GRANT VENTURES INC
Form SB-2
September 30, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM SB-2

REGISTRATION STATEMENT

UNDER THE

SECURITIES ACT OF 1933

GRANT VENTURES, INC.

(Name of Small Business Issuer in Its Charter)

Nevada	3841	82-0490737
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

5511 Capital Center Drive, Suite 224

Raleigh, NC 27606

(919) 852-4482

(Address and Telephone Number of Principal Executive Offices)

5511 Capital Center Drive, Suite 224

Raleigh, NC 27606

(919) 852-4482

(Address of Principal Place of Business or Intended Principal Place of Business)

Corporation Service Company

327 Hillsborough Street

Raleigh, NC 27603

(Name, Address and Telephone Number of Agent for Service)

Copies to:

Steven S. Pretsfelder, Esq.

Brown Raysman Millstein Felder & Steiner, LLP

900 Third Avenue

New York, NY 10022

Approximate Date of Commencement of Proposed Sale to the Public:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]
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If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]
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If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]
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If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. [ ]

Title of each class of Securities to be Registered	Amount to be registered	Proposed Maximum Offering Price Per Unit (1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock	24,268,495	$0.70	$16,987,946.50	$2,152.37

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the bid and asked prices of the Registrant s common stock on September 24, 2004.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Prospectus

Subject to Completion, dated September 30, 2004

GRANT VENTURES, INC.

24,268,495 Shares

Common Stock

This prospectus relates to the sale of up to 24,268,495 shares of our common stock by selling stockholders. The selling stockholders currently hold a total of 19,135,767 shares of our common stock. Certain of the selling stockholders will receive an additional 5,132,728 shares of our common stock upon conversion of our outstanding warrants that they own. The prices at which the selling stockholders may sell shares will be determined by the prevailing market price for the shares or in negotiated transactions. We will not receive any proceeds from the sale of our shares by the selling stockholders.

Our common stock is listed on the OTC Bulletin Board under the symbol GRTV.OB. On September 29, 2004, the last reported bid price of our common stock was $0.67 per share.

INVESTING IN OUR SECURITIES INVOLVES RISKS. SEE RISK FACTORS BEGINNING ON PAGE 3.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is September 30, 2004.

Grant Ventures, Inc.

5511 Capital Center Drive, Suite 224

Raleigh, NC 27606

(919) 852-4482

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PROSPECTUS SUMMARY

This summary does not contain all of the information that you should consider before investing in our common stock. You should carefully read the entire prospectus, including the section entitled Risk Factors and the consolidated financial statements and pro forma financial statements prior to making an investment decision.

About Grant Ventures

We are developing protein-based screening tests to screen woman for cervical cancer and pre-cancerous conditions that typically result in cervical cancer. Our tests detect the presence of certain antibodies that appear only when cervical cancer or certain pre-cancerous conditions are present in the body. Our tests are performed by analyzing a small amount of blood taken from the patient. In one of our tests, the blood sample is analyzed in a clinical testing laboratory using standard laboratory equipment and analytic software, which generally can produce test results in about 2 hours. Our second generation rapid test is designed to be administered by a health professional in a doctor s office, hospital, clinic or even at home, and can provide easy-to-read results in approximately 15 minutes.

Invasive cervical cancer affects over 500,000 women worldwide annually, and approximately 300,000 women die each year from this disease. Cervical cancer is the second highest cause of cancer death among women. In the United States, Western Europe and other countries where there is widespread screening and a sophisticated testing infrastructure, cervical cancer is less prevalent. In China, India and many other developing countries, there is a much higher rate of cervical cancer because of the lack of testing and limited or non-standardized testing infrastructure.

Papanicalou tests, commonly known as Pap Tests, have been the most common method of screening for cervical cancer for over 50 years. Recently, DNA-based HPV tests (which we refer to as HPV tests) have been introduced as an adjunct to the Pap Test. Approximately 60 million Pap Tests are performed each year in the United States, and an additional 60 million Pap Tests are performed annually in the rest of the world, mostly in Canada, Western Europe, Japan and Australia. Outside of the United States, approximately 1.7 billion women do not undergo regular cervical cancer screening. In many cases this is due to lack of economic resources. In some countries, social, cultural and/or religious factors may also inhibit women from undergoing cervical cancer testing.

We believe that our tests will efficiently and accurately screen for cervical cancer. When completed, we believe that our tests will differ in several important respects from the Pap Tests and HPV tests that are currently in use:

- Our tests analyze a patient s blood. Both the Pap Tests and HPV tests examine cervical cells that must be collected from a woman s cervix.

- Our tests will be performed in a laboratory by a lab technician using standard, readily available laboratory equipment, or by a doctor or other healthcare provider at the point-of-care using a self-contained easy-to-use test. Cell specimens from Pap Tests are usually examined by a highly trained licensed cytotechnologist under a microscope to determine whether cancerous cells or pre-cancerous conditions are present. The most widely accepted HPV tests rely on sophisticated gene-based software and specialized laboratory equipment.

