



**BIOSIGN TECHNOLOGIES INC (CNSX: BIO)**

Annual Statement – Form 2A

April 29, 2009

**CORPORATE PROFILE**

Biosign develops technologies, products and initiatives to address critical problems in global health care. The company is committed to becoming the "world's health monitor" with a robust, integrated and portable system that provides valuable health information for all parties concerned and a wide range of potential revenue-generating services. Biosign's breakthrough technology and continued innovation serve the company's mission to simplify health care.

## **CORPORATE INFORMATION**

[www.biosign.com](http://www.biosign.com)

**Biosign Technologies Inc.**  
25 Sheppard Avenue West, Suite 1010  
Toronto, Ontario  
Canada  
M2N 6S6

[office@biosign.com](mailto:office@biosign.com)  
(416) 218-9800 ext 225

### **Directors**

Tony LaVista  
Radu Leca  
David Silver  
Terrence Young

### **Officers**

Radu Leca – President & CEO  
Eva Kettle – Vice President

### **Auditors**

Cookson Walker LLP

### **Transfer Agent**

Computershare Trust Company of Canada

### **Shares outstanding**

61,858,782 Common Shares

### **Certifications**

ISO 13485:2003  
ISO 9001:2000  
CE Marking  
Health Canada

### **Investor Relations**

Radu Leca  
416-218-9800 ext 222

## TABLE OF CONTENTS

<b>2.</b>	<b>CORPORATE STRUCTURE</b>	<b>6</b>
2.1	NAME AND ADDRESS	6
2.2	INCORPORATION	6
2.3	INTERCORPORATE RELATIONSHIPS	6
2.4	AMALGAMATION TRANSACTION	6
2.5	FOREIGN INCORPORATION	6
<b>3.</b>	<b>DEVELOPMENT OF THE BUSINESS</b>	<b>6</b>
3.1	GENERAL DEVELOPMENT OF THE BIOSIGN BUSINESS	6
3.2	SIGNIFICANT ACQUISITIONS AND DISPOSALS	6
3.3	COMMITMENTS AND TRENDS	7
<b>4</b>	<b>NARRATIVE DESCRIPTION OF THE BUSINESS</b>	<b>7</b>
4.1	GENERAL	7
	<i>Overview</i>	7
	<i>Regulatory Matters</i>	11
	<i>Bankruptcy and Receivership Proceedings</i>	12
	<i>Reorganizations</i>	12
4.2	ASSET BACKED SECURITIES	12
4.3	MINERAL PROJECTS	12
4.4	OIL AND GAS OPERATIONS	12
<b>5.</b>	<b>SELECTED FINANCIAL INFORMATION</b>	<b>13</b>
5.1	ANNUAL INFORMATION	13
5.2	QUARTERLY INFORMATION	14
5.3	DIVIDENDS	14
5.4	FOREIGN GAAP	14
<b>6.</b>	<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>14</b>
<b>7.</b>	<b>MARKET FOR SECURITIES</b>	<b>21</b>
<b>8.</b>	<b>CAPITALIZATION</b>	<b>21</b>
<b>9.</b>	<b>OPTIONS TO PURCHASE SECURITIES</b>	<b>21</b>
<b>10.</b>	<b>PRIOR SALES</b>	<b>22</b>
10.1	DESCRIPTION OF CAPITAL	22
10.2	PRIOR SALE PRICES	23
10.3	STOCK EXCHANGE PRICE	24
<b>11.</b>	<b>ESCROWED SECURITIES</b>	<b>25</b>
<b>12.</b>	<b>PRINCIPAL SHAREHOLDERS</b>	<b>26</b>
<b>13</b>	<b>DIRECTORS AND OFFICERS</b>	<b>26</b>
13.1/13.5	INFORMATION ABOUT DIRECTORS AND OFFICERS	26
13.6	CEASE TRADE ORDERS OR BANKRUPTCIES	26
13.7	PENALTIES OR SANCTIONS	27
13.8	PERSONAL BANKRUPTCIES	27
13.9	CONFLICTS OF INTEREST	27
13.10	INFORMATION ABOUT MANAGEMENT	27
<b>14.</b>	<b>CAPITALIZATION</b>	<b>28</b>

15.	EXECUTIVE COMPENSATION _____	30
16.	INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS _____	32
17	RISK FACTORS _____	33
18.	PROMOTERS _____	34
20.	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS _____	34
21.	AUDITORS, TRANSFER AGENTS AND REGISTRARS _____	34
22.	MATERIAL CONTRACTS _____	35
23	INTEREST OF EXPERTS _____	35
24.	OTHER MATERIAL FACTS _____	35
25.	FINANCIAL STATEMENTS _____	35
	CERTIFICATE OF THE ISSUER _____	36
	APPENDIX "A" _____	37

## **2. Corporate Structure**

### 2.1 Name and Address

The issuer's full corporate name is Biosign Technologies Inc. ("Biosign" the "Company" or the "Issuer"), having its registered office and principal place of business at 25 Sheppard Avenue West, Suite 1010, Toronto, Ontario, M2N 6S6.

### 2.2 Incorporation

The Issuer is an Ontario company created by the amalgamation of Biosign Technologies Inc. and Karma Capital Corp. ("Karma") pursuant to the Articles of Amalgamation dated July 14, 2006. The Issuer continued under the name "Biosign Technologies Inc.".

Karma was incorporated on September 1, 1999 under the laws of the Province of British Columbia as 591722 B.C. Ltd. and changed its name to Karma Capital Corp. on February 4, 2000. Pursuant to the Annual and Special Meeting of the shareholders of Karma held on June 30, 2006, and reconvened on July 10, 2006, the shareholders of Karma voted in favour to continue Karma under the Business Corporations Act (Ontario) and amalgamate with Biosign to form the Issuer.

Biosign was incorporated under the Business Corporations Act (Ontario) on March 11, 2004. Pursuant to the Annual and Special Meeting of the shareholders of Biosign held on June 28, 2006, the shareholders of Biosign voted in favour of the amalgamation with Karma to form the Issuer.

For more information surrounding the amalgamation transaction please refer to the 2006 CNSX Listing Statement dated April 25, 2007, which can be found on [www.CNSX.ca](http://www.CNSX.ca) or the Management Information Circular dated May 31, 2006, which can be found on [www.sedar.com](http://www.sedar.com).

### 2.3 Intercorporate Relationships

The Issuer has no subsidiaries.

### 2.4 Transactions

For more information surrounding the amalgamation transaction as referenced in 2.2 above please refer to the 2006 CNSX Listing Statement dated April 25, 2007, which can be found on [www.CNSX.ca](http://www.CNSX.ca) or the Management Information Circular dated May 31, 2006, which can be found on [www.sedar.com](http://www.sedar.com).

### 2.5 Foreign Incorporation

This section is not applicable.

## **3. Development of the Business**

As Karma had no material operations before completion of the amalgamation with Biosign Technologies Inc. the discussion of the business is the business of Biosign Technologies Inc.

### 3.1 General Development of the Business

The main business of Biosign is in health information technology, primarily medical device manufacturing. The Company researches, develops, manufactures and markets measurement instruments and monitoring solutions to consumers, producers, providers, and regulators of health products.

Refer to section 4.1 for a further description of the business and section 17 for Risk Factors.

### 3.2 Significant Acquisitions and Disposals

Other than completing the amalgamation transaction as referenced in 2.2 the Issuer has not completed any other significant acquisitions or dispositions.

