



Verisante recently announced a breakthrough in the fight against oral and skin cancer with the announcement of a second phase prototype for the Company's Intelligent **Multispectral Imaging Camera.**

Press releases are short by nature and therefore detailed information is required to be left out. In response to the range of recent queries brought forward, Verisante is issuing a newsletter to clarify the scope of this new product and outline the positive effect it could have on the Company's future growth.

Multispectral Imaging

Multispectral imaging (MSI) is a form of imaging that captures data at different frequencies across the electromagnetic spectrum. These frequencies can include wavelengths not visible to the human eye. MSI was originally developed for defense satellite imaging and is now being applied to such varied applications as archeology, forensics, and medical imaging.

Verisante MSI Camera

Verisante has licensed the exclusive worldwide rights to a rapid MSI imaging system. The camera takes images of 18 different narrow band wavelengths of light in one third of a second to capture high definition multispectral images. From these multispectral images, unique information can be extracted about tissue oxygenation ratios, hemoglobin levels, melanin levels, scatter size, and other parameters which make the device useful to assist in oral and skin cancer detection applications.

Please refer to: Notes About Forward Looking Statements & Risks and Uncertainties.



The camera takes images of 18 different narrow band wavelengths of light in one third of a second to capture high definition multispectral images.

A Rapid MSI System for Oral and Skin Cancer

Current stage

- Phase 2 prototype complete (imaging camera for skin cancer)

Dr. Haishan Zeng, a distinguished scientist in the Integrative Oncology Department at the BC Cancer Agency and one of the inventors of the MSI camera.



Next steps (12-24 months)

- Complete laboratory testing for skin cancer prototype
- Build 5 additional units to place in the field to gather data for skin cancer device
- Develop oral cancer probe/attachment
- Build 5 additional units to place in the field to gather data for oral cancer device
- Collect user and clinical feedback and engage industrial design team for final prototyping
- Final prototyping of oral and skin cancer unit
- Begin applications for regulatory approvals
- Transfer to manufacturing
- Commercial product launch

Oral Cancer Statistics

The next generation smart diagnostic tool for dentists

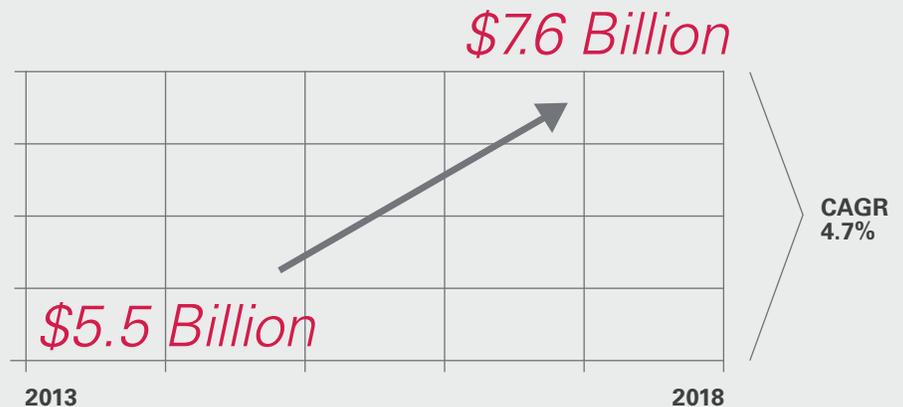
The American Cancer Society estimates that in 2013:

36,000 / 6,850

people will get oral cavity or oropharyngeal cancer

people will die from these cancers in the United States

The current worldwide dental equipment market is approximately \$5.5 billion and is expected to reach \$7.6 billion in 2018.



Source: Transparency Market Research

96%
Stage 1

30%
Stage 4

Early Detection Saves Lives

In the United States alone, there is estimated to be 143 million dental office visits per year. Of those patient visits, approximately 85 million are from high-risk patients (over the age of 40). The average billing for an oral screening is USD\$35 and the average cancer screening time is 2.5 minutes.

Source: American Cancer Association



MSI vs Competing Products

Current products used in dental offices for oral cancer screening include the Identafi, VELscope and Vizilite systems. Verisante's MSI System was originally developed at the BC Cancer Agency, and is covered by the company's Collaborative Research Agreement with the Agency.