Our tests will detect antibodies that are present only if a woman has cervical cancer or various pre-cancerous conditions that usually lead to cancer. In preliminary trials that used one version of our test to analyze blood samples of patients already diagnosed with cervical cancer or pre-cancerous conditions, our test was able to detect cervical cancer or pre-cancerous conditions when such conditions existed and was able to rule out cervical cancer and pre-cancerous conditions when they did not exist.

Pap Tests results may be limited by the visual limitations, sample distribution and other technical problems and the subjective nature of cytology. Woman who have abnormal Pap Tests typically undergo a colposcopy (visual examination of the cervix with the aid of a colposcope) and a biopsy. However, a colposcopy and biopsy do not reveal cervical cancer or pre-cancerous conditions in about 80% of the cases. In addition, in many cases, Pap Tests fail to diagnose cervical cancer or pre-cancerous conditions when, in fact, they are present. Further, Pap Tests alone sometimes are unable to differentiate some cancerous or pre-cancerous conditions from benign conditions that mimic them.

HPV Tests detect the presence of humanpapilloma virus, or HPV, which is present in almost all cases of cervical cancer. However, while there are more than 100 types of HPV, the scientific community believes only 7 to 15 actually cause most cervical cancers. While HPV Tests are generally able to accurately detect the presence of HPV, they typically are not able to accurately diagnose cervical cancer**.** Only 2% of patients who test positive for HPV will eventually contract cervical cancer.

When we have completed the development of our tests, we plan initially to market and sell them in the United States, Western Europe, Japan and certain other countries. In countries where Pap testing is routine, we believe that our tests may be used together with, or as an adjunct to, the Pap Test. In developing nations, we plan to market and sell our rapid test through local distributors to hospitals, clinics, physicians and other healthcare providers who we believe will use it as a low-cost point-of-care test.

We will require FDA approval before marketing and selling our tests to most laboratories and to hospitals, clinics, doctors and other healthcare providers. We also will require regulatory approval before we market and sell our tests in many foreign countries. We have not yet made any submissions to the FDA or any foreign regulatory agency or begun clinical trials that we anticipate will be required by these agencies as part of their review of our tests.

Our planned cervical cancer tests use proprietary technology to detect the presence of antibodies to specific HPV proteins. We believe that in the future we may be able to apply that technology to develop rapid tests for other diseases and certain other cancers.

History of our company

Our company was incorporated in Idaho in 1983 as Grant Silver Inc. In 2001 we reincorporated in Nevada. On July 30, 2004, we acquired Impact Diagnostics, Inc, a Utah corporation, through the merger of our wholly owned subsidiary into Impact Diagnostics. We sometimes refer to that transaction as the Merger . As a result of the Merger, Impact Diagnostics is a wholly owned subsidiary of our company. Impact Diagnostics was formed in 1998 and has been developing a cervical cancer test. For several years prior to our acquisition of Impact Diagnostics, our company engaged in no business.

For accounting purposes, the acquisition of Impact Diagnostics through the Merger is treated and presented as a recapitalization of Impact Diagnostics. Therefore, in this prospectus, unless otherwise indicated, all historical financial information presented about our company is historical financial information of Impact Diagnostics only, the historical audited and unaudited interim financial statements are the financial statements of Impact Diagnostics, and no historical financial information or financial statements of Grant Ventures are included.

Our Board of Directors and a majority of our stockholders, acting by written consent, have agreed to amend and restate our Articles of Incorporation. Our Amended and Restated Articles of

Incorporation will, among other things, change our name from Grant Ventures, Inc. to Grant Life Sciences, Inc., increase the number of shares of common stock that we may issue to 150,000,000 and authorize our Board of Directors to issue up to 20,000,000 shares of preferred stock. We have filed a preliminary information statement with the Securities and Exchange Commission that describes all the changes that will result from the amendment and restatement of our Articles of Incorporation as well as certain other actions taken by our board and stockholders. Once the SEC has completed its review of the information statement, we will send our definitive information statement (which we sometimes refer to as the Information Statement) to our stockholders. The actions taken, including our name change, will become effective 20 days after we mail the information statement to our stockholders.

The Offering by the Selling Stockholders

By this prospectus, the selling stockholders are offering up to 24,268,495 shares of our common stock, of which 19,135,767 are shares of common stock currently held by the selling stockholders and 5,132,728 are shares of common stock issuable upon exercise of warrants held by the selling stockholders. On September 24, 2004, there were 50,000,000 shares of our common stock outstanding and upon the exercise of the warrants described above, the number of shares offered by this prospectus represents 48.5% of our total common stock outstanding on September 24, 2004 (this percentage excludes a total of 7,464,950 shares of common stock that certain stock holders of Impact Diagnostics were entitled to receive in the Merger but which will not be issued until the increase in our authorized common stock is effective). The selling stockholders are not required to sell their shares, and any sales of common stock by the selling stockholders are entirely at the discretion of the selling stockholders.