### 3.3 Commitments and Trends

Refer to discussions set out in section 4 and section 6 for a discussion of any trends, commitments, events or uncertainties both presently known to management and reasonably expected to have a material effect on Biosign's business, financial condition or results of operations as of the date hereof. For discussion of the risks material to the business of Biosign refer to section 17.

## 4 Narrative Description of the Business

### 4.1 General

#### Overview

Biosign develops technologies, products and initiatives to address critical problems in global health care. The company is committed to becoming the "world's health monitor" with a robust, integrated and portable system that provides valuable information for all parties concerned--- patients, physicians, pharmacists, payors and pharmaceutical companies---and a wide range of potential revenue-generating services.



Biosign's breakthrough technology and continued innovation serve the company's mission to make health care safe, simple, and sensible.

Biosign's automated health monitor, trademarked UFIT®, serves as the platform for delivering health monitoring services to individuals around the world.

All services, including blood pressure monitoring, rely on digital representations of the pulse taken at the wrist through an inflatable cuff by a portable device connected to Biosign's server through the user's computer.

Stored and processed by Biosign's servers, the user's pulse readings inform the key tasks of UFIT® Health Monitor: measuring, observing, detecting, evaluating, reporting, and networking (MODERN). The online, interactive, service-oriented architecture allows the system to sense and respond to relevant events with unprecedented fidelity, flexibility, and speed.

For instance, a pulse irregularity could lead UFIT® to schedule new tests, review the history, read third-party (lab, pharmacy) records, or search online data and knowledge bases for evidence pertinent to the case (clinical studies, trials, guidelines, etc). News about one's health may be then fed to various "subscribers" (relatives, friends, professionals, etc).

The UFIT® architecture enables Biosign to provide monitoring services that maximize clinical awareness, readiness, and effectiveness along the axis of quality, access, and cost.

As a business, Biosign addresses the needs of the consumer of health products and services. To that end, Biosign is positioning UFIT® as a global health monitor that addresses issues of universal interest, such as health evaluation and management, reporting adverse, and reducing

the uncertainty of managing chronic health risks (e.g., high blood pressure, high blood glucose, high cholesterol, etc.).

The MODERN capability of our Health Monitoring Service (HMS) distinguishes Biosign from competitors in a fundamental and difficult to replicate manner.

The current product series (UFIT TEN-10) expands virtual instrumentation with universal measurement and rapid knowledge formation to enable personalization of care – at a fraction of the costs of customization. The web-based solution powers several business lines in the wellness, education, research, and chronic disease management. Key applications include intelligent systems for noninvasive self-monitoring, analysis, and reporting of common health risks, such as high blood pressure, high blood glucose, and adverse responses to medication.

#### Future Development

We are committed to continually improve our Health Monitoring Service (“HMS”) by researching, developing, and employing new and advanced instrumentation and measurement technologies. For instance, following reviews of our previous feasibility and accuracy studies, we are now studying the reliability of UFIT<sup>®</sup> as a noninvasive blood glucose meter in preparation for certification.

We are also working toward releasing new analytical tools for cardiovascular risk assessment. We anticipate release in the second half of 2009, along with the first version of Biosign’s adverse event monitor (UFIT-CHARM). The monitor integrates several advanced technologies to detect cardio-hemodynamic adverse responses to medication. If successful, UFIT-CHARM will be used to position Biosign as a unique provider of services for assessing the safety and effectiveness of treatments – an assessment that regulates all health-related activities.

The current development efforts are directed at adding:

1. New measurement capabilities, such as noninvasive blood glucose measurement;
2. New analytical tools that enable automated cardiovascular risk assessment;
3. New surveillance facilities for reporting errors and adverse events.

#### *Certified Medical Device Manufacturer*

As a manufacturer of medical devices, Biosign is in good standing under ISO 9001:2000, ISO 13485:2003 and Directive 93/42/EEC.

#### *Industry & Market Background*

Medical device production appears strong, with the US producing about half of the world's medical devices and consumes approximately 40 percent of the world's output. The market is concentrated at the top, with seventeen medical device manufacturers accounting for about 65 percent of the total revenue. Even if the revenue deck seems somewhat stacked in favour of large companies, reports show that medium and small companies can be highly profitable. Overall, we note that the market for cardiovascular products remains the single largest sector of the entire medical devices industry.

The US home healthcare industry includes more than 12,000 companies and agencies with combined annual revenue of over \$40 billion. About a quarter of industry revenue is generated by non-profit organizations, such as hospital-based agencies and visiting nurse associations. The industry is highly fragmented: the 50 largest companies hold less than 25 percent of the market.

The self-monitoring market remains largely limited to meters for blood glucose, blood pressure, and heart rate. The meters are stand-alone devices dedicated to a single type of measurement. While some newer meters have communication facilities, the communication is limited to measurement results only. Further, the measurement results are provided “as is”, without measurement confidence data. This makes it impossible to estimate the uncertainty of the measurement data provided by the devices.

With UFIT, we address key issues confronting our industry:

1. Meters are stand-alone devices; such devices are costly to manufacture, distribute, maintain, and recall; because their functionality cannot be upgraded or changed in the field, innovation is tied to the product life cycle, effectively blocking the release of novel features as they become available. In contrast, UFIT functionality may be corrected, updated, upgraded and new functionality added without the need to change the hardware
2. Meters are not controlled by monitors; measurement data is of little value by itself, especially when the measuring varies swiftly, as it is the case with blood pressure or heart rate. It is generally agreed that measurements must be made in standard conditions and considered historically. Charting and trending is impossible, however, without respecting a certain sequence for data acquisition. UFIT uses monitoring facilities to schedule measurement activity according to physiological and statistical principles.
3. Information generation, processing, and communication are not seamlessly integrated to provide the kind of data quality assurance modern health care demands to perform excellently. Biosign addresses this issue by tightly integrating measurement, computation and communications technologies to assure data quality in terms of objectivity, utility, and integrity.

The above issues constitute serious hurdles in meeting the demand for self-monitoring systems. This demand is now growing rapidly, driven by the rapid shift from acute, professional care toward chronic, self-care.

Chronic disease accounts for approximately 75% of the annual health care dollars spent in North America annually. Of the chronic diseases, hypertension and other cardiovascular disorders along with diabetes make up a significant majority. Strategies for the treatment of these diseases do not provide for long-term outpatient monitoring outside after establishing the diagnosis and the initial treatment. This makes it difficult to monitor the safety and effectiveness of treatment. This is costly, in both dollars and in human terms as patients sometimes struggle to get the correct medication and the correct dosage. Biosign’s UFIT<sup>®</sup> health monitor addresses this problem directly by providing online self-monitoring, analysis, and reporting services to anyone able to browse the Internet. Characteristically, our services rely on measurements that people can take non-invasively at home, work, or some point-of-care. Results are communicated quickly and accurately while records are maintained for future analysis.

At this time, Management believes that the most appropriate markets for our health monitoring service are pre-market and postmarket health product studies (e.g., drug trials, postmarket surveillance) and remote patient monitoring.

*Strategy for Commercialization*

Biosign started out with a two-pronged strategy: to provide a monitoring system that integrates several noninvasive measurement instruments for physiological observation and diagnostics, and to partner with other firms to provide online health monitoring solutions.

During 2008, Biosign continued work toward becoming (1) a successful manufacturing and service company and (2) a high-powered R&D company.