Verisante's MSI camera for oral cancer detection has several clear advantages over the products currently on the market.

	MSI Camera	Competition
Wavelengths	18	1 - 2
Real Time Imaging	✓	✗
Sophisticated Diagnostic Algorithm	✓	✗

Billing Code for Procedure

The American Dental Association has an approved CDT code ("D0431") for adjunctive tests intended to aid in oral mucosal examinations.

The existence of a billing code for using the MSI Camera for oral cancer exams means the average dentist can add an estimated \$20,000 or more to their annual revenue. This has driven sales of the above mentioned competing devices which have sold an estimated 30,000 units combined. It is Verisante's goal to dominate this market with what the Company strongly believes is vastly superior technology. Existing products

for oral cancer screening rely on simply illuminating the oral cavity with wavelengths of light which cause a natural phenomenon called autofluorescence. This makes all abnormal tissue stand out, including for example, simple cold sores. As a result, autofluorescence by itself is associated with a very high rate of false positives and some studies have questioned whether using fluorescence illumination independently is clinically useful due to this high rate of false positives.* The majority of dentists still rely on a visual examination using their existing examination lights. Verisante aims to change that situation with the introduction of the MSI Camera.

The Company anticipates that those who are using existing products will switch to our next generation device and we can entice a greater number of dentists to start using a device that will have a clinical impact to allow them to take advantage of the billing codes and insurance reimbursement, as well as achieving better results for their patients.

With 137,000 general dentists in the USA alone, Verisante is confident this is an substantial business opportunity that will contribute significant growth to our revenues.

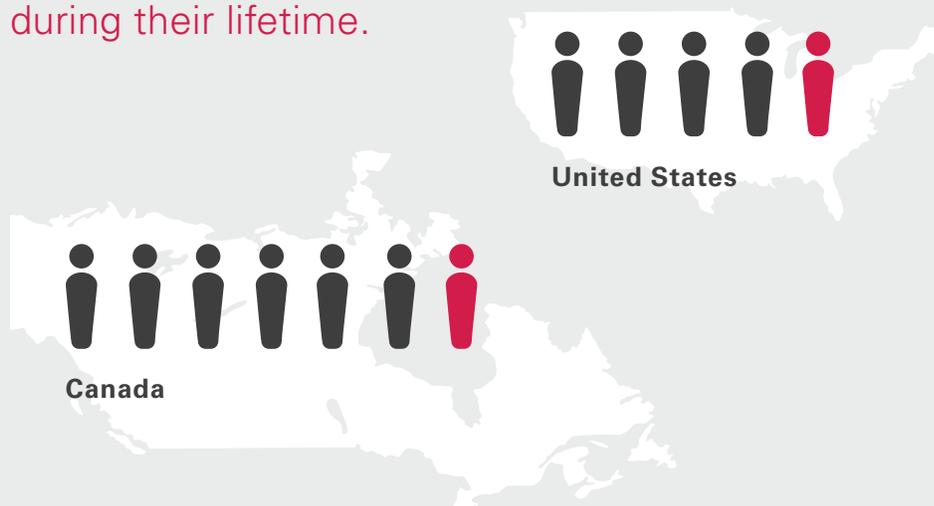
* (Mehrotra R, Singh M, Thomas S, Nair P, Pandya S, Nigam NS, Shukia P. a cross sectional study evaluating chemiluminescence and autofluorescence in the detection of clinically innocuous precancerous and cancerous oral lesions. J Am Dent Assoc. 2010 Apr; 141(4): 388); (Awan KH, Morgan PR, Warnakulasuriya S. Evaluation of an autofluorescence based imaging system (VELscope™) in the detection of oral potentially malignant disorders and benign keratoses. Oral Onc. 2011 Feb; 42(2011); 274-277); (Balevi B. Assessing the usefulness of three adjunctive diagnostic devices for oral cancer screening: a probabilistic approach. Community Dent Oral Epidemiol 2011; 39: 171-176)

Skin Cancer Statistics

Next generation digital dermatoscope and automated diagnostic tool

Skin cancer is the most common form of cancer in the world, with the World Health Organization reporting one in every three cancers diagnosed is a skin cancer. The incidence of both non-melanoma and melanoma skin cancers have been increasing at a rate of approximately 3% per year. One in seven Canadians and one in five Americans will develop skin cancer during their lifetime and over 3.5 million cases (2.5 million people with 3.5 million lesions) of skin cancer are diagnosed annually in the USA. The American Cancer Society estimates approximately 76,600 new melanomas (the deadliest form of skin cancer) will be diagnosed in the United States in 2013.

