding	-	-
Common stock, \$0.001 par value. Authorized 40,000,000 shares; issued and outstanding 5,327,558 and 5,321,319 shares at December 31 and June 30, respectively	4,447	4,440
Additional paid-in-capital	5,454,213	5,449,100
Accumulated deficit	(5,189,282)	(4,853,767)
Accumulated other comprehensive loss	(16,710)	(11,364)
Total stockholders' equity	252,668	588,409
Total liabilities and stockholders' equity	\$2,886,175	2,847,824

See accompanying notes to consolidated financial statements.

**CORGENIX MEDICAL CORPORATION  
AND SUBSIDIARIES**  
Consolidated Statements of Operations and Comprehensive Income

	Three Months Ended		Six Months Ended	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
	(Unaudited)		(Unaudited)	
Net sales	\$ 1,276,571	1,186,738	2,579,642	2,389,068
Cost of sales	451,051	446,129	1,008,273	917,805
Gross profit	\$ 825,520	740,609	1,571,369	1,471,263
Operating expenses:				
Selling and marketing	368,538	340,381	744,476	654,093
Research and development	138,887	182,341	295,445	370,228
General and administrative	334,192	270,487	633,541	540,047
Total expenses	841,617	793,209	1,673,462	1,564,368
Operating loss	\$ (16,097)	(52,600)	(102,093)	(93,105)
Interest expense, net	85,941	22,920	190,144	47,795
Net loss	\$ (102,038)	(75,520)	(292,237)	(140,900)
Accretion of discount on redeemable common stock	21,639	21,639	43,278	43,278
Net loss available to common stockholders	<u>\$(123,677)</u>	<u>(97,159)</u>	<u>(335,515)</u>	<u>(184,178)</u>
Net loss per share, basic and diluted	\$ (0.02)	(0.02)	(0.06)	(0.03)
Weighted average shares outstanding, basic and diluted (note 2)	<u>5,337,058</u>	<u>5,299,163</u>	<u>5,330,938</u>	<u>5,296,820</u>
Net loss	\$ (102,038)	(75,520)	(292,237)	(140,900)
Other comprehensive loss-foreign currency translation loss	<u>(3,527)</u>	<u>(10,698)</u>	<u>(5,346)</u>	<u>(11,135)</u>
Total comprehensive loss	<u>\$ (105,565)</u>	<u>(86,218)</u>	<u>(297,583)</u>	<u>(152,035)</u>

See accompanying notes to consolidated financial statements.

**CORGENIX MEDICAL CORPORATION  
AND SUBSIDIARIES**

Consolidated Statement of Stockholders' Equity  
For the six months ended December 31, 2004  
(unaudited)

	Common Stock, Number of Shares	Common Stock, \$0.001 par	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Total stockholders' equity
Balance at June 30, 2004	5,321,319	\$ 4,440	5,449,100	(4,853,767)	(11,364)	588,409
Issuance of common stock and stock options for services	6,239	7	5,113			5,120
Foreign currency translation					(5,346)	(5,346)
Accretion of discount on redeemable common stock				(43,278)		(43,278)
Net loss				(292,237)		(292,237)
Balance at December 31, 2004	<u>5,327,558</u>	<u>\$ 4,447</u>	<u>5,454,213</u>	<u>(5,189,282)</u>	<u>(16,710)</u>	<u>252,668</u>

See accompanying notes to consolidated financial statements.

**CORGENIX MEDICAL CORPORATION  
AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

	Six Months Ended	
	December 31, 2004	December 31, 2003
(Unaudited)		
Cash flows from operating activities:		
Net loss	\$ (292,237)	(140,900)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	94,033	100,167
Accretion of discount on notes payable	148,127	-
Equity instruments issued for services	5,120	6,920
Changes in operating assets and liabilities:		
Accounts receivable	71,718	36,413
Inventories	(163,098)	(17,843)
Prepaid expenses and other assets	(6,489)	(6,004)
Accounts payable	213,675	(123,853)
Accrued payroll and related liabilities	5,963	287
Accrued interest and other liabilities	15,131	46,205
Net cash provided (used) in operating activities	<u>91,943</u>	<u>(98,608)</u>
Cash flows used in investing activities:		
Purchases of equipment	<u>(12,635)</u>	<u>(5,809)</u>
Cash flows from financing activities:		
Proceeds from issuance of notes payable	-	165,936
Payments on notes payable	(100,283)	(89,347)
Payments on capital lease obligations	(30,760)	(48,190)
Net cash (used) provided by financing activities	<u>(131,043)</u>	<u>28,399</u>
Net decrease in cash and cash equivalents	(51,735)	(76,018)
Impact of foreign currency translation adjustment on cash	8,076	(11,136)
Cash and cash equivalents at beginning of period	468,954	342,377
Cash and cash equivalents at end of period	<u>\$ 425,295</u>	<u>255,223</u>
Supplemental cash flow disclosures:		
Cash paid for interest	<u>\$ 25,179</u>	<u>29,234</u>
Noncash investing and financing activity—		
Equipment acquired under capital leases	<u>\$ 45,400</u>	<u>-</u>

See accompanying notes to consolidated financial statements.

**CORGENIX MEDICAL CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION**

Corgenix Medical Corporation (“Corgenix” or the “Company”) is engaged in the research, development, manufacture, and marketing of in vitro (outside the body) diagnostic products for use in disease detection and prevention. We currently sell 90 diagnostic products on a worldwide basis to hospitals, clinical laboratories, commercial reference laboratories, and research institutions.

Our corporate headquarters is located in Westminster, Colorado. We have two wholly owned operating subsidiaries:

- Corgenix, Inc., (“Corgenix, Inc.”) (formerly REAADS), established in 1990 and located in Westminster, Colorado. Corgenix, Inc. is responsible for sales and marketing activities for North America, and also conducts product development, product support, regulatory affairs and product manufacturing of the diagnostic products.
- Corgenix (UK) Ltd., (“Corgenix UK”), incorporated in the United Kingdom in 1996 (formerly REAADS Bio-Medical Products (UK) Limited), is located in Peterborough, England. Corgenix UK manages the diagnostic products business’ international sales and marketing activities except for distribution in North America, which is under the responsibility of Corgenix, Inc.

On October 15, 2004 the Company and Genesis Bioventures, Inc. (which we refer to as GBI or Genesis), a biomedical development company focused on the development of diagnostic tests, signed an amendment to the May 21, 2004 Amended and Restated Plan of Merger (the “Merger Agreement”), extending the closing date for the proposed merger to on or before February 28, 2005. The extension was executed in the form of Amendment No. 1 (the “Amendment”) to the Merger Agreement, a copy of which was filed on Form 8-K on October 20, 2004.

The Amendment, among other changes, allowed the Company to terminate the Merger Agreement at any time prior to November 30, 2004 if it were not satisfied with the terms or the progress of the new equity financing. A new equity financing in an amount of at least \$6,000,000 (the “Takeout Financing”) was a condition to the closing of the Merger pursuant to section 9.13 of the Merger Agreement. On November 30, 2004, the Company and Genesis agreed to extend the date for obtaining the financing to December 10, 2004. On December 9, 2004, the parties agreed to extend the date to December 31, 2004, and on December 31, 2004, the parties agreed to extend the deadline for terminating the Merger Agreement to January 15, 2005. These extensions are documented as Amendments No. 2, 3 and 4 to the Merger Agreement. Management of Corgenix believed that, given the delays experienced during the holiday season, and given the timing delays that are often associated with seeking funds in overseas markets, it was appropriate and in the best interests of the Company to allow Genesis additional time to pursue the new equity financing.

On January 14, 2005 Corgenix terminated the Amended and Restated Agreement and Plan of Merger with Genesis Bioventures, Inc. due to the lack of progress towards the completion of the \$6,000,000 merger-related financing and the expiration of key dates within the Merger Agreement (as amended).

On March 24, 2004, Genesis advanced \$500,000 to Corgenix, which is represented by a promissory note (the “Bridge Note”). As a result of the termination of the Merger Agreement, the note has converted to a fixed two-year term note bearing interest at the prime rate in effect as of the date of termination of the Merger Agreement, or 5.25%. The note is fully-amortized over four semi-annual payments of principal and accrued interest; however, the note is convertible, at the election of Genesis, into Corgenix common stock at a conversion price of \$.568 per share.

The market value of the Company’s stock had increased from the date of the letter of intent to the date the Bridge Note was executed, resulting in a beneficial conversion feature that was credited to equity, and an equal amount is being recognized as interest expense over the term of the Bridge Note, using the effective interest method.

The accompanying consolidated financial statements have been prepared without audit and in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-QSB and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete

financial statements. In the opinion of the Company, the financial statements include all adjustments (consisting of normal recurring accruals and adjustments) required to present fairly the Company's financial position at December 31, 2004 and June 30, 2004 and the results of operations for each of the three- and six-month periods ended December 31, 2004 and 2003, and the cash flows for each of the six month periods then ended. The operating results for the three and six months ended December 31, 2004 are not necessarily indicative of the results that may be expected for the year ended June 30, 2005. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the fiscal year ended June 30, 2004. Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Significant assumptions inherent in the preparation of the accompanying financial statements include, but are not limited to, revenue recognition and allowances for doubtful accounts, the provision for excess and obsolete inventories, and commitments and contingencies. Actual results could differ from those estimates.

## 2. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding. Diluted earnings (loss) per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding, increased for potentially dilutive common shares outstanding during the period. The dilutive effect of stock options and their equivalents is calculated using the treasury stock method. No stock options were granted in the most recent quarter or six months ended December 31, 2004 or 2003. Options and warrants to purchase common stock totaling 42,470 and 84,422 shares for the quarter and six months ended December 31, 2004, respectively, and totaling 560,747 and 418,737 shares for the quarter and six months ended December 31, 2003 respectively, are not included in the calculation of weighted average common shares-diluted below as their effect is anti-dilutive. Redeemable common stock is included in the common shares outstanding for purposes of calculating net loss per share.

The components of basic and diluted loss per share are as follows:

	3 months ended December 31, 2004	3 months ended December 31, 2003	6 months ended December 31, 2004	6 months ended December 31, 2003
Net loss available to common shareholders	<u>\$ (123,677)</u>	<u>(97,159)</u>	<u>(335,515)</u>	<u>(184,178)</u>
Common and common equivalent shares outstanding:				
Historical common shares outstanding for basic income (loss) per share at beginning of period	5,324,818	5,294,477	5,321,319	5,271,192
Weighted average common shares issued during the period	12,240	4,686	9,619	25,628
Weighted average common shares-basic and diluted	5,337,058	5,299,163	5,330,938	5,296,820
Net loss per share-basic and diluted	<u>\$ (0.02)</u>	<u>(0.02)</u>	<u>(0.06)</u>	<u>(0.03)</u>

## 3. INCOME TAXES

A valuation allowance was provided for deferred tax assets, as the Company is unable to conclude under relevant accounting standards that it is more likely than not that deferred tax assets will be realizable.