We will receive no proceeds from the sale of the shares of common stock in this offering. However, if all of the warrants are exercised in full, we would receive $463,082.35 in proceeds. Any proceeds received upon exercise of the warrants will be used for general corporate purposes consistent with our business strategy.

RISK FACTORS

Investing in our securities involves a material degree of risk. Before making an investment decision, you should carefully consider the risk factors set forth in this prospectus and any accompanying prospectus supplement delivered with this prospectus, as well as other information we include in this prospectus and any accompanying prospectus supplement.

We are a development stage company and we have no meaningful operating history on which to evaluate our business or prospects.

We acquired Impact Diagnostics on July 30, 2004. For several years prior to that acquisition, we did not engage in any business. Impact Diagnostics was formed in 1998 and has been developing a cervical cancer screening test. This is now our only business. Impact Diagnostics has only a limited operating history and has generated no revenue. The limited operating history of Impact Diagnostics makes it difficult to evaluate our business prospects and future performance. Our business prospects must be considered in light of the risks, uncertainties, expenses and difficulties frequently encountered by companies in their early stages of development, particularly companies in new and rapidly evolving markets, such as the biotechnology market.

We have not completed the development of our planned cervical cancer tests and we are not currently developing any other products. We may not successfully develop our cervical cancer tests or any other products.

The cervical cancer tests are the only products we are developing. We have no other products. We may never successfully complete the development of our cervical cancer tests. If we do not complete the development of our cervical cancer tests or develop other products, we will not be able to generate any revenues or become profitable and you may lose your entire investment in our company.

We have incurred net losses to date and expect to continue to incur net losses for the foreseeable future. We may never become profitable.

We have had substantial operating losses since our inception and have never earned a profit. We incurred net losses of $646,201 in fiscal 2002, $253,881 in fiscal 2003, $464,247 for the six months ended June 30, 2004 and $1,935,237 from inception in 1998 through June 30, 2004. Our accumulated deficit at June 30, 2004 was $1,935,237.

Our losses have resulted principally from:

- expenses associated with our research and development programs and development or our cervical cancer tests;
- expenses associated with the Merger; and
- administrative and facilities costs.

We expect to incur significant and increasing operating losses for the next few years as we complete development of our cervical cancer tests, initiate clinical trials, seek regulatory approval, expand our research and development, advance other product candidates into development and, if we receive regulatory approval, market and sell our products. We may never become profitable.

We will need to raise substantial additional capital to fund our operations, and if we are unable to obtain funding when needed, we may need to delay completing the development of our planned cervical cancer tests, scale back our operations or close our business.

We believe we have sufficient cash to fund our planned operations through January 2005. Based on our current plan, we will need to raise at least $2,000,000 to fund our operation until the end of 2005. We plan to raise additional capital through the sale of equity and/or debt securities. We do not currently have any committed sources of financing and we cannot be certain that we will be able to obtain financing on acceptable terms or at all. If we are unable to raise sufficient funds, we may have to delay, scale-back or eliminate aspects of our operations or close our business. If we sell additional equity securities, we will dilute our current stockholders equity interest in our company.

Our auditors have qualified their opinion to our financial statements because of concerns about our ability to continue as a going concern. These concerns arise from the fact that we have not yet

established an ongoing source of revenues sufficient to cover our operating costs and that we must raise additional capital in order to continue to operate our business. If we are unable to continue as a going concern, you could lose your entire investment in our company.

We will not be able to sell our planned cervical cancer tests and generate revenues if laboratories and physicians do not accept them.

If we successfully complete development of our cervical cancer tests and obtain required regulatory approval, we plan to market and sell our tests initially to clinical testing laboratories in the United States, Western Europe and other countries in which there is widespread cervical cancer screening and a sophisticated testing infrastructure. We plan to market and sell the rapid test to physicians, hospitals, clinics and other healthcare providers in some developing countries where cervical cancer screening is not widespread and where there is limited or non-standardized testing infrastructure. In order to successfully commercialize our tests, we will have to convince both laboratories and healthcare providers that our proposed tests are an effective method of screening for cervical cancer, whether as an independent test, used in conjunction with Pap Tests and/or HPV Tests or as a follow-up screening method for women with equivocal Pap Tests. Pap Tests have been the principal means of cervical cancer screening for over 50 years and, in recent years, HPV Tests have been introduced primarily as an adjunct to Pap Tests.

Our planned cervical cancer tests rely on an approach that is different from the underlying technology of the Pap Tests and the HPV Tests. There is no assurance that healthcare professionals, women s advocacy groups and other key constituencies will see our planned tests as an accurate means of detecting cervical cancer or pre-cancerous conditions. In addition, some parties may view using our proposed test along with the Pap Tests and/or HPV Tests for primary screening as adding unnecessary expense to the already accepted cervical cancer screening protocol.