To mitigate the inherent risk of combining such disparate corporate operations in one small company, the company has built a technological platform for rapid application development. The platform, trademarked UFIT®, was extended in 2008 to support an array of actual and potential solutions that can be shaped into products and services “on order”, without the need for re-engineering or starting new projects. Ranging from comprehensive blood pressure measurement to adverse reaction detection and reporting, Biosign’s solutions are distinguished by their “seductive simplicity”. Biosign has been working with leading information and communications companies to ensure seamless integration of our technology platform into third-party e-Health solutions.

Some aspects of commercializing may involve marketing directly to companies (business-to-business) and to individuals as Biosign expands its UFIT® health monitoring service.

Commercialization of Biosign’s health monitoring services related to Clinical Research Organization’s will be through direct contact with the organizations. Biosign is in the process of developing a plan to address the specific need for rapid assessment of cardiovascular risk.

Commercialization of our Adverse Reaction Monitoring services will be through direct marketing to individuals and through intermediaries such as providers, insurers, producers, and regulators of health products. The Company has and will continue to explore and negotiate avenues for marketing, distribution, billing and collections. The marketing plan is expected to remain opportunistic.

Commercialization of our Remote Patient Monitoring services may be in conjunction with intermediaries who seek to provide health care to populations lacking access to quality health care. The Company has started to explore opportunities in this hitherto neglected niche. Current discussions are at an early stage but will likely develop over the next 12 to 24 months.

Commercialization of Self Care services will be driven by demand from consumers and insurers. Management expects this demand to increase sharply with the addition of novel features, such as blood glucose monitoring. This is a highly speculative estimate, especially in the current economic environment. Readers are advised to treat it cautiously, noting that the process of obtaining regulatory approvals for such a service remains unknown at this time due to the novelty of the claim. Further, readers should note that obtaining regulatory approvals in no way guarantees commercial success.

#### *Industry Trends*

- *Breakdown of the episodic model:* Although the health care model was designed for acute-care (short-term), chronic-care (long-term) consumes 70%-80% of annual health care expenditures. Already onerous, these are expected to increase rapidly as the health conscious “baby boomers” age and soon represent more than 23% of the population.
- *Inadequacy of facility-based monitoring and treatment:* The current health care model is bound to health care facilities such as clinics, hospitals and doctor’s offices that are configured to support acute care. Yet many chronic diseases, such as hypertension (high blood pressure) and diabetes, must be monitored, managed and

treated in the environment in which patients live and work, according to what is possible to achieve in real-life conditions respectful of patient abilities and preferences (e.g., the option to select the type of access to care that meets the needs of their lifestyle, personal schedule, and values).

- *Aliasing*: Data from patients with chronic diseases is distorted by observations made at a lower frequency than required. Successful treatment of chronic diseases, however, depends on measuring, testing, and monitoring one's response to illness and treatment in "real life" situations, based on facts and not convenience (i.e. based on professional service availability).
- The health care industry agrees that, in order to address the failings of the health care system, new delivery models must be introduced and implemented. The goal is to improve patients' overall quality of life and at the same time significantly reduce medical costs. While there are variations from one case to another, the general characteristics of the new models include, but are not limited to:
- *Shift from acute to chronic models of care*: These consider personal health risks and promote the involvement of patients in wellness and lifestyle-changing programs aimed at preventing or delaying the onset of chronic diseases and complications, and to improve health outcomes.
- *Reduce hospital and ER visit*: This involves providing adequate access to health care services, respecting patient preferences by giving them the option to select the type of access to care that meets the needs of their lifestyle, personal schedule, and values. The goal is to increase safety and efficacy of health care while reducing hospital and emergency room visits.
- *Integration of electronic records*: The efficiency of the health system is expected to be markedly improved by the e-HR, through which clinicians, including doctors, nurses, and pharmacists can access a complete patient health record in real time, no matter where the patient is, and reference clinically approved guidelines to reduce medical errors.
- Biosign is positioning its UFIT® technology to take advantage of the changing health care delivery model by providing standards-based information technology (IT) solutions which can reliably extend the physical examination of patients beyond the confines of traditional health care settings to improve access and quality and to reduce costs. These solutions specifically address the lack of adequate, standardized measurement (from vital signs to health outcomes) and the lack of data acquisition automation required for diagnosis and prescription as well as for disease management and post-market surveillance of drugs and medical devices.

### *Regulatory Matters*

Depending on the application and/or the country of use, Biosign's technology may be subject to regulatory control. Both the manufacturing and marketing of medical devices are governed by a variety of laws and regulations in Canada, the United States, the European Union, and elsewhere.

To address these requirements Biosign obtained its ISO 13485:2003 in December, 2005. ISO 13485:2003 represents a model for quality assurance in design, development, production, installation and servicing and is an international standard designed to provide medical device suppliers with a common approach to applying a Quality Management System. This international standard addresses most Canadian, US and European requirements for Medical Device regulatory

purposes. Biosign UFIT® products will all be built in compliance with ISO 13485:2003 standards for quality.

The Company has received and renewed its CE Marking and Health Canada licenses to commercialize UFIT® TEN-10 as a an automatic blood pressure monitor with computer controls.

*Bankruptcy and Receivership Proceedings*

The Issuer has not gone through any bankruptcy or any receivership or similar proceeding within the three most recently completed fiscal years or the current financial year.

*Reorganizations*

For more information surrounding the amalgamation transaction as referenced in 2.2 above please refer to the 2006 CNSX Listing Statement dated April 25, 2007, which can be found on [www.CNSX.ca](http://www.CNSX.ca) or the Management Information Circular dated May 31, 2006, which can be found on [www.sedar.com](http://www.sedar.com).

4.2 Asset Backed Securities

This section is not applicable

4.3 Mineral Projects

This section is not applicable.

4.4 Oil and Gas Operations

This section is not applicable.

## 5. Selected Financial Information

### 5.1 Annual Information

<b>Income Statement Items</b>	<b>December 31, 2008 (audited)</b>	December 31, 2007 (audited)
Revenues	Nil	Nil
Operating expenses	<b>\$2,357,324</b>	\$3,477,694
Other (income)/expense	<b>(\$44,898)</b>	(\$146,944)
<b>Net Loss and Comprehensive Loss</b>	<b>\$2,312,426</b>	\$3,330,750
Weighted average number of shares outstanding [000's]	<b>58,386</b>	57,518
<b>Loss per common share</b>	<b>(\$0.04)</b>	(\$0.06)
<b>Balance Sheet Items</b>	<b>December 31, 2008 (audited)</b>	December 31, 2007 (audited)
Assets		
Cash and cash equivalents	<b>\$1,487,522</b>	\$2,117,107
Other current assets	<b>\$59,145</b>	\$72,191
Deferred charges	<b>\$273,133</b>	\$160,616
Capital assets	<b>\$24,165</b>	\$20,446
<b>Total Assets</b>	<b>\$1,843,965</b>	\$2,370,360
Liabilities		
Current liabilities	<b>\$77,363</b>	\$223,380
Shareholder's Equity		
Share Capital	<b>\$10,651,558</b>	\$9,811,477
Other Equity	<b>\$1,899,958</b>	\$1,199,928
Retained Deficit	<b>\$(11,176,853)</b>	\$(8,864,425)
<b>Total Liabilities and Shareholders Equity</b>	<b>\$1,843,965</b>	\$2,370,360

## 5.2 Quarterly Information

	<b>December 31, 2008</b>	<b>September 30, 2008</b>	<b>June 30, 2008</b>	<b>March 31, 2008</b>
Revenue	Nil	Nil	Nil	Nil
Operating Expenses	338,407	\$448,305	\$653,100	\$917,514
Other expense/(income)	(\$7,900)	(\$6,486)	(\$6,755)	(\$23,758)
Net loss and Comprehensive Loss	330,506	\$441,819	\$646,345	\$893,756
Loss per common share, basic and fully diluted	(\$0.02)	(\$0.01)	(\$0.01)	(\$0.02)

	<b>December 31, 2007</b>	<b>September 30, 2007</b>	<b>June 30, 2007</b>	<b>March 31, 2007</b>
Revenue	Nil	Nil	Nil	Nil
Operating Expenses	\$886,527	\$853,857	\$859,437	\$877,873
Other (income)/expense	(\$25,427)	\$3,138	(\$88,072)	(\$36,583)
Net loss and Comprehensive Loss	\$861,100	\$856,995	\$771,365	\$841,290
Loss per common share, basic and fully diluted	(\$0.02)	(\$0.01)	(\$0.01)	(\$0.02)

## 5.3 Dividends

The holders of the common shares of the Issuer will be entitled to dividends as and when declared by the Directors of the Issuer. It is not contemplated that any dividends will be paid in the immediate or foreseeable future of the Issuer.