## 4. SEGMENT INFORMATION

The Company has two segments of business: domestic and international operations. International operations primarily transact sales with customers in Europe and continents other than North America, while domestic operations transact sales primarily in North America. The following table sets forth selected financial data for these segments for the three-and six-month periods ended December 31, 2004 and 2003.

		<u>Three Months Ended December 31,</u>			<u>Six Months Ended December 31,</u>		
		<i>Domestic</i>	<i>International</i>	<i>Total</i>	<i>Domestic</i>	<i>International</i>	<i>Total</i>
Net sales	2004	\$ 904,689	371,882	1,276,571	1,878,964	700,678	2,579,642
	2003	\$ 921,292	265,446	1,186,738	1,851,487	537,581	2,389,068
Net income (loss)	2004	\$ (208,712)	106,674	(102,038)	(464,903)	172,666	(292,237)
	2003	\$ (122,726)	47,206	(75,520)	(249,172)	108,272	(140,900)
Depreciation and amortization	2004	\$ 47,396	569	47,965	92,900	1,133	94,033
	2003	\$ 50,106	513	50,619	99,141	1,026	100,167
Interest expense, net	2004	\$ (84,930)	(1,011)	(85,941)	(188,119)	(2,025)	(190,144)
	2003	\$ (20,691)	(2,229)	(22,920)	(42,286)	(5,509)	(47,795)
Segment assets	2004	\$2,403,087	473,615	2,876,702	2,403,087	473,615	2,876,702
	June 30, 2004	\$2,458,732	389,092	2,847,824	2,458,732	389,092	2,847,824

## 5. REDEEMABLE COMMON STOCK

On July 1, 2002, as part of the Medical & Biological Laboratories Co., Ltd. (MBL) Agreement, MBL purchased shares of the Company's common stock for \$500,000, which MBL can require the Company to repurchase at the same price in the event that a previously existing distribution agreement with RhiGene, Inc. is terminated or once it expires. For no additional consideration, MBL was also issued warrants to purchase an additional 880,282 shares of Common Stock at a price of \$.568 per share, which is equal to an aggregate amount of \$500,000. These warrants expire on July 3, 2007 and may be exercised in whole or in part at any time prior to their expiration. The estimated fair value of the warrant upon issuance was calculated as \$401,809 using the Black-Scholes option-pricing model with the following assumptions: no expected dividend yield, 143% volatility, risk free interest rate of 4.2% and an expected life of five years. The gross proceeds of \$500,000 were allocated \$277,221 to redeemable common stock and \$222,779 to the related warrants based on the relative fair values of the respective instruments to the fair value of the aggregate transaction. Issuance costs and the discount attributed to the redeemable common stock upon issuance are being accreted over the 33-month period prior to the presently expected first date on which the put option may be exercised, which is the present expiration date of the distribution agreement between the Company and RhiGene, Inc. Furthermore, pursuant to the agreement with MBL, as long as MBL holds at least 50% of the common stock purchased under the MBL agreement, MBL must give its written consent with respect to the payment of any dividend, the repurchase of any of the Company's equity securities, the liquidation or dissolution of the Company or the amendment of any provision of the Company's Articles of Incorporation or Bylaws which would adversely affect the rights of MBL under the stock purchase transaction documents. MBL was granted standard anti-dilution rights with respect to stock issuances not registered under the Securities Act. MBL also received standard piggyback registration rights along with certain demand registration rights.

## 6. STOCK PLANS

The Company accounts for its stock plans in accordance with the provisions of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, SFAS No.148, *Accounting for Stock-Based Compensation-Transition and Disclosure*, and related interpretations. As such, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeds the exercise price. SFAS No. 123, *Accounting for Stock-Based Compensation*, permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to continue to apply the provisions of APB Opinion No. 25 and provide pro forma net loss disclosures for employee stock option grants as if the fair-value-based method defined in SFAS No. 123 had been applied. The Company has elected to continue to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosures required by SFAS No. 123.

Had the Company determined compensation cost based on the fair value at the date of grant for its stock options under SFAS No. 123, the Company's net loss would have been increased to the pro forma amounts indicated as follows:

	<b>Three Months Ended</b>	<b>Three Months Ended</b>	<b>Six Months Ended</b>	<b>Six Months Ended</b>
	<b>December 31, 2004</b>	<b>December 31, 2003</b>	<b>December 31, 2004</b>	<b>December 31, 2003</b>
Net loss available to common stockholders as reported	\$ (123,677)	(97,159)	(335,515)	(184,178)
Deduct total stock-based employee compensation expense determined under fair-value method for all awards, net of tax	(10,679)	(15,107)	(21,358)	(30,214)
Net loss available to common stockholders pro forma	(134,356)	(112,266)	(356,873)	(214,392)
Net loss per share as reported	(0.02)	(0.02)	(0.06)	(0.03)
Net loss per share pro forma	(0.03)	(0.02)	(0.07)	(0.03)

Fair value was determined using the Black Scholes option – pricing model. There were no stock options granted during the six months ended December 31, 2004 and 2003.

## 7. NOTES PAYABLE

Certain of the notes payable restrict the payment of dividends on the Company's common stock. Notes payable consist of the following at December 31, 2004 and June 30, 2004:

	<u>December 31, 2004</u>	<u>June 30, 2004</u>
Bridge Note payable to Genesis Bioventures, Inc., net of discount of \$267,072 and \$415,199. See discussion of terms below.	\$ 202,928	84,801
Note payable to a bank, with interest at prime plus 2.75% (7.0% at June 30, 2004), due in monthly installments of principal and interest of \$13,369 through January 2007, collateralized by commercial security agreements and a key man life insurance policy.	301,454	369,351
Variable Rate Loan payable to a bank, with interest at prime plus 1.0% (minimum rate of 5.5%), due in monthly installments of principal and interest through January 2005. This loan payable is collateralized by accounts receivable and inventory and is an extension and conversion of a revolving credit agreement with the same bank which matured on March 31, 2004. *	291,121	292,507
Notes payable, unsecured, to former preferred stockholders, with interest at 17%, due on demand. At December 31, 2004 and June 30, 2004, the Company was in default on these notes.	60,774	61,774
	<u>856,277</u>	<u>808,433</u>
Less current portion	(580,875)	(569,988)
Notes payable, excluding current portion	<u>\$ 275,402</u>	<u>238,445</u>

\* The variable note payable to a bank was due in full at January 31, 2005. The Company has not repaid the loan nor have we had any discussions with the bank since early January. No demand for repayment has been made. It is the

intention of the Company to attempt to convert this loan to a term loan with a due date of three to five years. There is no assurance that the bank will agree to such terms in which case a near-term infusion of capital will be necessary to satisfy this note. Since the Company needs additional financing to meet our debt requirements, there is no assurance that we will be able to obtain such financing on terms satisfactory to us, if at all. The effects on the financial statements of not obtaining suitable financing cannot be determined.

Aggregate maturities of notes payable by year, net of discount amount of \$267,072, as of December 31, 2004, are as follows:

Years ending June 30:		
2005	\$	414,905
2006		364,462
2007		343,982
		<hr/>
		1,123,349
Less unaccreted discount on Bridge Note		267,072
Net maturities	\$	<hr/> 856,277

The carrying values of notes payable approximate fair value based on their terms and floating market based interest rates.

As described in Note 1, on March 24, 2004, Genesis advanced \$500,000 to Corgenix, which is represented by the Bridge Note. As a result of the termination of the Merger Agreement, the note has converted to a fixed two-year term note bearing interest at the prime rate in effect as of the date of termination of the Merger Agreement, or 5.25%. The note is fully-amortized over four semi-annual payments of principal and accrued interest, with the first payment expected to be due six months after the January 14, 2005 merger termination date; however, the note is convertible, at the election of Genesis, into Corgenix common stock at a conversion price of \$.568 per share. The market value of the Company's stock was in excess of the potential conversion price at the date the note was executed, resulting in a beneficial conversion feature of approximately \$660,000. As required by Emerging Issues Task Force Bulletin 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features of Contingently Adjustable Conversion Ratios" and 00-27, "Application of Issue 98-5 to Certain Convertible Instruments", the entire proceeds of the Bridge Note were credited to additional paid-in capital. The Bridge Note was recorded net of a \$500,000 discount, which is being accreted to interest expense over the expected term of the Bridge Note, using the effective interest method.

**CORGENIX MEDICAL CORPORATION**  
**Management's Discussion and Analysis of**  
**Financial Condition and Results of Operations**

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included elsewhere herein.

**General**

Since the Company's inception, we have been primarily involved in the research, development, manufacturing and marketing/distribution of diagnostic tests for sale to clinical laboratories. We currently market 90 products covering autoimmune disorders, cardiovascular diseases, and liver disease. Our products are sold in the United States, the UK and other countries through our marketing and sales organization that include contract sales representatives, internationally through an extensive distributor network, and to several significant OEM partners.

We manufacture products for inventory based upon expected sales demand, shipping products to customers, usually within 24 hours of receipt of orders if in stock. Accordingly, we do not usually operate with a customer order backlog.

Except for the fiscal year ending June 30, 1997, we have experienced annual revenue growth since our inception, primarily from sales of products and contract revenues from strategic partners. Contract revenues consist of service fees from research and development agreements with strategic partners.

Beginning in fiscal year 1996, we began adding third-party OEM licensed products to our diagnostic product line. Currently we sell 70 products licensed from or manufactured by third party manufacturers. We expect to expand our relationships with other companies in the future to gain access to additional products.

Although we have experienced growth in revenues every year since 1990, except for 1997, there can be no assurance that, in the future, we will sustain revenue growth, current revenue levels, or achieve or maintain profitability. Our results of operations may fluctuate significantly from period-to-period as the result of several factors, including: (i) whether and when new products are successfully developed and introduced, (ii) market acceptance of current or new products, (iii) seasonal customer demand, (iv) whether and when we receive research and development payments from strategic partners, (v) changes in reimbursement policies for the products that we sell, (vi) competitive pressures on average selling prices for the products that we sell, and (vii) changes in the mix of products that we sell.

**Critical Accounting Policies**

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and our significant accounting policies are summarized in Note 1 to the accompanying consolidated financial statements. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

The Company maintains an allowance for doubtful accounts based on its historical experience and provides for any specific collection issues that are identified. Such allowances have historically been adequate to provide for our doubtful accounts but involve a significant degree of management judgment and estimation. Worse than expected future economic conditions, unknown customer credit problems and other factors may require additional allowances for doubtful accounts to be provided for in future periods. Equipment and software are recorded at cost. Equipment under capital leases is recorded initially at the present value of the minimum lease payments. Depreciation and amortization is calculated primarily using the straight-line method over the estimated useful lives of the respective assets that range from 3 to 7 years. The internal and external costs of developing and enhancing software costs related to website development, other than initial design and other costs incurred during the preliminary project stage, are capitalized until the software has been completed. Such capitalized amounts began to be amortized commencing when the website was placed in service on a straight-line basis over a three-year period. When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and a gain or loss is recognized. Repair and maintenance costs are expensed as incurred. We evaluate the realizability of our long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Revenue from sale of products is recognized upon shipment of products. Revenue from research and development contracts represents amounts earned pursuant to agreements to perform research and development activities for third parties and is recognized as earned under the respective agreement. Because research and development services are provided evenly over the contract period, revenue is recognized ratably over the contract period. Research and development agreements in effect in 2004 and 2003 provided for fees to the Company based on time and materials in exchange for performing specified research and development functions. Research and development and advertising costs are expensed when incurred. Inventories are recorded at the lower of cost or market, using the first-in, first-out method.