If third-party health insurance payors do not adequately reimburse healthcare providers or patients for our proposed cervical cancer tests, we believe it will be more difficult for us to sell our tests.

We anticipate that if government insurance plans (including Medicare and Medicaid in the United States), managed care organizations and private insurers do not adequately reimburse users for use of our tests, it will be more difficult for us to sell our tests to laboratories and healthcare providers. Third-party payors and managed care entities that provide health insurance coverage to approximately 225 million people in the United States currently authorize almost universal reimbursement for the Pap Tests, and Pap Tests are nearly fully reimbursed in other markets where we plan to market and sell our proposed tests. HPV Tests also are almost fully reimbursed for certain uses. We will attempt to obtain reimbursement coverage in all markets in which we plan to sell our proposed cervical cancer tests to the same degree as the Pap Test.

Our management will be required to expand significant time, effort and expense to provide information about the effectiveness of our planned cervical cancer tests to health insurance payors who are willing to consider reimbursement for our tests. However, reimbursement has become increasingly limited for medical diagnostic products. We cannot be certain that health insurance payors will reimburse laboratories, healthcare providers or patients in the United States or elsewhere for the use of our planned tests, either as a stand-alone test or as an adjunct to Pap Tests or HPV Tests.

We currently have no sales force or distribution arrangement in any market where we intend to market and sell our tests.

We currently have no sales or marketing organization. When we complete the development of our cervical cancer tests and receive required regulatory approvals, we will attempt to market and sell our tests to laboratories and directly to physicians, hospitals, clinics and other healthcare providers. We plan to market and sell our tests to laboratories in the United States and globally through third party distributors. We do not currently have any arrangements with any distributors and we may not be able to enter into arrangements with qualified distributors on acceptable terms or at all. If we are unable to enter into distribution agreements with qualified distributors on acceptable terms, we may be unable to successfully commercialize our tests.

Our competitors are much larger and more experienced than we are and, even if we complete the development of our tests, we may not be able to successfully compete with them.

The diagnostic testing industry is highly competitive. When completed, we expect that our cervical cancer tests will compete with the Pap Tests, which have been widely accepted by the medical community for many years. Approximately 60 million Pap Tests are performed annually in the United States, and an additional 60 million Pap Tests are performed annually in the rest of the world. Manufacturers of Pap Tests include Cyctc Corporation and several other companies. Future improvements to the Pap Test could hinder our efforts to introduce our tests to the market.

Our cervical cancer tests also will compete with HPV Tests, which are becoming increasingly accepted in the medical community. Manufacturers of HPV Tests include Digene Corporation, Ventana Medical Systems, Roche Diagnostics, Abbott Laboratories, and Bayer Corporation. If market acceptance of HPV Tests becomes greater, it may be more difficult for us to introduce our tests to the market.

All of the companies who manufacture Pap Tests and HPV Tests are more established than we are and have far greater financial, technical, research and development, sales and marketing, administrative and other resources than we do. Even if we successfully complete the development of our tests, we may not be able to compete effectively with these much larger companies and their more established products.

We will need to obtain regulatory approval before we can market and sell our planned tests in the United States and in many other countries.

In the United States, our planned cervical cancer tests will be subject to regulation by the FDA under the Federal Food, Drug and Cosmetic Act. Governmental bodies in many other countries also regulate medical devices. These domestic and foreign regulations govern the majority of the commercial activities we plan to perform, including the purposes for which our proposed tests can be used, the development, testing, labeling, storage and use of our proposed tests with other products and the manufacturing, advertising and promotion of our proposed tests for the approved purposes. Compliance with these regulations will be expensive and time-consuming.

We have not yet submitted an application to the FDA or regulatory agencies in any other country to review and approve the cervical cancer tests we are developing. It is likely that we will have to conduct clinical trials and other studies to generate data that will be submitted to the FDA and other regulatory authorities in support of our application. We have not yet designed or initiated any of these

trials. We anticipate it will take at least one to two years to conduct these trials and complete the FDA review process, and it may take even longer.

In the United States, prior to approval by the FDA, under certain conditions, companies can sell investigational or research kits to laboratories under the Clinical Laboratory Improvement Amendment (CLIA) of 1988. Under CLIA, companies can sell diagnostic assays or tests to high complexity laboratories for validation as an analyte specific reagent. We intend to sell one version of our cervical cancer test to high complexity laboratories for validation as an analyte specific reagent or for use by the laboratories to produce their own homebrew diagnostic assays. However, there is no assurance that we will receive approval under CLIA for sales to these laboratories.