## 5.4 Foreign GAAP

The financial statements are prepared in accordance with Canadian GAAP.

**6. Management's Discussion and Analysis**

The net loss is \$2,312,426 for year ended December 31, 2008, compared to a net loss of \$3,330,750 during the same period last year. The significant decrease of \$1,018,324 following the cost containment plan. Operating expenses decreased by \$1,018,324 primarily due to the following items:

*Salaries and benefits*

Salaries and benefits decreased by \$586,503 versus 2007 following the cost containment plan.

*Consulting and other Professional Fees*

The decrease in these fees of \$225,105 versus 2007 is due to the Company executing the cost containment plan. The Company, however, has maintained and improved its consultative resources for regulatory and commercialization matters.

There were no options granted to consultants during the period.

*Travel and Entertainment*

During 2008, the Company spent \$43,793 in travel and entertainment versus \$131,754 in 2007.

*Investor Relations, Exchange and Commission fees*

Biosign spent \$120,471 in 2008 versus \$204,237 in 2007.

*Director fees*

As part of the mandate to preserve cash for operations and commercialization, the Directors have agreed to waive their fees effective February 2008. The liability for fees for the period February 2008 to June 2008 in the amount of \$43,750 was reversed during the third quarter.

*Other expense/income*

Other income for the year ended December 31, 2008, was \$44,899 versus \$186,442 in the same period in 2007 as a result of lower cash reserves and investment returns.

*Related Party Transactions*

During the twelve months ended December 31, 2008, the Company successful completed private placement financing.

<b>Date Security Issued</b>	<b>Security Issued</b>	<b>Type</b>	<b>Details of Issuance</b>	<b>Use of Proceeds</b>
August 21, 2008	1,500,000	Common Shares	Private Placement	Working Capital
November 14,2008	787,142	Common Shares	Private Placement	Working Capital
December 21, 2008	1,620,000	Common Shares	Private Placement	Working Capital
December 21, 2008	74,000	Agent Warrants	Global Securities	N/A

*Quarterly*

Three Months Ended December 31, 2008, compared to Three Months Ended December 31, 2007

*Net loss*

The net loss was \$338,407 during the three months ended December 31, 2008, compared to a net loss of \$861,000 during the same period in the prior year. Operating expenses decreased by \$548,120 primarily due to the following items:

*Salaries and benefits*

Salaries and benefits decreased by 373,562 versus 2007.

*Investor Relations, Exchange and Commission fees*

For the three months ended December 31, 2008, the Company incurred \$29,841 compared to \$69,483 for three months ended December 31, 2007.

*Consulting and other Professional Fees*

Consulting and other professional fees of declined \$83,014 for the quarter ended December 31, 2008 compared to 2007. There were no options granted to consultants during the period.

## LIQUIDITY AND CAPITAL RESOURCES

Biosign's principal capital needs are for funds to support sales and marketing activities, scientific research and development activities, and funds to support capital expenditures and working capital. Currently the Company has no contributing cash flows from operations. As a result, the Company relies on external sources of financing such as the issue of equity or debt securities, the exercise of options or warrants and investment income to finance operations. Revenues from operations are not expected until certain license and collaboration agreements have been executed, or commercialization has occurred. As at December 31, 2008, other than trade payables and normal operating lease obligations, the Company has no debt obligations.

As at December 31, 2008, the Company had cash and cash equivalents of \$1,487,522, a decrease of \$629,585 from December 31, 2007. The decrease resulted from the following sources and uses of cash:

- *Operating Activities:* In the year ended December 2008, cash used in operating activities totalled \$2,312,436. The \$1,018,324 decrease in cash from December 31, 2007, is the result of managements cost containment commitment. Management focused on the development of UFIT® web portal, test moulds for manufacturing, and of novel measurement add-ons.
- *Financing Activities:* In the year ended December 31, 2008, the Company raised in total \$1,202,964 net of fees, through the sale of units.

Projections of further capital requirements are subject to substantial uncertainty. Working capital requirements may fluctuate in future periods depending upon numerous factors, including: results of research and development activities; progress or lack of progress in clinical tests and/or trials; the ability to achieve milestone payments under licensing partner collaborations or any other collaboration the Company establishes that provide funding; changes in the focus, direction, or costs of research and development programs; the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing intellectual property claims; competitive and technological advances; the potential need to develop, acquire or license new technologies and products; establishment of marketing and sales capabilities; business development activities; new regulatory requirements implemented by regulatory authorities; and the timing and outcome of any regulatory review process or commercialization activities, if any.

### Off-balance Sheet Arrangements

In the normal course of business the Company has entered into an operating lease for the Company's head office at 25 Sheppard Avenue West. This arrangement can be referred to as a form of off-balance sheet financing. The lease is between the Company and the third party landlord and the lease has been extended to June 30, 2009. Rent is due in the amount of approximately \$10,000 per month for the period January 1, 2008, to June 30, 2009, plus taxes.

## CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DCP") have been designed to provide reasonable assurance that all relevant information is gathered and reported to management on a timely basis so that appropriate decisions can be made affecting public disclosure. As at December 31, 2008, the Company's management has evaluated the effectiveness of the Company's DCP as defined by Multilateral Instrument 52-109 of the Canadian Securities Administrators. Based on the evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the design and operation of the DCP are effective to provide reasonable assurance that

material information related to the Company is made known to them except as noted below under "Internal Controls over Financial Reporting".

It should be noted that while the Company's DCP provide a reasonable level of assurance that the system of internal controls are sufficient, they do not guarantee that the DCP will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

### **Internal Controls over Financial Reporting**

Management and the Audit Committee of the Company are responsible for designing internal controls over financial reporting ("ICFR") or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. They have designed controls for this process and have conducted an evaluation, as of the date of this MD&A, which has identified certain weaknesses in the ICFR.

Due to staff shortage, there is an inherent weakness in the system of internal controls due to the Company's inability to achieve total segregation of duties. Since June 2008, the Company suffered from a lack of in-house finance executive with the requisite accounting skill and knowledge to address all complex and non-routine accounting matters that may arise.

As a result of these weaknesses there is no guarantee that a material misstatement would not be prevented or detected. Management and Board review and advice from external sources are utilized to mitigate the risk of material misstatement. However, the Company does not have total assurance that this risk can be reduced to a remote likelihood of a material misstatement.

The Company, however, believes that an adequate control environment exists at this time. The Company plans to address these weaknesses as soon as the Company can afford the hiring of a top finance executive.