## **Results of Operations**

### ***Three Months Ended December 31, 2004 compared to 2003***

*Net sales.* Net sales for the quarter ended December 31, 2004 were approximately \$1,277,000, a 7.6% increase from approximately \$1,187,000 for the quarter ended December 31, 2003. Domestic sales decreased 1.8% while sales to international distributors increased 40.4% from year to year. With respect to the Company's major product lines, Phospholipids kit sales increased 5.2% for the fiscal quarter, Coagulation kit sales increased 12.2%, HA kit sales decreased 19.4%, primarily due to the timing of orders, and Autoimmune kit sales increased 125.7%. Additionally, OEM sales increased 12.7%. Sales of products manufactured for us by other companies while still relatively small, are expected to continue to increase during fiscal 2005.

*Cost of sales.* Cost of sales, as a percentage of sales, decreased slightly to 35.3% in the quarter ended December 31, 2004 from 37.6% in 2003 primarily due to manufacturing efficiencies which offset higher raw material costs associated with the new manufacturing format of the Company's main product line and the purchase of certain raw materials which were formerly manufactured in-house. In addition, there was a decrease in scrap costs during the quarter.

*Selling and marketing.* Selling and marketing expenses increased 8.5% to approximately \$369,000 in the quarter ended December 31, 2004 from approximately \$340,000 in 2003. The majority of this increase involved increases in advertising, CE Marking expense, conventions and seminars, labor-related costs and other promotion related expenses.

*Research and development.* Research and development expenses decreased 23.6% to approximately \$139,000 in the quarter ended December 31, 2004 from approximately \$182,000 for the quarter ended December 31, 2003. The majority of this decrease involved reductions in labor-related costs, consulting and laboratory supplies resulting from recently ended development projects and head-count reductions.

*General and administrative.* General and administrative expenses increased approximately \$64,000 or 23.7% to approximately \$334,000 in the quarter ended December 31, 2004 from approximately \$270,000 for the quarter ended December 31, 2003, primarily due to increases in merger-related expenses, outside services, and equipment lease expense.

*Interest expense.* As mentioned in the Notes to Consolidated Financial Statements, the market value of the Company's stock had increased from the date of the letter of intent to the date the Bridge Note was executed, resulting in a beneficial conversion feature that was credited to equity, and an equal amount is being recognized as interest expense over the potential term of the Bridge Note, using the effective interest method. Interest expense increased 273.9% to approximately \$86,000 in the quarter ended December 31, 2004 from approximately \$23,000 for the quarter ended December 31, 2003 due primarily to the accretion of discount on the Bridge Note payable to Genesis.

*Accretion of discount on redeemable common stock.* This item represents the accretion of the discount on redeemable common stock over the 33 month period from the date the stock was issued to the presently expected first date on which the related embedded put option may be exercised. The redeemable common stock was issued in July 2002.

### **Six Months Ended December 31, 2004 and 2003**

*Net sales* Net sales for the six months ended December 31, 2004 were approximately \$2,580,000, an 8.0% increase from approximately \$2,389,000 for the six months ended December 31, 2003. Domestic sales increased 1.5% while sales to international distributors increased 30.3% from year to year. With respect to the Company's major product lines, Phospholipids kit sales increased 2.7% for the current six month period, Coagulation kit sales increased 34.5 %, HA kit sales increased 23.3%, and Autoimmune kit sales increased 70.6%. Additionally, OEM sales decreased less than 1%. Sales of products manufactured for us by other companies while still relatively small, are expected to continue to increase during fiscal 2005.

*Cost of sales.* Cost of sales, as a percentage of sales, increased slightly to 39.1% in the six months ended December 31, 2004 from 38.4% in 2003 primarily due to higher raw material costs associated with the new manufacturing format of the Company's main product line, the purchase of certain raw materials which were formerly manufactured in-house and an increase in scrap costs during the first fiscal quarter.

*Selling and marketing.* Selling and marketing expenses increased 13.8% to approximately \$744,000 in the six months ended December 31, 2004 from approximately \$654,000 in 2003. The majority of this increase involved increases in advertising, CE Marking expenses, conventions and seminars, labor-related costs and other promotion related expenses.

*Research and development.* Research and development expenses decreased 20.3% to approximately \$295,000 in the six months ended December 31, 2004 from approximately \$370,000 for the six months ended December 31, 2003. The majority of this decrease involved reductions in labor-related costs, consulting and laboratory supplies resulting from recently ended development projects and head-count reductions.

*General and administrative.* General and administrative expenses increased approximately \$93,500 or 17.4% to approximately \$634,000 in the six months ended December 31, 2004 from approximately \$540,000 for the six months ended December 31, 2003, primarily due to increases in merger-related expenses, outside services and equipment lease expense.

*Interest expense.* Interest expense increased 295.8% to approximately \$190,000 in the six months ended December 31, 2004 from approximately \$48,000 for the six months ended December 31, 2003 due primarily to the accretion of discount on the Bridge Note payable to Genesis.

### **Liquidity and Capital Resources**

The Company has \$425,295 of cash at December 31, 2004 compared to \$255,223 at December 31, 2003 and has not repaid a loan of \$291,121 due on January 31, 2005. Cash provided by operating activities was \$91,943 for the six months ended December 31, 2004 compared to cash used in operating activities of \$98,608 during the prior year's comparable period. This change compared to the year earlier period resulted primarily from a decrease

in accounts receivable and an increase in accounts payable partially offset by an increase in inventories. The Company believes that uncollectible accounts receivable will not have a significant effect on future liquidity, as a significant portion of its accounts receivable are due from financially sound enterprises.

Net cash used in investing activities, the purchase of equipment, was \$12,635 in the six months ended December 31, 2004 compared to \$5,809 for the year earlier period. The increase was mainly attributable to increased spending on refrigeration and manufacturing equipment and computers.

Net cash used in financing activities amounted to \$131,043 during the six months ended December 31, 2004 compared to cash provided by financing activities of \$28,399 for the year earlier period. This change compared to the year earlier period was primarily due to a substantial decrease in the proceeds from notes payable as a result of the Company's reduced borrowing capacity pursuant to restrictions imposed by its existing bank loan agreements.

Historically, we have financed our operations primarily through long-term debt and by sales of common and preferred stock. Other than sales of stock to our employees through our Employee Stock Purchase Plan, no common or preferred stock was sold in the six month periods ended December 31, 2004 or 2003.

We have also financed operations through sales of diagnostic products and agreements with strategic partners. Accounts receivable decreased 6.5% to \$779,547 at December 31, 2004 from \$834,153 at December 31, 2003 primarily as a result the accelerated collection of certain accounts.

Our future capital requirements will depend on a number of factors, including the ability to complete new equity or debt financing, the possible redemption of common stock, our profitability or lack thereof, the rate at which we grow our business and our investment in proprietary research activities, the ability of our current and future strategic partners to fund outside research and development activities, our success in increasing sales of both existing and new products and collaborations, expenses associated with unforeseen litigation, regulatory changes, competition, technological developments, general economic conditions and potential future merger and acquisition activity. Our principal sources of liquidity have been, cash raised from the private sale of redeemable common and common stock, the Bridge Note from Genesis, and long-term debt financing. Since the Takeout Financing and the planned merger with Genesis did not occur, and if we are required to repurchase our redeemable common stock or repay our variable rate bank note, we will need to implement new expense reductions and seek new debt agreements and/or sell additional equity securities in fiscal year 2005 to generate additional operating capital, to develop the markets and obtain the regulatory approvals for our products in the United States, and to pursue all of our strategic objectives. As a result, the Company announced in January 2005 the engagement of Ascendant Securities for investment banking services. Specifically, Ascendant and the Company will explore the possibility of completing an institutional private placement of the Company's common or preferred stock. The variable note payable to a bank was due in full at January 31, 2005. The Company has not repaid the loan nor have we had any discussions with the bank since early January. It is the intention of the Company to attempt to convert this loan to a term loan with a due date of three to five years. There is no assurance that the bank will agree to such terms in which case a near-term infusion of capital will be necessary to satisfy this note. Since the Company needs additional financing to meet our debt requirements, there is no assurance that we will be able to obtain such financing on terms satisfactory to us, if at all. Alternatively, any additional equity financing may be dilutive to existing stockholders, and debt financing, if available, may include restrictive covenants. If adequate funds are not available, we might be required to limit our research and development activities or our selling, marketing and administrative activities any of which could have a material adverse effect on the future of the business. We believe that our current availability of cash, working capital, future proceeds from the issuance of common or preferred stock and debt financing and expected cash flows from operations resulting from, if necessary, further expense reductions, will be adequate to meet our ongoing needs for at least the next twelve months. Management believes that the successful completion of an equity or debt financing, referred to above, will be necessary to meet the Company's expected debt service. However, as stated above, additional financing cannot be assured. The effects on the financial statements of not obtaining suitable financing cannot be determined.

Certain of the notes payable restrict the payment of dividends on the Company's common stock. Notes payable consist of the following at December 31, 2004 and June 30, 2004:

	<u>December 31, 2004</u>	<u>June 30, 2004</u>
Bridge Note payable to Genesis Bioventures, Inc., net of discount of \$267,072 and \$415,199. See discussion of terms below.	\$ 202,928	84,801
Note payable to a bank, with interest at prime plus 2.75% (7.0% at June 30, 2004), due in monthly installments of principal and interest of \$13,369 through January 2007, collateralized by commercial security agreements and a key man life insurance policy.	301,454	369,351
Variable Rate Loan payable to a bank, with interest at prime plus 1.0% (minimum rate of 5.5%), due in monthly installments of principal and interest through January 2005. This loan payable is collateralized by accounts receivable and inventory and is an extension and conversion of a revolving credit agreement with the same bank which matured on March 31, 2004. *	291,121	292,507
Notes payable, unsecured, to former preferred stockholders, with interest at 17%, due on demand. At December 31, 2004 and June 30, 2004, the Company was in default on these notes.	60,774	61,774
	<u>856,277</u>	<u>808,433</u>
Less current portion	(580,875)	(569,988)
Notes payable, excluding current portion	<u>\$ 275,402</u>	<u>238,445</u>

\* The variable note payable to a bank was due in full at January 31, 2005. The Company has not repaid the loan nor have we had any discussions with the bank since early January. No demand for repayment has been made. It is the intention of the Company to attempt to convert this loan to a term loan with a due date of three to five years. There is no assurance that the bank will agree to such terms in which case a near-term infusion of capital will be necessary to satisfy this note. Since the Company needs additional financing to meet our debt requirements, there is no assurance that we will be able to obtain such financing on terms satisfactory to us, if at all. The effects on the financial statements of not obtaining suitable financing cannot be determined.