One in seven Canadians
and one in five Americans
will develop skin cancer
during their lifetime.



Competition

Verisante's MSI camera for skin cancer detection will have the following advantages over the hand-held digital dermatoscopes currently on the market:

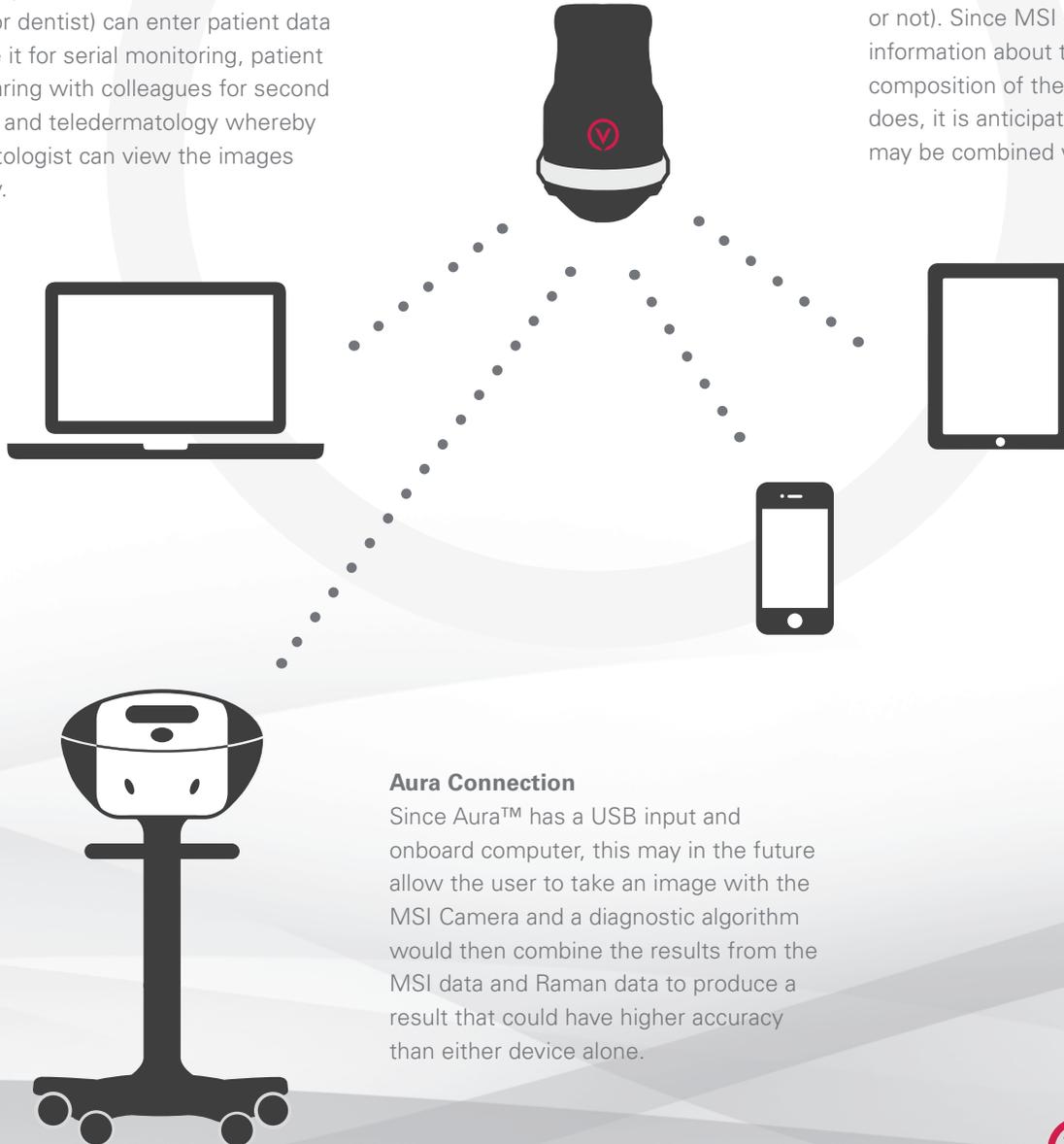
- Provides quantitative information about the physiological and morphological properties of tissue that cannot be seen by the eye, such as tissue oxygenation ratios, hemoglobin oxygenation levels, melanin levels, and other indicators of malignancy
- Real time imaging using a high resolution camera means the device can produce images in any of 18 wavelengths as well as an integrated true colour image
- Multiple wavelengths means more detailed and accurate information can be obtained