There have been no changes in the Company's ICFR in the most recently ended fiscal quarter which have affected or might reasonably be expected to affect our ICFR.

### **ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Key areas where management has made estimates and assumptions include: fair value of certain assets; accounting for amortization; stock-based compensation; and income taxes.

#### *Continuing operations*

The Company has implemented a cost containment plan under which management believes the Company will have sufficient financial resources to fund its current operations throughout the first three quarters of 2009.

As the outcome of these matters cannot be predicted at this time there is some uncertainty regarding the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. These financial statements do not reflect adjustments in the carrying values of the Company's assets

and liabilities, expenses, and the balance sheet classification used, that would be necessary should the Company be unable to continue its operations. Such adjustments could be material.

### **Changes in Accounting Policies**

Effective January 1, 2007, the Company adopted the following new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005. These accounting policy changes were adopted on a retroactive basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

*Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855) and Financial Instruments – Disclosure and Presentation (CICA Handbook Section 3861)*

In accordance with these standards, the Company now classifies all financial instruments as held-to-maturity, available-for-sale, held-for-trading, loans and receivables or other liabilities. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading, are measured at amortized cost using the effective interest method. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss). Instruments classified as held-for-trading are measured at fair value with unrealized gains and losses recognized in the statement of loss. Financial instruments of the Company consist of cash and cash equivalents, other current assets, accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying amount due to their immediate or short-term maturity.

The Company has made the following classifications:

- Cash and cash equivalents are classified as held-for-trading and are measured at fair value. Gains and losses related to periodic revaluation are recorded in net loss;
- Other current assets are classified as loans and receivables and are initially measured at fair value and subsequently at amortized cost using the effective interest method; and
- Accounts payable and accrued liabilities are classified as other liabilities and are initially measured at fair value and subsequently at amortized cost using the effective interest method.

Transaction costs with respect to instruments not classified as held-for-trading are recognized as an adjustment to the cost of the underlying instruments, when they are recognized, and amortized using the effective interest method. Transaction costs with respect to instruments classified as held-for-trading are expensed as incurred.

As at December 31, 2008, the impact on the balance sheet of measuring the financial assets and liabilities was \$nil.

*Comprehensive Income (CICA Handbook Section 1530)*

Comprehensive income is the change in shareholders’ equity during a period from transactions and events from sources other than the Company’s shareholders. In accordance with this new standard, the Company is required to report a statement of comprehensive income (loss) and a new category, accumulated other comprehensive income (loss), and is required to be added to the shareholders’ equity section on the balance sheet. The components of accumulated other comprehensive income (loss) may include unrealized gains and losses on financial assets classified as available-for-sale, foreign currency gains and losses on the net investment in self-sustaining foreign operations and changes in fair market value of derivative instruments designated as cash flow hedges, all net of income taxes. There were no such components to be

recognized in other comprehensive income (loss) at adoption on January 1, 2007, or for the year ended December 31, 2007. As the Company has no items of other comprehensive income (loss), net loss is equivalent to comprehensive loss and the Company has not reported a separate statement of comprehensive loss.

*Equity (CICA Handbook Section 3251)*

In January 2005, the CICA issued a new Section to the CICA Handbook, Section 3251 "Equity" which became effective for the Company on January 1, 2007. This Section establishes standards for the presentation of equity during a reporting period. The implementation of this Section did not have a material impact on the Company's financial statements.

*Accounting Changes (CICA Handbook Section 1506)*

Effective January 1, 2007, the Company adopted CICA Handbook Section 1506 "Accounting Changes" which establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies and estimates, and correction of errors. Under the new standard, accounting changes should be applied retroactively unless otherwise permitted or where impracticable to determine. As well, voluntary changes in accounting policies are made only when required by a primary source of Canadian GAAP or the change results in more relevant and reliable information. The Company has determined that the application of this Section did not have any impact on the financial statements.

Significant Accounting Policies

*Cash and cash equivalents*

Cash and cash equivalents include investments with maturities less than one year at the time of the investment. The Company is subject to investment risk on investments that it makes with excess cash. Investment risk is mitigated by restricting investments to investment grade quality instruments of BBB or better or R1 low or better in the case of commercial paper. The yield on these investments is approximately 4.4% (2006 – 4.2%). Cash and cash equivalents are classified as held-for-trading securities and are carried at cost plus accrued income and have realizable values that approximate the carrying values.

*Property, plant and equipment*

Property, plant and equipment are recorded at acquisition cost. Amortization is provided at the following rates which are formulated to charge operations with the cost of the property, plant and equipment over their estimated useful lives as follows:

Computer hardware	3 years straight line
Furniture and fixtures	3 years straight line

*Notes Payable*

The Company has issued convertible promissory notes payable. The Company has adopted the recommendations of Section 3861 of The Canadian Institute of Chartered Accountants' Handbook, "Financial Instruments — Disclosure and Presentation". The Company records the debt portion of the promissory notes payable as a liability and the value of the conversion feature as other equity.

*Foreign currency translation*

Monetary assets and liabilities denominated in currencies other than the Canadian dollar ("CDN dollar") have been translated into CDN dollars at the exchange rate prevailing at the

balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Transactions denominated in a currency other than the CDN dollar are translated at the exchange rates prevailing at the transaction dates. Exchange gains and losses are included in net loss for the year.

#### *Research and development*

Research costs are expensed as incurred. Development costs that meet specific criteria related to technical, market and financial feasibility are deferred and amortized over their useful lives. All development costs incurred to date have been expensed.

#### *Investment tax credits*

The Company accrues investment tax credits for qualifying research and development costs when there is reasonable assurance that the amounts are recoverable. The Company accounts for the investment tax credits relating to research and development expenses as a deduction in the statement of loss and deficit and those relating to capital expenditures as a reduction of the cost of the assets acquired.

#### *Income taxes*

The Company follows the asset and liability method of accounting for income taxes. Under the asset and liability method, the change in the net future tax asset or liability is to be included in income. Future tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled.

Future tax assets are recorded only if they are likely to be realized.

#### *Stock-based compensation plan*

The Company from time to time issues stock options to employees, directors, officers and consultants. The Company has adopted the recommendations of Section 3870 of The Canadian Institute of Chartered Accountants' Handbook, "*Stock-Based Compensation and Other Stock-Based Payments*". Options granted are valued at the grant date using the Black-Scholes option pricing model and the value of the options is expensed at the earlier of when goods have been received or services performed, or over the vesting period.

The Black-Scholes option pricing model used by the Company to determine fair values was developed for use in estimating the fair value of freely traded options that are fully transferable and have no vesting restrictions. This model requires the use of highly subjective assumptions, including future stock price volatility and expected time until exercise. Because the Company's outstanding stock options have characteristics that are significantly different from those of traded options, and because changes in any of these assumptions can materially affect the fair value estimate, in management's opinion, the existing models may not provide a reliable single measure of the fair value of its stock options.

#### Future accounting pronouncements

##### *Capital Disclosures (CICA Handbook Section 1535)*

In November 2006, the CICA issued new Handbook Section 1535 "*Capital Disclosures*", effective for annual and interim periods beginning on or after October 1, 2007. This Section establishes standards for disclosing information about an entity's capital and how it is managed in order that a user of the financial statements may evaluate the entity's objectives, policies and processes for managing capital. This new Standard will not have a material effect on the Company's financial statements. The following disclosure will be added to annual and interim reports beginning January 1, 2008:

The Company's objectives when managing capital are to safeguard the Company's ability to operate toward commercial success, and to provide adequate returns to shareholders commensurate with the level of risk associated with a development stage Company.