Aggregate maturities of notes payable by year, net of discount amount of \$267,072 as of December 31, 2004, are as follows:

Years ending June 30:	
2005	\$ 414,905
2006	364,462
2007	<u>343,982</u>
	1,123,349
Less unaccrued discount on Bridge Note	<u>267,072</u>
Net maturities	\$ 856,277

The carrying values of notes payable approximate fair value based on their terms and floating market based interest rates.

As described in Note 1, On March 24, 2004, Genesis advanced \$500,000 to Corgenix, which is represented by the Bridge Note. As a result of the termination of the Merger Agreement, the note has converted to a fixed two-year term note bearing interest at the prime rate in effect as of the date of termination of the Merger Agreement, or 5.25%. The note is fully-amortized over four semi-annual payments of principal and accrued interest, with the first payment expected to be due six months after the January 31, 2004 merger termination date; however, the note is convertible, at the election of Genesis, into Corgenix common stock at a conversion price of \$.568 per share. On January 14, 2005 Corgenix terminated the Amended and Restated Agreement and Plan of Merger with Genesis Bioventures, Inc. due to the lack of progress towards the completion of the \$6,000,000 merger-related financing and the expiration of key dates within the Merger Agreement (as amended). The termination of the Agreement is not a breach by either party, thus no penalty for termination of the merger will apply. The market value of the Company's stock was in excess of the potential conversion price at the date the note was executed, resulting in a beneficial

conversion feature of approximately \$660,000. As required by Emerging Issues Task Force Bulletin 98-5, the entire proceeds of the Bridge Note were credited to additional paid-in capital. The Bridge Note was recorded net of a \$500,000 discount, which is being accreted to interest expense over the expected term of the Bridge Note, using the effective interest method.

### **Item 3.**

#### **Controls and Procedures**

Evaluation of disclosure controls and procedures. The Company, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, on February 8, 2005 (the "Evaluation Date") carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 240.13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the Company's disclosure controls and procedures were effective for the purposes of recording, processing, summarizing and timely reporting information required to be disclosed by the Company in the reports that it files under the Securities Exchange Act of 1934 and that such information is accumulated and communicated to the Company's management in order to allow timely decisions regarding required disclosure.

Changes in internal controls. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect the Company's disclosure controls and procedures subsequent to the Evaluation Date, nor were there any significant deficiencies or material weaknesses in the Company's internal controls.

#### **Forward-Looking Statements and Risk Factors**

This 10-QSB includes statements that are not purely historical and are "forward-looking statements" within the meaning of Section 21E of the Securities Act of 1934, as amended, including statements regarding our expectations, beliefs, intentions or strategies regarding the future. All statements other than historical fact contained in this 10-QSB, including, without limitation, statements regarding future product developments, acquisition strategies, strategic partnership expectations, technological developments, the availability of necessary components, research and development programs and distribution plans, are forward-looking statements. All forward-looking statements included in this 10-QSB are based on information available to us on the date hereof, and we assume no obligation to update such forward-looking statements. Although we believe that the assumptions and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct or that we will take any actions that may presently be planned.

Certain factors that could cause actual results to differ materially from those expected include the following:

#### **Merger-related charges were incurred.**

Corgenix estimates that, in pursuing the proposed merger with Genesis, the company has thus far incurred approximately \$100,000 in certain merger-related expenses consisting of legal, accounting fees, valuation, and other related charges. The foregoing amounts are preliminary estimates and the actual amounts may be higher or lower. In addition, these merger-related expenses are, per agreement with Genesis, to be shared equally with Genesis and thus, approximately half of said expenses would be reimbursed by Genesis or offset against the Bridge Note. Corgenix and Genesis are currently discussing the details of such expense sharing and the management of Corgenix expects that the amounts due from Genesis will be offset against the amount due on the Bridge Note.

#### **We continue to incur losses and the Company requires additional financing.**

We have incurred operating losses and negative cash flow from operations for most of our history. Losses incurred since our inception have aggregated \$5,189,125 and there can be no assurance that we will be able to generate positive cash flows or raise the necessary capital to fund our operations in the future or to pursue our strategic objectives. The variable note payable to a bank was due in full at January 31, 2005. The Company has not repaid the loan nor have we had any discussions with the bank since early January. It is the intention of the Company to

attempt to convert this loan to a term loan with a due date of three to five years. There is no assurance that the bank will agree to such terms in which case a near-term infusion of capital will be necessary to satisfy this note. We believe that our current availability of cash, working capital, future proceeds from the issuance of common or preferred stock and debt financing and expected cash flows from operations resulting from, if necessary, further expense reductions, will be adequate to meet our ongoing needs for at least the next twelve months. Since the Company needs additional financing to meet our debt requirements, there is no assurance that we will be able to obtain such financing on terms satisfactory to us, if at all. Alternatively, any additional equity financing may be dilutive to existing stockholders, and debt financing, if available, may include restrictive covenants. If adequate funds are not available, we might be required to limit our research and development activities or our selling, marketing and administrative activities any of which could have a material adverse effect on the future of the business. The effects of such actions on our financial statements cannot be determined.

**We depend upon collaborative relationships and third parties for product development and commercialization.**

We have historically entered into research and development agreements with collaborative partners, from which we derived revenues in past years. Pursuant to these agreements, our collaborative partners have specific responsibilities for the costs of development, promotion, regulatory approval and/or sale of our products. We will continue to rely on future collaborative partners for the development of products and technologies. There can be no assurance that we will be able to negotiate such collaborative arrangements on acceptable terms, if at all, or that current or future collaborative arrangements will be successful. To the extent that we are not able to establish such arrangements, we could be forced to undertake such activities at our own expense. The amount and timing of resources that any of these partners devotes to these activities will generally be based on progress by us in our product development efforts. Collaborative arrangements may be terminated by the partner upon prior notice without cause and there can be no assurance that any of these partners will perform its contractual obligations or that it will not terminate its agreement. With respect to any products manufactured by third parties, there can be no assurance that any third-party manufacturer will perform acceptably or that failures by third parties will not delay clinical trials or the submission of products for regulatory approval or impair our ability to deliver products on a timely basis.

**There can be no assurance of successful or timely development of additional products.**

Our business strategy includes the development of additional diagnostic products for the diagnostic business. Our success in developing new products will depend on our ability to achieve scientific and technological advances and to translate these advances into commercially competitive products on a timely basis. Development of new products requires significant research, development and testing efforts. We have limited resources to devote to the development of products and, consequently, a delay in the development of one product or the use of resources for product development efforts that prove unsuccessful may delay or jeopardize the development of other products. Any delay in the development, introduction and marketing of future products could result in such products being marketed at a time when their cost and performance characteristics would not enable them to compete effectively in their respective markets. If we are unable, for technological or other reasons, to complete the development and introduction of any new product or if any new product is not approved or cleared for marketing or does not achieve a significant level of market acceptance, our ability to remain competitive in our product niches would be impaired.

**Competition in the human medical diagnostics industry is, and is expected to remain, significant.**

Our competitors range from development stage diagnostics companies to major domestic and international pharmaceutical companies. Many of these companies have financial, technical, marketing, sales, manufacturing, distribution and other resources significantly greater than ours. In addition, many of these companies have name recognition, established positions in the market and long standing relationships with customers and distributors. Moreover, the diagnostics industry has recently experienced a period of consolidation, during which many of the large domestic and international pharmaceutical companies have been acquiring mid-sized diagnostics companies, further increasing the concentration of resources. There can be no assurance that technologies will not be introduced that could be directly competitive with or superior to our technologies.

**Our products and activities are subject to regulation by various governments and government agencies.**

The testing, manufacture and sale of our products is subject to regulation by numerous governmental authorities, principally the United States Food and Drug Administration, referred to as the FDA, and certain foreign regulatory agencies. Pursuant to the Federal Food, Drug, and Cosmetic Act, and the regulations promulgated there under, the FDA regulates the preclinical and clinical testing, manufacture, labeling, distribution and promotion of medical devices. We are limited in our ability to commence marketing or commercial sales in the United States of new products under development until we receive clearance from the FDA. The testing for, preparation of and subsequent FDA regulatory review of required filings can be a lengthy, expensive and uncertain process. Noncompliance with applicable requirements can result in, among other consequences, fines, injunctions, civil penalties, recall or seizure of products, repair, replacement or refund of the cost of products, total or partial suspension of production, failure of the government to grant pre-market clearance or pre-market approval for devices, withdrawal of marketing clearances or approvals, and criminal prosecution.

There can be no assurance that we will be able to obtain necessary regulatory approvals or clearances for our products on a timely basis, if at all, and delays in receipt of or failure to receive such approvals or clearances, the loss of previously received approvals or clearances, limitations on intended use imposed as a condition of such approvals or clearances or failure to comply with existing or future regulatory requirements could negatively impact our sales and thus have a material adverse effect on our business.

As a manufacturer of medical devices for marketing in the United States, we are required to adhere to applicable regulations setting forth detailed good manufacturing practice requirements, which include testing, control and documentation requirements. We must also comply with Medical Device Report (MDR) requirements, which require that a manufacturer reports to the FDA any incident in which its product may have caused or contributed to a death or serious injury, or in which its product malfunctioned and, if the malfunction were to recur, it would be likely to cause or contribute to a death or serious injury. We are also subject to routine inspection by the FDA for compliance with Quality System Regulations (QSR) requirements, MDR requirements and other applicable regulations. Labeling and promotional activities are subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. We may incur significant costs to comply with laws and regulations in the future, which would decrease our net income or increase our net loss and thus have a potentially material adverse effect upon our business, financial conditions and results of operations.

Distribution of diagnostic products outside the United States is subject to extensive foreign government regulation. These regulations, including the requirements for approvals or clearance to market, the time required for regulatory review and the sanctions imposed for violations, vary from country to country. We may be required to incur significant costs in obtaining or maintaining foreign regulatory approvals. In addition, the export of certain of our products that have not yet been cleared for domestic commercial distribution may be subject to FDA export restrictions. Failure to obtain necessary regulatory approval or the failure to comply with regulatory requirements could reduce our product sales and thus have a potentially material adverse effect on our business, financial condition and results of operations.

**We depend upon distribution partners for sales of diagnostic products in international markets.**

We have entered into distribution agreements with collaborative partners in which we have granted distribution rights for certain of our products to these partners within specific international geographic areas. Pursuant to these agreements, our collaborative partners have certain responsibilities for market development, promotion, and sales of the products. If any of these partners fails to perform its contractual obligations or terminates its agreement, this could have a reduce our sales and cash flow and thus have a potentially material adverse effect on our business, financial condition and results of operations.

**Third party reimbursement for purchases of our diagnostic products is uncertain.**

In the United States, health care providers that purchase diagnostic products, such as hospitals and physicians, generally rely on third party payers, principally private health insurance plans, federal Medicare and state Medicaid, to reimburse all or part of the cost of the purchase. Third party payers are increasingly scrutinizing and challenging the prices charged for medical products and services and they can affect the pricing or the relative attractiveness of the product. Decreases in reimbursement amounts for tests performed using our diagnostic products, failure by physicians and other users to obtain reimbursement from third party payers, or changes in government and private third party payers' policies regarding reimbursement of tests utilizing diagnostic products, may affect our ability to sell our diagnostic products profitably. Market acceptance of our products in international

markets is also dependent, in part, upon the availability of reimbursement within prevailing health care payment systems.