Value Proposition

This will be a valuable tool for dermatologists, primary care doctors, and researchers because the images saved will lead to the creation of large data banks. This device can also be a valuable tool for telemedicine to address the absence of dermatologists in small and remote communities. Not only will the device connect to a laptop via USB cable but the Company anticipates development of a companion application for smart phones and tablets where the doctor (or dentist) can enter patient data and save it for serial monitoring, patient files, sharing with colleagues for second opinions and teledermatology whereby a dermatologist can view the images remotely.

By having an application that is compatible with popular smart phones, we believe this will help drive sales by making the device more affordable and intuitive with a very short learning curve. While we are initially targeting medical professionals, we believe that with mass production, we may be able to lower the cost to make this affordable to consumers.

In contrast to Aura™, the Company's skin cancer detector that is currently available for sale and targeted towards dermatologists and hospitals, the MSI camera will be targeted towards the general practitioner to assist in distinguishing benign from suspicious lesions in order to make the decision to refer a patient to a dermatologist (Aura™, on the other hand, assists the medical professional to decide if a suspicious lesion should be biopsied or not). Since MSI does not provide information about the molecular composition of the tissue like Aura™ does, it is anticipated the MSI Camera may be combined with Aura™.



Aura Connection

Since Aura™ has a USB input and onboard computer, this may in the future allow the user to take an image with the MSI Camera and a diagnostic algorithm would then combine the results from the MSI data and Raman data to produce a result that could have higher accuracy than either device alone.

Notes about Forward Looking Statements & Risks and Uncertainties

This Newsletter contains certain forward-looking statements. These statements relate to future events or future performance and reflect management's expectations and assumptions regarding growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements, while they reflect management's current beliefs and are based on information currently available to management, are, by their nature, based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information.

Such forward-looking statements or information includes financial and other projections as well as statements regarding the Company's future plans, objectives, performance, revenues, growth, profits, operating expenses or the Company's underlying assumptions and the Company's intention to expand its technology beyond existing applications. The words "may," "would," "could," "will," "likely," "expect," "anticipate," "intend," "plan," "forecast," "project," "estimate" and "believe" or other similar words and phrases may identify forward-looking statements or information.

The risks, uncertainties or other factors include, which may cause actual results to differ from management's expectations include, but are not limited to the following: economic conditions; limited history of profits and operations; operational risk; distributor risks; speculative investment; volatility of stock price; disruptions in production; reliance on key personnel; management's estimates; development of new customers and products risks; stock price volatility risk; sales and marketing risk; competitors and competition risk; regulatory requirements and no guarantees of obtaining regulatory approvals; reliance on subcontractors; operating cost and quarterly results fluctuations; product liability and medical malpractice claims; access to credit and additional financing; market acceptance of the Company's products and services; customer and industry analyst perception of the Company and its technology and future prospects; technological change, new products and standards; international operations and sales; management of growth and expansion; dependence upon key personnel and hiring; the Company not adequately protecting its intellectual property; and risks related to product defects and product liability.

For United States Residents

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain.

See risks and uncertainties listed above. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.