The Company sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the number of shares issued, sell assets, enter into mergers and acquisitions, acquire debt or enter into some other form of financing facility. Capital comprises all components of equity (i.e. common shares, contributed surplus, and deficit accumulated during development stage) other than amounts in accumulated other comprehensive income relating to cash flow hedges.

*Inventories (CICA Handbook Section 3031)*

Effective January 1, 2008, the Company will be required to adopt CICA Section 3031 "Inventories". This Section prescribes the measurement of inventory at the lower of cost and net realizable value. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. This Section applies to interim and annual financial statements for fiscal years beginning on or after January 1, 2008. The Company plans to adopt this Section for its fiscal year beginning January 1, 2008 and it will not have a material effect on the Company's financial statements.

Financial Instruments

*Fair values of financial assets and financial liabilities*

The fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities, as recorded in the balance sheet approximate their carrying amounts due to the short-term maturities of these instruments.

*Interest rate, currency and credit risk*

It is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from financial instruments.

**Risks and Uncertainties**

See Section 17 ("Risk Factors")

**7. Market for Securities**

- 7.1 The Issuer is listed on the CNSX exchange under the symbol BIO. Prior to listing on the CNSX there was no public market for any securities of the Issuer.

**8. Capitalization**

Details of the capitalization of the Company can be found in the Issuer's the audited financial statements, and the notes thereto, for the period ended December 31, 2008, and 2007 included hereafter.

**9. Options to Purchase Securities**

The Company has established a stock option plan for its officers, directors, employees and consultants whereby options to a maximum of 10% of the issued and outstanding common shares of the Company may be granted subject to certain terms and conditions.

Options granted under the plan will have an exercise price of not less than the greater of the closing price of the Company's shares as reported by on (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

Options granted under the plan will generally vest over a three-year period and may be exercised in whole or in part at any time as follows: 33% on or after the first anniversary of the grant date, 67% on or after the second anniversary of the grant date, and 100% on or after the third anniversary of the grant date. Options will have a maximum expiry date which is on the tenth anniversary of the grant date. Any option not exercised prior to the expiry date will become null and void. Changes in the number of stock options, with their weighted average exercise price, are summarized below:

<b>Outstanding – December 31, 2007</b>	<b><u>3,637,000</u></b>
- Cancelled – March 1, 2008	(300,000)
- Cancelled – May 8, 2008	(150,000)
- Cancelled – June 4, 2008	(180,000)
- Cancelled – June 20, 2008	(600,000)
<b>Outstanding – June 30, 2008</b>	<b><u>2,407,000</u></b>
- Cancelled – September 30, 2008	(30,000)
- Cancelled – September 30, 2008	(50,000)
- Cancelled – September 30, 2008	(25,000)
<b>Outstanding – September 30, 2008</b>	<b><u>2,302,000</u></b>
Cancelled – November 24, 2008	(150,000)
<b>Outstanding – December 31, 2008</b>	<b><u>2,152,000</u></b>

## 10. Prior Sales

### 10.1 Description of capital

As of the date of this Listing Statement there are 61,858,782 common shares issued and outstanding. The authorized capital of the Issuer consists of unlimited number of common shares having the following material characteristics:

#### *Common Shares*

The holders of common shares are entitled to dividends as and when declared by the Directors of the Issuer. They are also entitled to one vote per share on all matters at all meetings of the shareholders of the Issuer and, upon liquidation, are entitled to receive such assets of the Issuer as are distributable pro rata to the holders of the common shares. There are no pre-emptive rights or conversion rights attached to the common shares. There are also no redemption or purchase for cancellation or surrender provisions, sinking or purchase fund provisions, or any provisions as to modification, amendment or variation of any such rights or provisions attached to the common shares.

**10.2 Prior Sale Prices**

From the period January 1, 2007, to the date of this Listing Statement the Issuer has issued/cancelled the following common shares:

<b>Capital stock consists of:</b>	<b>Number of Common Shares</b>	<b>Amount</b>
<b>Authorized – An unlimited number of common shares</b>		
<b>Balance at December 31, 2006</b>	<b>57,497,373</b>	<b>\$9,767,210</b>
Issued July, for cash on exercise of agent warrants	44,267	44,267
<b>Balance at December 31, 2007</b>	<b>57,541,640</b>	<b>\$9,811,477</b>
Committed September 2008 for cash	2,287,142	706,375
<b>Balance at September 30, 2008</b>	<b>59,828,782</b>	<b>\$10,517,852</b>
Committed December 2008 for cash	1,620,000	394,090
<b>Less: fair value of shareholder warrants (2,287,142) Shares</b>		124,814
<b>Less: fair value of shareholder warrants (1,620,000) Shares</b>		190,770
<b>Less: fair value of agent warrants (74,000)</b>		12,080
<b>Less: fair value of agent warrants (75,000)</b>		35,220
<b>Balance at December 31, 2008</b>	<b>61,448,782</b>	<b>10,549,058</b>

## 10.3 Stock Exchange Price

On completion of the amalgamation as referenced in section 2.2 the common shares were listed for trading on the CNSX on August 16, 2006, under the symbol BIO. The volume, price range and closing price are listed in the table below.

<b>Date</b>	<b>Volume</b>	<b>High \$</b>	<b>Low \$</b>	<b>Close \$</b>
August-September 2006	302,150	1.10	0.60	0.60
October – December, 2006	649,874	0.92	0.48	0.60
January – March, 2007	2,022,400	1.60	0.50	1.15
April – June, 2007	651,822	1.45	0.80	1.05
July, 2007	135,845	1.17	0.80	0.90
August 2007	154,100	0.81	0.55	0.75
September, 2007	72,051	0.80	0.70	0.75
October, 2007	47,000	0.75	0.50	0.55
November, 2007	72,695	0.90	0.50	0.79
December, 2007	120,636	0.71	0.45	0.65
January, 2008	529,751	1.18	0.50	1.00
February, 2008	135,700	1.10	0.90	1.00
March, 2008	38,550	1.00	0.85	0.97
April, 2008	57,500	0.97	0.75	0.95
May, 2008	116,070	0.87	0.45	0.87
June, 2008	64,000	0.63	0.10	0.15
July, 2008	207,515	0.75	0.16	0.40
August, 2008	75,000	0.50	0.30	0.30
September, 2008	130,500	0.40	0.20	0.20
October, 2008	217,000	0.22	0.11	0.15
November, 2008	101,500	0.35	0.13	0.15
December, 2008	276,500	0.205	0.100	0.150

**11. Escrowed Securities**

Pursuant to the policies of the Exchange and the escrow agreement dated July 17, 2006, entered into by Biosign, Pacific Corporate Trust Company and the principal shareholders of Biosign (the "Escrow Agreement"), with the Escrow Agreement becoming effective upon the listing of the Issuer on the Exchange, there are 6,067,749 common shares held in escrow as of the date of this Listing Statement.

The release of these shares from escrow is based on a time release formula as detailed in the chart below. In the event that the Issuer subsequently meets the criteria of an established issuer pursuant to National Policy 46-201 the release from escrow requirements may be amended in accordance with such policy which could result in a reduction in the period that the common shares are subject to escrow.