Medical devices that have been cleared or approved are subject to numerous post-market requirements. Should we be cleared or approved, we will be subject to inspection and marketing surveillance by the FDA to determine our compliance with regulatory requirements. If the FDA finds that we have failed to comply, it can institute a wide variety of enforcement actions, ranging from a public warning letter to more severe sanctions such as:

- withdrawal of approval;
- denial of requests for future approval;
- fines, injunctions and civil penalties;
- recall or seizure of the product;
- operating restrictions, partial suspension or total shutdown of production; and
- criminal prosecution.

Any enforcement action by the FDA may also affect our ability to commercially distribute our products in the United States.

Regardless of FDA approval, we expect that we will be required to obtain approval from comparable regulatory authorities in many other countries before we are able to market or sell our proposed tests in those countries. The amount of time necessary for foreign approval of our proposed cervical cancer tests varies between different countries. There is no assurance that acceptance by any one country will determine acceptance by another country. Additionally, implementation of more stringent requirements or the adoption of new requirements or policies could adversely affect our ability to sell our proposed tests in other countries in the world. We may be required to incur significant costs to comply with these laws and regulations.

In addition to the rules and regulations of the FDA and comparable foreign agencies, we may become subject to various other federal, state, provincial and local laws, regulations and recommendations. We may become subject to various laws and regulations relating to the use and disposal of hazardous or toxic chemicals or potentially hazardous substances, infectious disease agents and other materials, and laboratory and manufacturing practices used in connection with our research and development activities. If we fail to comply with these regulations, we could be fined, we may not be able to operate certain portions of our business, and we may suffer other consequences that could materially harm our business.

If we are unable to successfully protect our intellectual property or obtain certain licenses, our ability to develop, market and sell our tests and any other product we may develop in the future will be harmed.

Our success will partly depend on our ability to obtain patents and licenses from third parties and protect our trade secrets.

We have an exclusive license from Dr. Yao Xiong Hu for certain processes that we currently include in our cervical cancer tests. Some of the technology owned by Dr. Hu is covered by a United States patent that has been issued, and some of the technology is covered by a United States patent application that has been filed and is pending. The agreement with Dr. Hu also covers technology included in foreign applications presently pending as PCT applications in China and India. We plan to file patent applications for any additional technology that we create in the future. We cannot assure you that our patent applications will result in patents being issued in the United States or foreign countries. In addition, the U.S. Patent and Trademark Office may reverse its decision or delay the issuance of any patents that may be allowed. We also cannot assure you that any technologies or tests that we may develop in the future will be patentable. In addition, competitors may develop products similar to ours that do not conflict with patents we may receive. If our patents are issued, others may challenge these patents and, as a result, our patents could be narrowed or invalidated. From time to time, we may be required to obtain licenses from third parties for some of the technology or components used or included in our tests. We cannot be certain that we will be able to obtain these licenses on acceptable terms or at all. In certain instances, if we are unable to obtain a required license, our ability to develop or sell our tests may be impaired.

Our technology and tests may be dependent upon unpatented trade secrets. However, trade secrets are difficult to protect. In an effort to protect our trade secrets, we generally require our employees, consultants and advisors to sign confidentiality agreements. In addition, our employees are parties to agreements that require them to assign to us all inventions and other technology that they create while employed by us. However, we cannot guarantee that these agreements will provide us with adequate protection if confidential information is used or disclosed improperly. In addition, in some situations, these agreements may conflict with, or be limited by, the rights of third parties with whom our employees, consultants or advisors have prior employment or consulting relationships. Further, others may independently develop similar proprietary information and techniques, or otherwise gain access to our trade secrets.

Others could claim that we infringe on their intellectual property rights, which may result in costly and time-consuming litigation.

Our success will also depend partly on our ability to operate without infringing upon the proprietary rights of others, as well as our ability to prevent others from infringing on our proprietary rights. We may be required at times to take legal action in order to protect our proprietary rights. Despite our best efforts, we may be sued for infringing on the patent or other proprietary rights of others. Such litigation is costly, and, even if we prevail, the cost of such litigation could harm us. If we do not prevail, in addition to any damages we might have to pay, we could be required to stop the infringing activity or obtain a license. We cannot be certain that any required license would be available to us on acceptable terms, or at all. If we fail to obtain a license, or if the terms of a license are burdensome to us, our business could be materially harmed.

If we are able to market and sell our cervical cancer tests, we will be subject to product liability claims or face product recalls for which our insurance may be inadequate.

If we complete development of our cervical cancer tests and begin to sell them we will be exposed to the risk of product liability claims and product recalls. We are currently in the process of obtaining product liability insurance coverage. There can be no assurance that product liability insurance will be continually available to us on acceptable terms, or at all, or that insurance will be sufficient to protect us against product liability claims or recalls.

We do not have any manufacturing facilities and we have no arrangements with third party manufacturers.

We have no capacity to manufacture our proposed tests. We have not established any arrangements with third party manufacturers. We can not be certain that we will be able to enter into any such arrangements on favorable terms, or at all.