**Our success depends, in part, on our ability to obtain patents and license patent rights, to maintain trade secret protection and to operate without infringing on the proprietary rights of others.**

There can be no assurance that our issued patent will afford meaningful protection against a competitor, or that patents issued or assigned to us will not be infringed upon or designed around by others, or that others will not obtain patents that we would need to license or design around. We could incur substantial costs in defending the Company or our licensees in litigation brought by others. The potential for reduced sales and increased legal expenses would have a negative impact on our cash flow and thus our overall business could be adversely affected.

**We may not be able to successfully implement our plans to acquire other companies or technologies.**

Our growth strategy may include the acquisition of complementary companies, products or technologies. There is no assurance that we will be able to identify appropriate companies or technologies to be acquired, to negotiate satisfactory terms for such an acquisition, or to obtain sufficient capital to make such acquisitions. Moreover, because of limited cash resources, we will be unable to acquire any significant companies or technologies for cash and our ability to effect acquisitions in exchange for our capital stock may depend upon the market prices for our common stock, which could result in significant dilution to its existing stockholders. If we do complete one or more acquisitions, a number of risks arise, such as disruption of our existing business, short-term negative effects on our reported operating results, diversion of management's attention, unanticipated problems or legal liabilities, and difficulties in the integration of potentially dissimilar operations. Any of these factors could materially harm Corgenix's business or its operating results.

**We depend on suppliers for our products' components.**

The components of our products include chemical and packaging supplies that are generally available from several suppliers, except certain antibodies, which we purchase from single suppliers. We mitigate the risk of a loss of supply by maintaining a sufficient supply of such antibodies to ensure an uninterrupted supply for at least three months. We have also qualified second vendors for all critical raw materials and believe that we can substitute a new supplier with respect to any of these components in a timely manner. If, for some reason, we lose our main supplier for a given material, there can be no assurances that we will be able to substitute a new supplier in a timely manner and failure to do so could impair the manufacturing of certain of our products and thus have a material adverse effect on our business, financial condition and results of operations.

**We have only limited manufacturing experience with certain products.**

Although we have manufactured over twelve million diagnostic tests based on our proprietary applications of ELISA (enzyme linked immuno-absorbent assay) technology, certain of our diagnostic products in consideration for future development, incorporate technologies with which we have limited manufacturing experience. Assuming successful development and receipt of required regulatory approvals, significant work may be required to scale up production for each new product prior to such product's commercialization. There can be no assurance that such work can be completed in a timely manner and that such new products can be manufactured cost-effectively, to regulatory standards or in sufficient volume.

**Due to the specialized nature of our business, our success will be highly dependent upon our ability to attract and retain qualified scientific and executive personnel.**

We believe our success will depend to a significant extent on the efforts and abilities of Dr. Luis R. Lopez and Douglass T. Simpson, who would be difficult to replace. There can be no assurance that we will be successful in attracting and retaining such skilled personnel, who are generally in high demand by other companies. The loss of, inability to attract, or poor performance by key scientific and executive personnel may have a material adverse effect on our business, financial condition and results of operations.

**The testing, manufacturing and marketing of medical diagnostic devices entails an inherent risk of product liability claims.**

To date, we have experienced no product liability claims, but any such claims arising in the future could have a material adverse effect on our business, financial condition and results of operations. Potential product liability claims may exceed the amount of our insurance coverage or may be excluded from coverage under the terms of our policy or limited by other claims under our umbrella insurance policy. Additionally, there can be no assurance that our existing insurance can be renewed by us at a cost and level of coverage comparable to that presently in effect, if at all. In the event that we are held liable for a claim against which we are not insured or for damages exceeding the limits of our insurance coverage, such claim could have a material adverse effect on our cash flow and thus potentially a materially adverse effect on our business, financial condition and results of operations.

**There has, to date, been no active public market for our common stock, and there can be no assurance that an active public market will develop or be sustained.**

Although our common stock has been traded on the OTC Bulletin Board® since May 1998, the trading has been sporadic with insignificant volume.

Moreover, the over-the-counter markets for securities of very small companies historically have experienced extreme price and volume fluctuations. These broad market fluctuations and other factors, such as new product developments, trends in our industry, the investment markets, economic conditions generally, and quarterly variation in our results of operations, may adversely affect the market price of our common stock. In addition, our common stock is subject to rules adopted by the Securities and Exchange Commission regulating broker-dealer practices in connection with transactions in “penny stocks.” Such rules require the delivery prior to any penny stock transaction of a disclosure schedule explaining the penny stock market and all associated risks and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors, which are generally defined as institutions or an investor with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with the spouse. For these types of transactions the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser’s written consent to the transaction prior to sale. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in securities subject to the penny stock rules.

**There are risks associated with fluctuating exchange rates.**

Our financial statements are presented in US dollars. At the end of each fiscal quarter and the fiscal year, we convert the financial statements of Corgenix UK, which operates in pounds sterling, into US dollars, and consolidate them with results from Corgenix, Inc. We may, from time to time, also need to exchange currency from income generated by Corgenix UK. Foreign exchange rates are volatile and can change in an unknown and unpredictable fashion. Should the foreign exchange rates change to levels different than anticipated by us, our business, financial condition and results of operations may be adversely affected.

# CORGENIX MEDICAL CORPORATION

## Part II

### Other Information

#### Item 1. Legal Proceedings

None.

#### Item 2. Changes in Securities and Use of Proceeds

None

#### Item 3. Defaults Upon Senior Securities

None

#### Item 4. Submission of Matters to a Vote of Security Holders

None

#### Item 5. Other Information

None

#### Item 6. Exhibits and Reports on Form 8-K.

##### a. Index to and Description of Exhibits

<b><u>Exhibit Number</u></b>	<b>Description of Exhibit</b>
2.1	Agreement and Plan of Merger dated as of March 12, 2004 by and among Genesis Bioventures, Inc., GBI Acquisition Corporation and Corgenix Medical Corporation.
2.2	Amended and Restated Agreement and Plan of Merger as of May 21, 2004 by and among Genesis Bioventures, Inc., GBI Acquisition Corporation and Corgenix Medical Corporation.
2.3	Amendment No. 1 to Amended and Restated Agreement and Plan of Merger as of October 15, 2004 by and among Genesis Bioventures, Inc., GBI Acquisition Corporation and Corgenix Medical Corporation.
2.4	Amendment No. 2 to Amended and Restated Agreement and Plan of Merger as of November 30, 2004 by and among Genesis Bioventures, Inc., GBI Acquisition Corporation and Corgenix Medical Corporation.
2.5	Amendment No. 3 to Amended and Restated Agreement and Plan of Merger as of December 9, 2004 by and among Genesis Bioventures, Inc., GBI Acquisition Corporation and Corgenix Medical Corporation.
2.6	Amendment No. 4 to Amended and Restated Agreement and Plan of Merger as of December 31, 2004 by and among Genesis Bioventures, Inc., GBI Acquisition Corporation and Corgenix Medical Corporation.

- 3.1 Articles of Incorporation, as amended (filed with the Company's Registration Statement on Form 10-SB filed June 29, 1998, and incorporated herein by reference).
- 3.2 Bylaws (filed with the Company's Registration Statement on Form 10-SB filed June 29, 1998, and incorporated herein by reference).
- 10.4 License Agreement dated June 30, 2001 between Chugai Diagnostic Science Co., Ltd. and Corgenix Medical Corporation (filed with the Company's Form 10-KSB, and incorporated herein by reference).
- 10.5 Office Lease dated May 5, 2001 between Crossroads West LLC/Decook Metrotech LLC and Corgenix, Inc. (filed with the Company's Form-10KSB, and incorporated herein by reference).
- 10.6 Guarantee dated November 1, 1997 between William George Fleming, Douglass Simpson and Geoffrey Vernon Callen (filed with the Company's Registration Statement on Form 10-SB filed June 29, 1998, and incorporated herein by reference).
- 10.7 Employment Agreement dated April 1, 2001 between Luis R. Lopez and the Company filed with the Company's Form 10-KSB, and incorporated herein by reference.
- 10.8 Employment Agreement dated April 1, 2001 between Douglass T. Simpson and the Company filed with the Company's Form 10-KSB, and incorporated herein by reference.
- 10.9 Employment Agreement dated April 1, 2001 between Ann L. Steinbarger and the Company filed with the Company's Form 10-KSB, and incorporated herein by reference.
- 10.10 Employment Agreement dated April 1, 2001 between Taryn G. Reynolds and the Company filed with the Company's Form 10-KSB, and incorporated herein by reference.
- 10.11 Employment Agreement dated April 1, 2001 between Catherine (O'Sullivan) Fink and the Company filed with the Company's Form 10-KSB, and incorporated herein by reference.
- 10.14 Note dated January 6, 1997 between REAADS Medical Products, Inc. and Eagle Bank (filed with the Company's Registration Statement on Form 10-SB filed June 29, 1998, and incorporated herein by reference).
- 10.15 Form of Indemnification Agreement between the Company and its directors and officers (filed with the Company's Registration Statement on Form 10-SB/A-1 filed September 24, 1998 and incorporated herein by reference).
- 10.16 Warrant agreement dated June 1, 2000 between the Company and Taryn G. Reynolds filed with the Company's Form 10-KSB, and incorporated herein by reference.
- 10.17 Employment Agreement dated March 1, 2001 between William H. Critchfield and the Company (filed with the Company's filing on Form 10-QSB for the fiscal quarter ended March 31, 2001).
- 10.19 Consulting Agreement dated September 29, 2002 between Eiji Matsuura, Ph.D and the Company filed with the Company's Form 10-QSB, and incorporated herein by reference.
- 10.20 License Agreement dated September 29, 2002 between Eiji Matsuura, Ph.D and the Company filed with the Company's Form 10-QSB, and incorporated herein by reference.
- 10.23 Amended and Restated 1999 Incentive Stock Plan.
- 10.24 Amended and Restated Employee Stock Purchase Plan.