<b>Designation of class held in escrow</b>	<b>Number of securities held in escrow</b>
Total Common Shares subject to escrow agreement.	40,511,667
Less: Shares released from escrow: - August 21, 2009	(6,076,749)
Total Common Shares still in escrow.	6,076,749

The escrowed shares are subject to time-based release criteria as detailed below:

Total common shares subject to escrow	40,511,667
Escrow release schedule	
- August 21, 2006 (10%)	4,051,166
- February 21, 2007 (15%)	6,076,749
- August 21, 2007 (15%)	6,076,749
- February 21, 2008 (15%)	6,076,749
- August 21, 2008 (15%)	6,076,749
- February 21, 2009 (15%)	6,076,749
- August 21, 2009 (15%)	6,076,756

**12. Principal Shareholders**

As of April 24, 2009, to the best of the knowledge of the Issuer, the only Persons who beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting rights attached to all of the outstanding shares of the Issuer are as follows:

<b>Shareholder and Municipality of Residence</b>	<b>Number of Common Shares and Stock Options</b>	<b>Percentage of Common Shares</b>
Radu Leca Roseneath, Ontario	Common Shares –18,285,000 Stock Options - nil	29%
CDS & Co. (NCI) Toronto, Ontario	Common Shares – 27,406,452 Stock Options - nil	44.3%

**13 Directors and Officers**

## 13.1/13.5 Information about Directors and Officers

<b>Name and Municipality of Residence</b>	<b>Office Held</b>	<b>Number of shares and options</b>	<b>Percentage of shares</b>
Radu Leca Roseneath, Ontario	Director, President and Chief Technology Officer – effective July, 2006 (held the same positions with Biosign since March, 2004)	Common shares - 18,285,000 Options - Nil	29%
David Silver Bethesda, Maryland	Director – effective August, 2006	Common Shares Nil/ Options – Nil	Nil
Tony LaVista	Director – effective October 2008	Common Shares Nil/ Options – Nil	Nil
Terence Young	Director – effective July 2008	Common Shares Nil/ Options – Nil	Nil
Eva Kettle Roseneath, Ontario	Vice-President Research – effective July, 2006 (held the same position with Biosign since March, 2004)	Common shares 460,001 Options – Nil	0.74%

## 13.6 Cease Trade Orders or Bankruptcies

Radu Leca

- Served as a Director, President and Chief Technology Officer of Biosign Corp. On December 22, 2003, Leca, operating in his capacity as Directors of Biosign Corp. filed an assignment in Bankruptcy in the Ontario Superior Court of Justice for Biosign Corp. and its subsidiary. On that date a trustee was appointed to manage the affairs of Biosign Corp. On March 9, 2004, the sale of the assets of Biosign Corp. and its subsidiary, to Mr. Potts in trust for himself and Dr. Leca, were approved by the Ontario Superior Court of Justice.

### 13.7 Penalties or Sanctions

No director, officer or promoter of the Issuer, or a securityholder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

### 13.8 Personal Bankruptcies

No director, officer or promoter of the Issuer, or a securityholder anticipated to hold sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of such persons has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or promoter.

### 13.9 Conflicts of Interest

Some of the directors and officers of the Issuer are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Issuer, notwithstanding that they are bound by the provisions of the *Business Corporations Act* (Ontario) to act at all times in good faith in the best interests of the Issuer and to disclose such conflicts to the Issuer if and when they arise.

### 13.10 Information about Management

Refer to section 13.1 for information about Management of the Issuer.

## 14. Capitalization

### 14.1 Summary

	Number of Securities (non-diluted)	Number of Securities (fully- diluted)	% of Issued (non- diluted)	% of Issued (fully diluted)
<b><u>Public Float</u></b>				
<b>Total outstanding (A)</b>	58,386,000	61,858,782	100.0%	100.0%
<b>Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)<sup>(1)</sup></b>	42,382,152	44,581,452	72.6%	72%
<b>Total Public Float (A-B)</b>	16,003,848	17,277,330	37.8%	38.7%
<b><u>Freely-Tradeable Float</u></b>				
<b>Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)</b>	38,527,642	40,726,942	44.9%	42.4%
<b>Total Tradeable Float (A-C)</b>	21,179,140	21,131,840	35.4%	34.1%

- (1) Includes all shares held by management, directors and >5% common share holders known to the Company except for shares held by CDS & Co (NCI) as the Company is not aware of the beneficial owners of the shares held by this financial intermediary.
- (2) Equals total from public float calculation plus common shares still in escrow which are owned by individuals who are not management, directors and >5% common share holders - refer to section 11 re Escrowed Securities. In total management, directors and >5% common share holders hold 20,686,688 common shares which have been released from escrow.

**Public Securityholders (Registered)**

To the best knowledge of the Issuer the following is the distribution of the “public securityholders” as at March 31, 2009. (Excludes all directors and officers (Radu Leca and Eva Kettle, as well as > 10% shareholders, namely Radu Leca)

<b>Range</b>	<b>Total holders</b>	<b>Units</b>
0 - 100	0	0
100 - 200	0	0
200 - 300	0	0
300 - 500	0	0
500 - 1,000	2	1,573
1,000 - 5,000	11	30,750
5,000 - 10,000	10	68,132
10,000 - 10,000,000,000	88	43,013,326
<b>Rounding</b>		
<b>Total</b>	<b>111</b>	<b>43,113,781</b>

**Public Securityholders (Beneficial)**

The Issuer does not have access to sufficient information to provide this level of detail.

**Non-Public Securityholders (Registered)**

For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

<b><u>Size of Holding</u></b>	<b><u>Number of holders</u></b>	<b><u>Total number of securities</u></b>
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more	2 (see note 1)	18,745,001
Total	2	18,745,001

(1) Includes shares held by directors and officers (Radu Leca and Eva Kettle, see section 13.1) and other 10% holders (Radu Leca, see section 12) less shares held by CDS & Co (NCI) as the Issuer does not have access to the details of the number of shareholders.

14.2 Details for any securities convertible or exchangeable into any class of listed securities

<b>Description of Security</b>	<b>Number of convertible / exchangeable securities outstanding</b>	<b>Number of listed securities issuable upon conversion / exercise</b>
Options – see section 9.1 for description	2,152,000	2,152,000

14.3 Other than as disclosed in section 14.1 and 14.2 there are no other securities reserved for issuance

**15. Executive Compensation**

Management services for the Issuer are not, to any material degree, performed by persons other than the executive officers of the Issuer.

The following table shows the aggregate compensation paid by the Company in each of its last three financial years to the persons serving as "Named Executive Officers" (as such term is defined in National Instrument 51-102) as at December 31, 2008.

Name and Principal Position	Period ended	Annual Compensation			Long-Term Compensation	
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Stock Options	All Other Compensation
Radu Leca, Director, President and Chief Technology Officer	2008	91,674 <sup>(*)</sup>	Nil	-(1)	Nil	Nil
	2007	275,000	Nil	-(1)	Nil	Nil
	2006	275,000	40,000	-(1)	400,000	Nil
	2005	275,000	Nil	-(1)	Nil	Nil
Eva Kettle, Vice-President Research	2008	135,000	Nil	-(1)	Nil	Nil
	2007	135,000	Nil	-(1)	Nil	Nil
	2006	135,000	15,000	-(1)	180,000	Nil
	2005	135,000	Nil	-(1)	Nil	Nil
(*) Salary reduced within the cost containment plan						
(1) Other benefits do not exceed the lesser of \$50,000 and 10% of the total annual salary for the Named Executive Officers.						

### Employment Contracts

Biosign has a policy to enter into employment contracts with each of its employees which include, among other things, non-competition, confidentiality, intellectual property and non-solicitation clauses. Senior management contracts provide for an annual salary and benefits together with performance bonuses payable upon the achievement of certain goals and corporate objectives.