If we are unable to manage our anticipated future growth, we may not be able to implement our business plan.

We currently have 7 employees and retain consultants on a part-time basis. In order to complete development of our tests, obtain FDA and other regulatory approval, seek insurance reimbursement, begin to market and sell our tests, begin the production of our tests and continue and expand our research and development programs, we will need to hire significant additional qualified personnel and expand or implement our operating, administrative, information and other systems. We cannot guarantee that we will be able to do so or that, if we do so, we will be able to effectively integrate them into our existing staff and systems. We will also have to compete with other biotechnology companies to recruit, hire and train qualified personnel. If we are unable to manage our growth, we may not be able to implement our business plan.

Our future operations may be adversely affected by risks associated with international business.

We anticipate that, in the future, we may sell our cervical cancer tests in many countries outside the United States and potentially operate offices in certain of these countries. If we do so, we will be subject to certain risks that are inherent in an international business. These include:

- varying regulatory restrictions on sales of our tests to certain markets and unexpected changes in regulatory requirements;
- tariffs, customs, duties and other trade barriers;
- difficulties in managing foreign operations and foreign distribution partners;
- longer payment cycles and problems in collecting accounts receivable;
- fluctuations in currency exchange rates;
- political risks;
- foreign exchange controls that may restrict or prohibit repatriation of funds;

- varying laws relating to, among other things, employment and employment termination;
- export and import restrictions or prohibitions, and delays from customs brokers or government agencies;
- seasonal reductions in business activity in certain parts of the world; and
- potentially adverse tax consequences.

Depending on the countries involved, any or all of the foregoing factors could materially harm our business.

There is only a limited market for our common stock and the price of our common stock may be affected by factors that are unrelated to the performance of our business.

Our common stock has not actively traded during the past few years. If any of the risks described in these Risk Factors or other unseen risks are realized, the market price of our common stock could be materially adversely affected. Additionally, market prices for securities of biotechnology and diagnostic companies have historically been very volatile. The market for these securities has from time to time experienced significant price and volume fluctuations for reasons that are unrelated to the operating performance of any one company. In particular, and in addition to the other risks described elsewhere in these Risk Factors, the following factors can adversely affect the market price of our common stock:

- announcements of technological innovation or improved or new diagnostic products by others;
- general market conditions;
- changes in government regulation or patent decisions;
- changes in insurance reimbursement practices or policies for diagnostic products.

Our common shares have traded on the Over the Counter Bulletin Board at prices below $5.00 for several years. As a result, our shares are characterized as penny stocks which could adversely affect the market liquidity of our common stock.

The Securities Enforcement and Penny Stock Reform Act of 1990 requires additional disclosure relating to the market for penny stocks in connection with trades in any stock defined as a penny stock. Securities and Exchange Commission regulations generally define a penny stock to be an equity security that has a market price of less than $5.00 per share, subject to certain exceptions. Such exceptions include any equity security listed on Nasdaq or a national securities exchange and any equity security issued by an issuer that has:

- net tangible assets in excess of $2,000,000, if such issuer has been in continuous operation for three years;
- net tangible assets in excess of $5,000,000, if such issuer has been in continuous operation for less than three years; or

- average revenue of at least $6,000,000, for the last three years.

Unless an exception is available, the regulations require, prior to any transaction involving a penny stock, that a disclosure schedule explaining the penny stock market and the risks associated therewith is delivered to a prospective purchaser of the penny stock. We currently do not qualify for an exception, and, therefore, our common stock is considered to be penny stock and is subject to these requirements. The penny stock regulations adversely affect the market liquidity of our common shares by limiting the ability of broker/dealers to trade the shares and the ability of purchasers of our common shares to sell in the secondary market. In addition, certain institutions and investors will not invest in penny stocks.

Nevada law provides certain anti-takeover provisions for Nevada companies that may prevent or frustrate any attempt to replace or remove our current management by the stockholders or discourage bids for our common stock. These provisions may also affect the market price of our common stock. We have chosen not to opt out of these provisions.

We are subject to provisions of Nevada corporate law that limit the voting rights of a person who, individually or in association with others, acquires or offers to acquire at least 20% of the outstanding voting power of our company unless a majority of our disinterested stockholders elects to grant voting rights to such person. We are also subject to provisions of Nevada corporate law that prohibit us from engaging in any business combination with an interested stockholder, which is a person who, directly or indirectly, is the beneficial owner of 10% or more of our common stock, for a period of three years following the date that such person becomes an interested stockholder, unless the business combination is approved by our board of directors in a prescribed manner. These provisions of Nevada law may make business combinations more time consuming or expensive and have the impact of requiring our board of directors to agree with a proposal before it is accepted and presented to stockholders for consideration. Although we have the ability to opt out of these provisions, we have not chosen not to do so. These anti-takeover provisions might discourage bids for our common stock.