- 10.28 Warrant Agreement dated October 11, 2001 between Phillips V. Bradford and the Company, filed with the Company's Form 10-QSB, and incorporated herein by reference.
- 10.29 Warrant Agreement dated October 11, 2001 between Charles F. Ferris and the Company filed with the Company's Form 10-QSB, and incorporated herein by reference.
- 10.30 Underlease Agreement dated October 3, 2001 between G.V. Callen, A.G. Pirmohamed and Corgenix UK, Ltd. filed with the Company's Form 10-QSB, and incorporated herein by reference.
- 10.31 Distribution and OEM Agreement dated March 14, 2002 between RhiGene, Inc. and the Company filed with the Company's Form 10-QSB, and incorporated herein by reference.
- 10.32\* License Agreement dated October 19, 2004 between McMaster University, Creative Clinical Concepts, Inc., and the Company.
- 21.1 Amended Subsidiaries of the Registrant (filed as Exhibit 21.1 to the Company's Registration Statement on Form 10-SB filed June 29, 1998).
- 31.1\* Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2\* Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002
- 31.3\* Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002
- 32.1\* Certification by Chief Executive Officer pursuant to 18 U.S.C. Section 1350, or adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2\* Certification by Principal Financial Officer pursuant to 18 U.S.C. Section 1350, or adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\* Filed Herewith

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**(b) Reports on Form 8-K.**

1. Form 8-K filed September 21, 2004 *Entry into Material Definitive Agreement*
2. Form 8-K filed October 21, 2004 *Entry into Material Definitive Agreement.*
3. Form 8-K filed January 4, 2005 *Entry into Material Definitive Agreement.*
4. Form 8-K filed January 14, 2005 *Termination of Material Definitive Agreement*
5. Form 8-K filed January 18, 2005 *Termination of Material Definitive Agreement*

**CERTIFICATIONS**

I, Luis R. Lopez, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Corgenix Medical Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b. Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c. Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of registrant's board of directors:
  - a. All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 14, 2005

/S/Luis R. Lopez  
Chief Executive Officer

**CERTIFICATIONS**

I, William H. Critchfield, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Corgenix Medical Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b. Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c. Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed , based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of registrant's board of directors:
  - a. All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 14, 2005

/S/William H. Critchfield

**CERTIFICATIONS**

I, Douglass T. Simpson, President, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Corgenix Medical Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of registrant's board of directors:
  - a. All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 14, 2005

/S/Douglass T. Simpson

President

**Exhibit 32.1**

**CERTIFICATION  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
SUBSECTIONS (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), I Douglass T. Simpson, President of Corgenix Medical Corporation, a Nevada corporation (the "Company"), does hereby certify with respect to the Quarterly Report of the Company on Form 10-QSB for the quarter ended December 31, 2004 as filed with the Securities and Exchange Commission (the "10-QSB Report") that:

- (i) the 10-QSB Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the 10-QSB Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 14, 2005

**This Certification is made solely for purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.**

**A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff request. This written statement shall not be deemed to be "filed" as part of the quarterly report on Form 10-QSB that it accompanies.**

/S/ Douglass T. Simpson  
President

**CERTIFICATION  
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002  
SUBSECTIONS (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), I William H. Critchfield, Chief Financial Officer of Corgenix Medical Corporation, a Nevada corporation (the "Company"), does hereby certify with respect to the Quarterly Report of the Company on Form 10-QSB for the quarter ended December 31, 2004 as filed with the Securities and Exchange Commission (the "10-QSB Report") that:

- (i) the 10-QSB Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) the information contained in the 10-QSB Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 14, 2005

**This Certification is made solely for purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.**

**A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff request. This written statement shall not be deemed to be "filed" as part of the quarterly report on Form 10-QSB that it accompanies.**

/S/ William H. Critchfield  
Chief Financial Officer

## **SIGNATURES**

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORGENIX MEDICAL CORPORATION

February 14, 2005

By: /s/ Luis R. Lopez  
Luis R. Lopez, M.D.  
Chairman and Chief Executive Officer

## LICENSE AGREEMENT

This agreement (the "Agreement") is made the 19th day of October, 2004 (the "Effective Date"), between **MCMMASTER UNIVERSITY**, an institution with a principal place of business at 1280 Main St. W. GH 306, Hamilton, Ontario L8S 4L8, Canada, (herein called "McMaster"), **CREATIVE CLINICAL CONCEPTS, INC** (hereinafter called "CCC"), a corporation with a principal place of business at 210 St. Paul Street, Suite 200, Denver, Colorado 80206, U.S.A., and **CORGENIX, INC.** (hereinafter called "Corgenix"), a corporation with a principal place of business at 12061 Tejon Street, Westminster, Colorado 80234, U.S.A.

WHEREAS, McMaster is the owner of the Technology (as defined herein below) and has the exclusive right to license and sublicense the Technology in the Territory (as defined herein below); and

WHEREAS, CCC is the owner of the trademark AspirinWorks®; and

WHEREAS, Corgenix is engaged in the business of developing, securing regulatory approval for, manufacturing, marketing and distributing diagnostic tests and related products worldwide; and

WHEREAS, CCC and Corgenix (hereinafter called the "Licensees") wish to license the Technology for the purpose of developing and commercializing products using the Technology within the permitted Field-of-Use (as defined herein below), subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties agree as follows:

### DEFINITIONS

**"Confidential Information"** means any part of the information which is designated by McMaster as confidential, whether orally or in writing but excluding any part of the Information: a) possessed by the Licensees prior to receipt from McMaster, other than through prior disclosure by McMaster, as evidence by the Licensees' business records; b) published or available to the general public otherwise than through a breach of this Agreement; c) obtained by the Licensees from a third party with a valid right to disclose it, provided that said third party is not under a confidentiality obligation to McMaster; or d) independently developed by employees, agents or consultants of the Licensees who had no knowledge of or access to McMaster's Information as evidence by the Licensees' business records.

**"Date of First Commercial Sale"** means the date on which Licensed Product from a validated and verified lot manufactured according to Design Control (as defined herein below), is first sold to a non-subsidiary third party.

**"Design Control"** means the Licensees' product development process according to U.S. Code of Federal Regulations, Title 21, Part 820 – Quality System Regulations for Medical Devices, 1997.

**"Exchange Rate"**, unless otherwise specified, means the exchange rate from United States Dollars to Canadian Dollars, or Canadian Dollars to United States Dollars as published by the Canadian Imperial Bank of Commerce on the Effective Date.

**"Field-of-Use"** means healthcare screening.

**"Future Patent Expenses"** means all expenses incurred by McMaster in the filing and prosecution of patents related to the Technology (defined below) after the Effective Date.

**“Improvements”** means techniques or modifications related to the Patent Rights (as defined herein below) or Technical Information Rights (as defined herein below), developed or acquired by Licensees, whether patentable or unpatentable.

**“Licensed Process”** means any process or procedure that, but for the license granted herein, would infringe either Technical Information Rights or one or more claims in the Patent Rights.

**“Licensed Products”** means any product designed and developed by Licensees in the Field-of-Use that (a) if made, used, offered for sale, sold, imported, leased or otherwise disposed of in the Territory would, but for the license granted herein, infringe the Technical Information Rights or more claims of the Patent Rights, (b) is made by using Licensed Process, or (c) when used, practices Licensed Processes.

**“Net Sales”** means the total invoice price charged by Licensees to non-subsidiary third parties for the sale of the Licensed Products, less returns, freight charges, insurance premium and customary trade discounts actually taken, consumption tax or other taxes levied and customs duties.

**“Patent Rights”** means all rights of McMaster related to the Technology on the Effective Date (attached hereto as Schedule B).

**“Previously Incurred Patent Expenses”** means all expenses incurred by McMaster in the filing and prosecution of patents related to the Technology prior to the Effective Date, and attached hereto as Schedule A.

**“Technical Information Rights”** means all the rights of McMaster in and to all inventions, trade secrets, copyrights, research data, methods, processes, know-how and other technical data related to the Technology, whether patentable or not, whether owned by or licensed to McMaster, existing as of the Effective Date.

**“Technology”** means all technology related to or associated with technology generally referred to by McMaster as ‘Method and Device for Predicting Cardiovascular Events’ and as described in McMaster file # 03-036 (attached hereto as Schedule C)

**“Territory”** means worldwide.

## LICENSE

1. **Grant.** Subject to the terms and conditions of this Agreement, McMaster hereby grants to Licensees an exclusive license under the Patent Rights and to the Technical Information Rights to make, have made, use, offer to sell, sell, import, lease or otherwise dispose of Licensed Products, within the Field-of-Use and Territory, and to practice the Licensed Process in connection with the design, development and manufacture of the Licensed Product during the term of this Agreement. Nothing herein shall prevent McMaster or the inventors from using the Patent Rights or Technical Information Rights for further academic research and education purposes. McMaster will retain the right to present and publish accounts of its research and all information relating to the Patent Rights or Technical Information Rights, with prior written consent of Licensees to prevent the premature public disclosure of commercializable intellectual property or disclosure of the Licensees’ confidential information.
2. **Reserved Rights.** Subject to the grant of the exclusive license set forth above, Licensees acknowledge that McMaster retains any rights not expressly granted to Licensees in Article 1 above, including without limitation to the right to use the Patent Rights and Technical Information Rights for research, scholarly publication, education, or other non-commercial purposes. McMaster will be free to publish the data and results of any research projects in appropriate scientific journals after providing a copy of the manuscript to the Licensees and receiving written approval from the Licensees within sixty (60) days of manuscript submission to the Licensees, such approval not to be unreasonably withheld. In publishing research results, McMaster will undertake all reasonable measures to protect the commercial potential of the Technology to

ensure that the patent interests of the Licensees or McMaster are not adversely affected or jeopardized. If requested in writing by the Licensees, McMaster will defer publication for a maximum period of six (6) months for the purpose of obtaining appropriate intellectual property protection. Licensees shall not, at any time, do or suffer to be done any act or thing which may in any way adversely affect any rights of McMaster in and to the Patent Rights or Technical Information Rights or any registrations thereof or which, directly or indirectly, may reduce the value of the Patent Rights or Technical Information Rights.

McMaster retains the nonexclusive right to use of the Improvements for further non-commercial academic research and educational purposes. Details of any Improvements shall be reported to McMaster as provided in Article 23(b).

3. Sublicensing. Licensees may sublicense the rights granted pursuant to this Agreement provided that: (i) Licensees obtain McMaster's prior written consent, which consent shall not be unreasonably withheld; (ii) McMaster shall receive such revenue or royalty payment as is provided in Article 4 below; and (iii) any such sublicense shall not derogate in any way the obligations of Licensees hereunder and all such sublicenses shall be granted on terms not any less favorable than are contained in this Agreement. The parties acknowledge that Licensees may choose to distribute Licensed Products through third party-contracted distributors which shall not be deemed to be an assignment or sublicense subject to this provision provided such distributors are not using the Patent Rights or Technical Information Rights to manufacture or modify the Licensed Products.
  
4. Payments. In consideration of the license herein granted, Licensees shall pay or cause to be paid McMaster:
  - (a) An initial licensing fee (the "Initial License Fee") consisting of (i) USD \$5,000 cash, (ii) two thousand (2,000) shares of common stock of CCC ("CCC Common Stock"), and (iii) a number of shares of Corgenix Medical Corporation ("Corgenix Common Stock") calculated by dividing USD \$4,000 by the volume weighted average price for the common stock of Corgenix Medical Corporation for the ten (10) days prior to the Effective Date. The Initial Licensing Fee, including issuance of appropriate stock certificates, is payable within ninety (90) days following execution of this Agreement. The Initial License Fee is non-refundable and is required to reimburse McMaster for its costs of developing and licensing the Technology;
  
  - (b) Royalties on Net Sales of Licensed Products sold by Licensees in the Territory, according to the following schedule:
    - 5% royalty on Net Sales within first year after the Date of First Commercial Sale;
    - 6% royalty on Net Sales within the second year after the Date of First Commercial Sale;
    - 7% royalty on Net Sales within the third year after the Date of First Commercial Sale;
    - 8% royalty on Net Sales within the fourth year after the Date of First Commercial Sale; and
    - 9% royalty on Net Sales after the fourth year after the Date of First Commercial Sale.