#### *Radu Leca*

Radu Leca, President and Chief Technology Officer, is retained pursuant to an employment contract. The contract provides for a base compensation of \$275,000 plus benefits and a performance bonus payable upon the achievement of certain goals and corporate objectives. The agreement also contains certain non-competition and non-disclosure provisions and is subject to certain termination provisions. In the event of termination, Leca is entitled to a lump sum payment equal to eighteen months salary, bonus and pro-rata benefits, if such termination is within the first twelve months of employment, and if it is thereafter then one additional month of salary and pro-rata benefits for each additional completed six-month period of employment to a maximum of 24 months.

#### *Eva Kettle*

Eva Kettle, Vice-President Research of Biosign, is retained pursuant to an employment contract. The contract provides for a base compensation of \$135,000 plus benefits and a performance bonus payable upon the achievement of certain goals and corporate objectives. The agreement also contains certain non-competition and non-disclosure provisions and is subject to certain termination provisions. In the event of termination, Kettle is entitled to a lump sum payment equal to twelve months salary, bonus and pro-rata benefits, if such termination is within the first twelve months of employment, and if it is thereafter then one additional month of salary and pro-rata benefits for each additional completed year of employment to a maximum of 24 months.

## Compensation of Directors

For the financial year ended December 31, 2006, each independent director of the Company was entitled to an annual fee, prorated for the number of months the director was a member of the board, of \$20,000 for being a member of the Board, \$10,000 for being a member of the Audit Committee, and \$5,000 for being a member of the Compensation Committee. In addition, the directors were reimbursed for any out-of-pocket expenses reasonably incurred while performing their duties.

As part of the mandate to preserve cash for operations and commercialization, the Directors have agreed to waive their fees effective February 2008. The liability for fees for the period February 2008 to June 2008 in the amount of \$43,750 was reversed during the third quarter.

## 16. Indebtedness of Directors and Executive Officers

None of the executive officers or directors of the Issuer, or associates or affiliates of such persons:

- (a) are or have been indebted to the Issuer or Biosign at any time; or
- (b) are or have been indebted to another entity at any time where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or Biosign.

## 17 Risk Factors

The Company operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control. Biosign's common shares should be considered speculative. As a technology company in the commercialization stage the Company is subject to a number of risks and uncertainties that are inherent to the development of any new technology, including:

### *Risks Related to the Company's Financial Condition*

- The Company has a limited operating history and has not derived any revenue to date from the commercial sale of its products, nor had any revenues from other commercial sales; there is no guarantee that Biosign will be able to generate revenues in the future.
- The Company cannot predict if profitability will ever be achieved and, if it is, whether or not it will be sustainable on a quarterly or an annual basis. Operating losses are expected to continue if the Company is unable to achieve significant revenues.
- The Company has limited financial resources and to continue planned operations it may need to raise capital that may not be available on favorable terms, and may be dilutive. The Company may fail to obtain additional financing and be unable to fund operations and commercialize its products. If the Company is unable to fund operations, the Company may cease doing business.

### *Risks Related to the Company's Business and Operations*

- The success of the Company depends on the commercialization of its technology. The technology is in various stages of commercial development and there is no assurance that there will be market acceptance of any of Biosign's products.

- The Company depends on strategic collaborators for the development, regulatory approval, testing, manufacturing and the potential commercialization of its products. The Company would be negatively affected if it is not able to initiate or maintain these relationships.
- Failure to protect intellectual property, or infringement on the intellectual property rights of others, may impede the Company's ability to operate freely.
- The Company in some instances is dependent on the successful outcome of clinical testing and/or trials, delays in clinical testing and/or trials will cause the Company to incur additional costs which could adversely affect the Company's liquidity and financial results.
- The Company is required to comply with regulations that are administered by regulatory authorities in the Canada, Europe, the United States and other countries. Future changes in regulations, enforcement, or administrative interpretations could adversely affect Biosign's business, financial condition and results of operations.
- Competitive products and technologies may reduce demand for the Company's products and technologies as competition from pharmaceutical companies, medical device companies, biotechnology companies and academic and research institutions is expected to increase.
- The Company's industry is characterized by rapid change and a failure by the Company to react to these changes could have a material adverse effect on its business.
- The Company is reliant on key employees.
- The Company operates without a Chief Financial Officer since June, 2008. The Company continues to lack in-house finance expertise to this day (April 2009).
- The Company expects that a significant portion of any potential future revenues will be derived from foreign markets. Operations in foreign markets are subject to certain risks, including political instability, shipping delays, changes in foreign regulations and laws governing the sale of medical devices, fluctuations in foreign currency exchange rates and various trade restrictions.
- The Company's insurance may not be sufficient, exposing the Company to potential loss from litigation.

#### *Risks Relating to the Company's Common Shares*

- The Company has not paid, and does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them.
- The market price and trading volume of the Company's common shares may be volatile.
- The Company's financial results will fluctuate from period to period and therefore should not be relied upon as an indication of future financial performance. Such fluctuations in quarterly results or other factors beyond the Company's control could affect the market price of its common stock. These factors include changes in earnings estimates by analysts, market conditions in our industry, announcements by competitors, changes in medtech and pharmaceutical and biotechnology industries, and general economic conditions. Any effect on its common stock could be unrelated to longer-term operating performance.

**18. Promoters**

Radu Leca may be considered a promoter of Biosign and the Issuer in that they took the initiative in founding and organizing Biosign.

**19. Legal Proceedings**

On March 13, 2009, Codesta Canada Inc. filed a \$10,000.00 claim against the Issuer in a Toronto Small Claims Court. On March 26, 2009, the Issuer has filed a defence form denying the allegation.

**20. Interest of Management and Others in Material Transactions**

Refer to section 3.2

**21. Auditors, Transfer Agents and Registrars**

## 21.1 Auditor

The auditor of the Issuer is Cookson Walker LLP, Chartered Accountants, 200 University Avenue, 14th Floor, Toronto, Ontario, M5H 3C6.

## 21.2 Transfer Agent and Registrar

The Issuer's transfer agent and registrar is Computershare at its principal office located at 510 Burrard Street, 3rd Floor, Vancouver, B.C. V6C 3B9

**22. Material Contracts**

Except for contracts entered into in the ordinary course of business, the only contracts entered into by Biosign since it was incorporated which may reasonably be regarded as material are the following:

1. Agreement of Lease with 25 Sheppard Portfolio Inc., dated November 1, 2005, and which was extended to expire end of June, 2009.

**23 Interest of Experts**

No person or company named in this Listing Statement as having prepared or certified a part of the Listing Statement or a report described in this Listing Statement and no responsible solicitor or any partner of a responsible solicitor's firm, holds any beneficial interest, direct or indirect, in any securities or property of the Issuer or of an associate or affiliate of the Issuer.

**24. Other Material Facts**

There are no other material facts about the Issuer that are not elsewhere disclosed herein and which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer

**25. Financial Statements**

- 25.1 Audited financial statements of Biosign for the periods ended December 31, 2008, and 2007 are attached in Appendix A.
- 25.2 This section is not applicable.

**CERTIFICATE OF THE ISSUER**

The foregoing contains full, true and plain disclosure of all material information relating to Biosign Technologies Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario

this 29<sup>th</sup> day of April, 2009.

A handwritten signature in cursive script, appearing to read "Leca", written in black ink.

Radu Leca  
President & CEO

**APPENDIX “A” - Financial Statements of Biosign Technologies Inc.**