Our board of directors has the authority, without further action by the stockholders, to issue, from time to time, up to 20,000,000 shares of preferred stock in one or more classes or series and to fix the rights and preferences of such preferred stock. The board of directors could use this authority to issue preferred stock to discourage an unwanted bidder from making a proposal to acquire the company.

Future sales of a significant number of shares of our common stock by existing stockholders may lower the price of our common stock, which could result in losses to our stockholders.

As of September 24, 2004, we had outstanding 50,000,000 voting shares, and after the increase in the number of our authorized shares of common stock is effective, we will have outstanding 53,590,821 voting shares. Some of our outstanding voting shares are eligible for sale under Rule 144, are otherwise freely tradable or will become freely tradable under Rule 144. Sales of substantial amounts of shares of our common stock into the public market could lower the market price of our common shares.

In general, under Rule 144 as currently in effect, a person (or persons whose shares are required to be aggregated) who has owned shares for at least one year would be entitled to sell within any three-month period a number of shares that does not exceed the greater of (i) 1% of the number of our common shares then outstanding (which, after the increase in the number of our authorized shares of common stock is effective, will equal approximately 535,908 shares of common stock) or (ii) the average weekly trading volume of our common shares during the four calendar weeks preceding the filing of a Form 144 with respect to such sale. Sales under Rule 144 are public information about our company. Under Rule 144(k), a person who is not deemed to have been our affiliate at any time during the three months preceding a sale, and who has owned the shares proposed to be sold for at least two years, is entitled to sell his shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

FORWARD LOOKING STATEMENTS

This prospectus includes forward-looking statements. You can identify these forward-looking statements when you see us using words such as expect, anticipate, estimate, believe, intend, may, predict, and other similar expressions. These forward looking statements cover, amo items:

- our future capital needs;
- our expectations about our ability to complete development of our cervical cancer tests;
- our expectations about the FDA and other regulatory approval process that will be required for our cervical cancer tests;
- our expectations about reimbursement of our products by health insurance payors;
- our expectations about the future performance of the cervical cancer tests that we are developing;
- our expectations about acceptance in the market of the cervical cancer tests we are developing;
- our expectations about the ability of our planned cervical cancer tests to compete in the market;
- our marketing and sales plans;
- our expectations about our financial performance;
- our intention to develop additional screening tests using our technology;

We have based these forward-looking statements largely on our current expectations. However, forward-looking statements are subject to a number of risks and uncertainties, certain of which are beyond our control. Actual results could differ materially from those anticipated as a result of the factors described under Risk Factors including, among others:

- problems that we may face in successfully completing our planned cervical cancer tests;
- our inability to raise additional capital when needed;
- uncertainty of acceptance of our cervical cancer tests in the market;
- reluctance or unwillingness of laboratories and physicians to accept our tests;
- refusal of insurance companies and other third-party payors to reimburse patients, clinicians and laboratories for our tests;
- problems that we may face in marketing and selling our tests;
- the possibility that we may not be able to compete with established companies;
- delays in obtaining, or our inability to obtain, approval by the FDA for our proposed tests;
- delays in obtaining, or our inability to obtain, approval by certain foreign regulatory authorities for our proposed tests;
- problems in acquiring and protecting intellectual property important to our business through patents, licenses and other agreements;
- our ability to successfully defend claims that our tests may infringe the intellectual property rights of others;
- problems that we may face in obtaining product liability insurance or defending product liability claims;
- problems that we may face in manufacturing and distributing our proposed tests;
- the risks we face in potential international markets; and
- the limited market for our common stock and the adverse affect on liquidity that we may face because our common stock is considered a penny stock .

We do not undertake any obligation to publicly update or revise any forward-looking statements contained in this prospectus or incorporated by reference, whether as a result of new information, future events or otherwise. Because of these risks and uncertainties, the forward-looking statements and circumstances discussed in this prospectus might not transpire.

USE OF PROCEEDS

This prospectus relates to shares of our common stock that may be offered and sold from time to time by selling stockholders. The selling stockholders currently hold a total of 19,135,767 shares of our common stock. Certain of the selling stockholders will receive an additional 5,132,728 shares of our common stock upon conversion of our outstanding warrants that they own. We will receive no proceeds from the sale of shares of common stock in this offering. However, if all of the warrants owned by the selling stockholders are exercised in full, we would receive $463,082.35 in proceeds. Any proceeds received upon exercise of the warrants will be used for general corporate purposes consistent with our business strategy.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On July 30, 2004, we acquired Impact Diagnostics through the merger of our wholly owned subsidiary, Impact Acquisition Corporation, into Impact Diagnostics. As a result of the Merger, each issued and outstanding share of common stock of Impact Diagnostics was converted into the right to receive one share of our common stock, and Impact Diagnostics became a wholly owned subsidiary of our company. We now own, indirectly though Impact Diagnostics, all of the assets of Impact Diagnostics.