Where Licensed Products are not sold separately, but are sold in combination with or as parts or components of other products, the royalties on the Licensed Products shall be calculated for the purpose of computing payments due under this Agreement by applying to the royalty of the combined or composite products a fractional multiplier having as its numerator the manufacturing cost (the "Licensed Product Manufacturing Cost") of the Licensed Product, and as its denominator the total manufacturing cost of the combined or composite products (determined in accordance with the Licensee's customary accounting procedures) including the Licensed Product.

Minimum annual royalties shall be paid by Licensees to McMaster, such minimum royalty payments shall be non-refundable except that the amount by which the minimum royalty exceeds the royalties calculated pursuant to Article 4(b) above in that year shall be credited against such royalties in the subsequent year. Minimum annual royalties shall be paid according to the following schedule, based on the Date of First Commercial Sale:

- Minimum annual royalties of USD \$750 in the first year after the Date of First Commercial Sale;
- Minimum annual royalties of USD \$3,000 in the second year after the Date of First Commercial Sale;
- Minimum annual royalties of USD \$7,000 in the third year after the Date of First Commercial Sale;
- Minimum annual royalties of USD \$24,000 in the fourth year after the Date of First Commercial Sale; and
- Minimum annual royalties of USD \$45,000 in the fifth year after the Date of First Commercial Sale and each year thereafter.

The minimum annual royalties shall not exceed USD \$7,000 per year until which time McMaster has received allowance for either a) Patent Application No. 1 or b) Patent Application No. 3, as defined in the Patent Rights in Schedule B.

Royalties payable to McMaster hereunder shall be paid quarterly within 90 days following the close of the calendar quarter.

Licensee shall pay any applicable withholding taxes. Each payment shall be accompanied by a statement of account of the payments due hereunder and the number of Licensed Products sold, licensed or otherwise provided, the dates thereof and the terms of sale.

In the event that the License fails to make any payment when such payment is due hereunder, the amount of such payment shall bear interest at the rate equal to the minimum lending rate to prime commercial borrowers established by McMaster's banker plus one percent (1%) calculated from the date due until the date paid provided that the payment of such interest shall not be deemed an alternate for the sums owing on the due dates which payments shall be deemed to be in default and remain subject to the termination provisions herein.

c) Tag Along Rights.

- i. CCC Common Stock. Except for open market transactions, in the event that any shareholder of CCC proceeds to transfer to a third party holdings equal to more than 5% of the outstanding shares of an as-converted basis, McMaster shall have the right to participate pro rata and on the same terms in the transfer.
- ii. Corgenix Common Stock. McMaster will have the right to participate pro rata and on the same terms in the transfer as the merger agreement between Genesis Bioventures Inc and Corgenix, made on March 12, 2004, in which Genesis will issue 14 million shares of its common stock in exchange for 100% of Corgenix shares outstanding in a transaction valued at approximately USD \$10 million based on GBI's closing stock price on 15 March 2004.

5. Information Rights. Licensees shall prepare and maintain complete and accurate books and records covering all transactions arising out of or relating to this Agreement or the carrying on of its business in respect of the Licensed Products.

Within 120 days after the end of each fiscal year, Licensees shall provide progress reports of the status of its operations with respect to the Licensed Products.

McMaster and its duly authorized representatives shall have the right, upon giving Licensees five (5) days notice, at its own expense and during regular business hours, for the duration of the Agreement and for two (2) years thereafter, to inspect and audit Licensees' records relating to the Technology licensed under this Agreement.

6. Patents. McMaster will own and manage the prosecution of all patent applications giving rise to Patent Rights, including all patents for improvements. Notwithstanding McMaster's rights under this Article 6, McMaster and the Licensees agree to coordinate the planning and execution of patent management, including but not limited to, decisions on when and where to file patents, and selection of outside vendors providing services related to patent management. Prior to committing to any patent management expense which the Licensees will be required to reimburse, McMaster shall provide the Licensees with estimated details of such expenses, and the Licensees shall have the right to review and discuss such expenses in advance with McMaster. The parties agree that it is in the best interest of all parties that the patent management expenses be reasonable.

The Licensees shall reimburse McMaster for Previously Incurred Patent Expenses as follows:

- USD \$3,250 three (3) months after the Effective Date;
- USD \$3,250 six (6) months after the Effective Date;
- USD \$3,250 nine (9) months after the Effective Date; and
- The unpaid balance of the total Previously Incurred Patent Expenses twelve (12) months after the Effective Date.

The Licensees shall reimburse McMaster within sixty (60) days of receiving proper documentation of any expense for future patent application prosecution costs including issuance fees and maintenance fees in connection with Patent Rights in the Field-of-Use and Territory, until the point of allowance or to the point of a necessary appeal from a final rejection by the United States Patent and Trademark Office or the equivalent bodies in countries other than the United States, provided that the Licensees had been provided prior notification of such expenses as provided for in this Article 6. The Licensees will ensure proper patent marking for all Licensed Products subject to patent protection.

7. Further Assurances. Licensees shall execute any documents, reasonably requested by McMaster to confirm McMaster's and/or inventor's rights in and to the Technology and the respective rights of the Licensees pursuant to this Agreement. Licensees shall cooperate, at their expense, in connection with the filing and prosecution of applications to register any rights or interest in or to the Technology. If such applications and prosecutions are undertaken by Licensees, with McMaster's consent, then Licensees shall keep McMaster informed and provided with copies of filings and progress in connection with same in a timely and responsive manner.

8. Infringement.

- (a) Notice Regarding Infringement. Each party shall inform the other parties promptly in writing of any alleged infringement of the Patent Rights or the Technical Information Rights by a third party and of any available evidence thereof.
- (b) Rights of Licensees to Prosecute Suit. Licensees shall have the right, but shall not be obligated, to prosecute at their own expense all infringements of the Patent Rights and Technical Information, in furtherance of such right, McMaster hereby agrees that Licensees may include McMaster as a party plaintiff in any such suit, without expense to McMaster, provided, however that such right to bring such infringement action shall remain in effect only during such time as Licensees' license is exclusive. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of McMaster, which consent shall not be unreasonably withheld. Licensees shall indemnify McMaster against any order for costs that may be issued against McMaster in such proceedings. Any amount recovered in any such suit, action or proceeding whether by judgment or settlement shall be paid to or retained by the Licensees.
- (c) Right of McMaster to Prosecute Suit. If within six (6) months of having been notified of an alleged infringement in the Field-of-Use, Licensees shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought an infringement action or if Licensees shall notify McMaster at any time prior thereto of their intention not to bring suit against any alleged infringer in the Field-of-Use, then, McMaster shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Patent Rights in the Field-of-Use, and McMaster may, for such purposes, use the name of Licensees as party plaintiff if necessary. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into that would result in invalidity of a patent licensed to Licensees hereunder without the consent of Licensees, which consent shall not unreasonably be withheld. In the event that Licensees withhold their consent, Licensees shall indemnify McMaster against any costs associated with the defense against claims of patent invalidity. Any amount recovered in any such suit, action or proceeding whether by judgment or settlement shall be paid to or retained by McMaster.

9. Milestone and Performance Guarantees. The Licensees will use commercially reasonable efforts to develop, market, and sell the Licensed Products. In the event that McMaster is of the view that the Licensees are not using their best efforts, it may call for an evaluation to be conducted by a mutually agreed upon evaluator. If the evaluator determines that Licensees are not using commercially reasonable efforts, McMaster may, at its option, terminate the Agreement or change the rights granted pursuant to the Agreement from exclusive to non-exclusive, or restrict the Field-of-Use.

#### Schedule of Milestones and Performance Guarantees

- Net Sales of USD \$15,000 in the first year after the Date of First Commercial Sale;
- Net Sales of USD \$50,000 in the second year after the Date of First Commercial Sale;
- Net Sales of USD \$100,000 in the third year after the Date of First Commercial Sale;
- Net Sales of USD \$300,000 in the fourth year after the Date of First Commercial Sale; and
- Net Sales of USD \$500,000 in the fifth year after the Date of First Commercial Sale and each year thereafter.

The milestone for Net Sales shall not exceed USD \$100,000 per year until which time McMaster has received allowance for either a) Patent Application No. 1, or b) Patent Application No. 3, as described in Schedule B.

10. McMaster Representations and Warranties. McMaster warrants that it has the power and authority to enter into this Agreement and has no knowledge as to any third party claims regarding proprietary rights in the Technology or Patent Rights which would interfere with the rights granted under this Agreement.

11. Licensees Representations and Warranties. Licensees hereby represent and warrant as of the date hereof that:

(a) CCC is a corporation duly organized and validly existing under the laws of the State of Colorado and has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

(b) Corgenix is a corporation duly organized and validly existing under the laws of the State of Delaware and has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and to consummate the transactions contemplated hereby.

12. Disclaimer of Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTIONS 10 AND 11 HEREOF, NOTHING CONTAINED IN THIS AGREEMENT SHALL BE CONSTRUCTED AS: (A) A WARRANTY OR REPRESENTATION OF ANY PARTY AS TO THE VALIDITY, ENFORCEABILITY OR SCOPE OF ANY INTELLECTUAL PROPERTY RIGHT LICENSED HEREUNDER; (B) A WARRANTY OR REPRESENTATION THAT THE EXERCISE OF ANY OF THE RIGHTS GRANTED HEREUNDER WILL BE FREE FROM INFRINGEMENT OF THE INTELLECTUAL PROPERTY RIGHTS OF THIRD PARTIES; (C) AN AGREEMENT TO BRING OR PROSECUTE ACTIONS OR SUITS AGAINST THIRD PARTIES FOR INFRINGEMENT; OR (D) EXCEPT AS EXPRESSLY PROVIDED HEREIN, REQUIRING EITHER PARTY TO FILE AN APPLICATION FOR PATENT, SECURE ANY PATENT OR MAINTAIN ANY PATENT IN FORCE.

EXCEPT AS EXPRESSLY SET FORTH HEREIN, NO PARTY MAKES ANY EXPRESS WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MCMASTER MAKES NO WARRANTY AS TO THE SUFFICIENCY OR SUITABILITY FOR LICENSEES' USE OF THE PATENT RIGHTS OR THE TECHNICAL INFORMATION RIGHTS, AND NO PARTY ASSUMES ANY RESPONSIBILITY OR LIABILITY FOR LOSS OR DAMAGES, WHETHER DIRECT OR INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR SPECIAL, WHICH MAY ARISE OUT OF ANOTHER PARTY'S USE OF SUCH INFORMATION OR INTELLECTUAL PROPERTY TO DESIGN, MANUFACTURE OR FABRICATE PRODUCTS, OR WHICH MAY ARISE OUT OF SUCH OTHER PARTY'S SALE OF SUCH PRODUCTS DESIGNED, MANUFACTURED OR FABRICATED USING OR INCORPORATING SUCH INFORMATION OR INTELLECTUAL PROPERTY, AND EACH PARTY SHALL BE SOLELY RESPONSIBLE FOR THE QUALITY, PERFORMANCE, RELIABILITY AND SAFETY OF PRODUCTS MANUFACTURED BY OR FOR SUCH PARTY.

13. Indemnification.

(a) Indemnification by Licensees. Licensees shall at all times during the term of this Agreement and thereafter, defend, indemnify and hold harmless McMaster, its directors, officers, employees, agents and affiliates, from and against any and all liability, damage, loss, cost or expense of any kind whatsoever (including reasonable attorneys' fees) incurred by or imposed upon McMaster in connection with any and all claims, suits, actions, demands, proceedings, causes of action or judgments (including, without limitation, product liability claims) resulting from or arising out of the production, manufacture, use, marketing or sale of Licensed Products or Licensed Processes or Licensees' breach of any of its obligations hereunder. McMaster shall promptly notify Licensees of any such claims(s) of which

McMaster is aware. Licensees, at Licensee's sole expense, shall maintain control and direction of the defense of such claims brought against McMaster, provided, however, that McMaster shall have the right to participate in such defense at McMaster's expense. McMaster agrees to provide Licensees with any and all reasonable assistance which Licensees may request in connection with its defense of such claims.

- (b) Indemnification by McMaster. McMaster shall at all times during the term of this Agreement and thereafter, defend, indemnify and hold harmless Licensees, their directors, officers, employees, agents and affiliates, from and against any and all liability, damage, loss, cost or expense of any kind whatsoever (including reasonable attorneys' fees) incurred by or imposed upon Licensees in connection with any and all claims, suits, actions, demands, proceedings, causes of action or judgments against McMaster except for those arising from gross negligence or willful misconduct. Licensees shall promptly notify McMaster of any such claims(s) of which Licensees are aware. McMaster, at McMaster's sole expense, shall maintain control and direction of the defense of such claims brought against Licensees, provided, however, that Licensees shall have the right to participate in such defense at Licensee's expense. Licensees agree to provide McMaster with any and all reasonable assistance which McMaster may request in connection with its defense of such claims.
14. Insurance. The Licensees will be required to obtain insurance in amounts and on terms that a reasonable and prudent business person in a similar business would maintain. If any sublicenses are granted, sublicenses will be required to obtain similar insurance.
15. Confidentiality. The information shall be developed, received and used by the Licensees solely in furtherance of the purposes set forth in this Agreement subject to the terms and conditions set forth in this Article 15.
- (a) The Licensee shall keep and use all of the Confidential Information in confidence and will not, without McMaster's prior written consent, disclose any Confidential Information to any person or entity, except those of the Licensees' officers, employees and professional advisors who require said Confidential Information in performing their obligations under this Agreement. The Licensees covenant and agree that they will initiate and maintain an appropriate internal program limiting the internal distribution of the Confidential Information to only those officers, employees and professional advisors who require said Confidential Information in performing their obligations under this Agreement and who have signed confidentiality and nondisclosure agreements in a form approved by the Licensees' Boards of Directors.
  - (b) The Licensees shall not use, whether directly or indirectly, any Confidential Information for any purpose other than as set forth herein without McMaster's prior written consent.
  - (c) If either of the Licensees are required by judicial or administrative process to disclose any or all of the Confidential Information, the Licensees shall promptly notify McMaster and allow McMaster reasonable time to oppose such process before disclosing any Confidential Information.
16. Term. Unless sooner terminated pursuant to (a) or (b) below, the license herein granted shall commence on the Effective Date of this Agreement and continue until the date of expiry of the last to expire of any patents issued with the respect to the Technology.
- (a) Licensees shall have the right to terminate the license herein granted upon at least three (3) months written notice of such termination to McMaster.
  - (b) McMaster shall have the right to terminate the license herein granted for any of the following reasons:

- i. for any breach by Licensees of any of their obligations contained in this Agreement, which breach is not cured within thirty (30) days after written notice thereof by McMaster except that, where it is not possible to cure the breach within the said thirty (30) day period and proceeds diligently thereafter to cure the breach no later than a further sixty (60) days thereafter.
  - ii. Licensee fails to meet any of its milestones or performance requirements as provided in Article 9.
  - iii. Bankruptcy or insolvency of either Licensee or the appointment of a receiver or liquidator to take charge of the affairs of either Licensee or the making of an assignment for the benefit of either Licensee's creditors or the equivalent of any such proceedings or acts (whether known by some other name or term), effective immediately upon written notice to either Licensee.
17. Termination. The following provisions shall take effect upon the termination of this License:
  - (a) Such termination shall not release Licensees from their obligations with respect to the payment of royalties accrued up to the date of termination;
  - (b) Licensees shall forthwith following such termination deliver to McMaster a complete and accurate schedule of Licensees' inventory of completed and uncompleted Licensed Products on hand and all unfilled orders for the purchase of Licensed Products.
  - (c) Licensees may sell their inventory of work in progress and Licensed Products on hand on the date of termination but only pursuant to the terms of this Agreement;
  - (d) Licensees shall forthwith, and no later than thirty (30) days after termination, return free of charge to McMaster all written information and documents of whatever kind; including technical data, manuals, reports and programs only to the extent that it embodies, contains or specifically relates to the Technology; and
  - (e) Obligations under this Article and Articles 2, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21 and 22 shall survive such termination.
18. No Waiver. The failure of either McMaster or the Licensees to exercise its rights herein upon the occurrence of any breach by the other side of its obligations shall not in any event constitute a waiver of such rights if any such breach by the other side should reoccur.
19. Assignment. This Agreement and all its rights and privileges hereunder may not be assigned by McMaster or the Licensees without prior written consent of the other side, which consent shall not be unreasonably withheld. This Agreement and everything herein contained shall inure to the benefit of and be binding upon each of the parties hereto and upon their respective successors and permitted assigns.
20. Jurisdiction. This Agreement shall be constructed in accordance with the laws of the Province of Ontario.
21. Dispute Resolution. McMaster and the Licensees shall use their best efforts to settle in a fair and reasonable manner any dispute arising in connection with Agreement. If such dispute cannot be settled between McMaster and the Licensees, it shall be first submitted to mediation by a mediator chosen jointly by the two sides. In the event that mediation does not bring a resolution of the dispute within thirty (30) days, the dispute shall be submitted to arbitration before a single

arbitrator pursuant to the Arbitration Act of Ontario and the schedules thereto (as amended from time to time).

22. Relationship between the Parties. McMaster and the Licensees are not and shall not be considered to be joint ventures, partners or agents of each other and neither shall have the power to bind or obligate the other except as set forth in this Agreement.
23. Licensee Covenants. The Licensees will be required to:
- (a) Keep McMaster advised of any changes of jurisdiction applicable to itself;
  - (b) Provide McMaster, every six months, with details of any improvements they have made or acquired;
  - (c) Pay all taxes relating to activities under the License Agreement; and
  - (d) Not use McMaster's name or trade-marks without prior written consent of McMaster, which consent shall not be unreasonably withheld.
24. Notice. All notices, demands or other communications required to be made or given pursuant to the terms of this Agreement shall be in writing and shall be delivered personally, by courier or by prepaid first class post, to the parties at their respective addresses as hereinafter set out, or such other addresses as the parties may subsequently advise in writing. The following shall be the addresses for the delivery of notices to each of the parties.

McMaster: McMaster University  
Office of Research Contracts and Intellectual Property  
1280 Main Street West, GH 306  
Hamilton, Ontario L8S 4L8  
CANADA  
Attention: Mr. Marcel Mongeon, Executive Director

Licensees: Creative Clinical Concepts  
210 St. Paul Street, Suite 200  
Denver, CO 80206  
USA  
Attention: Mr. Gordon Ens, President

Corgenix, Inc.  
12061 Tejon Street  
Westminster, CO 80234  
USA  
Attention: Mr. Douglass T. Simpson, President

- signature page follows -

IN WITNESS WHEREOF the parties hereto have executed this Agreement as an instrument under seal.

SIGNED, SEALED AND DELIVERED  
**MCMASTER UNIVERSITY**

s/ Marcel Mongeon  
Name: Marcel Mongeon  
Title: Executive Director & Legal Counsel

Date: November 6, 2004

**CREATIVE CLINICAL CONCEPTS, INC.**

s/ Gordon Ens  
Name: Gordon Ens  
Title: President

Date: October 19, 2004

**CORGENIX, INC.**

s/ Douglass T. Simpson  
Name: Douglass T. Simpson  
Title: President

Date: October 19, 2004

SCHEDULE A

Previously Incurred Patent Expenses

Total Expenses as of the Effective Date - \$ 17,535.92 CDN

<u>Exp Date</u>	<u>Exp Amount</u>	<u>Company</u>	<u>Expense Description</u>	<u>Detail Amount</u>
03/17/2003	10,936.88	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	7,999.88
			Patent Fee	2,937.00
05/26/2003	308.18	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	308.18
06/23/2003	114.33	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	114.33
12/29/2003	1,878.48	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	1,878.48
02/18/2004	204.11	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	204.11
05/20/2004	1,548.67	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	986.17
			Patent Fee	562.50
05/20/2004	1,161.09	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	598.59
			Patent Fee	562.50
05/31/2004	260.55	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	260.55
06/29/2004	455.92	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	455.92
06/22/2004	417.05	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	417.05
08/23/2004	250.66	Gowling Lafleur Henderson LLP (Hamilton)	Legal Fees	250.66
				<hr/>
				<b>\$17,535.92</b>

## **SCHEDULE B**

### **Patent Rights**

1. Title: Method and device used to predict the future incident of myocardial infarction, stroke or cardiovascular death for patients taking aspirin; US Continuation in Part Application No. 20040126826 filed September 24, 2003, Series No. 10, Serial No. 670,118; Claiming priority to US Provisional Application 60/367, 883 filed March 24, 2002; ("Patent Application No. 1").
2. Title: Method for Predicting Cardiovascular events; US Patent Application No. 20040115735 filed September 24, 2003, Series No. 10, Serial No. 670,122; ("Patent Application No. 2").
3. Title: Method and Device for Predicting Cardiovascular Events; PCT Application Serial No. WO2003CA00422 filed March 24, 2003; EP Application Serial No. 03744750.5 filed September 17, 2004; ("Patent Application No. 3").
4. Title: Method and Device for Predicting Cardiovascular Events; Canadian Application PCT/CA03/000422 filed September 8, 2004; ("Patent Application No. 4").

## **SCHEDULE C**

### Technology

Tech ID: 03-036

Title: Method and device used to predict the future incident of myocardial infarction, stroke or cardiovascular death for patients taking aspirin

In summary an assay was developed for a thromboxane A2 metabolite and capitalized on the availability of the HOPE data base to demonstrate that patients who show impaired response to the effects of Aspirin on inhibition of thromboxane A2 production have less favorable clinical outcomes. That is we have demonstrated that aspirin resistance is a real entity.