For accounting purposes, the acquisition of Impact Diagnostics is treated and presented as a recapitalization of Impact Diagnostics. Therefore, in this prospectus, unless otherwise indicated, all historical financial information presented about our company is historical financial information of Impact Diagnostics only, the historical audited and unaudited interim financial statements are the financial statements of Impact Diagnostics, and no historical financial information or financial statements of Grant Ventures are included.

We are considered a development stage company. In 2002 and 2003, we had no revenues and incurred net losses of $646,201 and $253,881, respectively. For the six months ended June 30, 2003 and 2004, we had no revenues and incurred net losses of $108,417 and $464,247, respectively.

In connection with the Merger, between July 30, 2004 and August 19, 2004, we sold 1,912,125 units in a private placement, at a purchase price of $0.9175 per unit ($0.1835 per share), resulting in gross proceeds to our company of $1,754,375. Each unit was comprised of five (5) shares of our common stock and a warrant to purchase one (1) share of our common stock at an exercise price of $0.18 per share.

We believe that we currently have sufficient capital to satisfy our cash requirements through January 2005. We plan to raise additional capital in the next three months through the sale of equity and/or debt securities to support our development plan in the medical diagnostics industry. However, we currently do not have any committed sources of financing. We may not be able to raise additional financing when we need to on acceptable terms or at all.

During the next 12 months, we plan to complete the development of our cervical cancer screening tests. We intend to continue to validate the effectiveness of the processes that we currently use in the tests we are developing through trials being conducted for us by a reference laboratory. We plan to meet with regulatory agencies in the United States and in other countries to determine the clinical trials and studies we will have to undertake and the data and other information we will be required to submit to them to support our future applications for authority to market and sell our planned cervical

cancer tests in those countries. We also plan to begin studies and clinical trials in the United States and other countries that will be required in connection with our regulatory applications

In connection with the acquisition of Impact Diagnostics, Stan Yakatan was appointed as Chief Executive Officer and President of our company, John Wilson was appointed as Chief Financial Officer of our company and Michael Ahlin and Dr. Mark Rosenfeld were appointed as Vice Presidents of our company. All held these positions with Impact Diagnostics prior to the Merger. In addition to these officers, we currently have three employees and have engaged a number of part-time scientific consultants. During the next 12 months, we anticipate that we will add employees, including scientists and other professionals in the research and development, product development, business development, regulatory, manufacturing, marketing and clinical studies areas.

We plan to invest any excess cash we have in investment grade interest bearing securities. We do not anticipate investing in real estate or interests in real estate, real estate mortgages, or securities of or interests in persons primarily engaged in real estate activities. We do not intend to undertake investments in real estate as a part of our normal operations.

MARKET FOR COMMON STOCK

Our common stock is quoted on the OTC Bulletin Board under the symbol GRTV.OB. The following table sets forth, for the calendar periods indicated, the range of the high and low last reported bid prices of our common stock from January 1, 2002 through June 30, 2004, as reported by the OTC Bulletin Board. The quotations represent inter-dealer prices without retail mark-ups, mark-downs or commissions, and may not necessarily represent actual transactions. The quotations may be rounded for presentation.

Period	High	Low
First Quarter 2002	$0.04	$0.04
Second Quarter 2002	$0.04	$0.04
Third Quarter 2002	$0.04	$0.04
Fourth Quarter 2002	$0.04	$0.04
First Quarter 2003	$0.04	$0.04
Second Quarter 2003	$0.04	$0.04
Third Quarter 2003	$0.04	$0.04
Fourth Quarter 2003	$0.04	$0.04
First Quarter 2004	$0.04	$0.04
Second Quarter 2004	$0.04	$0.04

On September 29, 2004, the last reported bid price of our common stock as reported on the OTC Bulletin Board was $0.67 per share. As of September 29, 2004, we had approximately 130 shareholders of record. Certain of the shares of common stock are held in street name and may be held by numerous beneficial owners.

DESCRIPTION OF BUSINESS

Overview of Our Business

We are developing protein-based screening tests to screen woman for cervical cancer and pre-cancerous conditions that typically result in cervical cancer. Our tests detect the presence of certain antibodies that appear only when cervical cancer or certain pre-cancerous conditions are present in the body. Our tests are performed by analyzing a small amount of blood taken from the patient. In one version of our test, the blood sample is analyzed in a clinical testing laboratory using standard laboratory equipment and analytic software, which generally can produce test results in about 2 hours. Our rapid test is designed to be administered by a health professional in a doctor s office, hospital, and clinic or even at home, and provides easy-to-read results in approximately 15 minutes.

Our planned cervical cancer test uses proprietary technology to detect the presence of antibodies. We believe that in the future we may be able to use that technology to develop rapid tests for other diseases and cancers.

Cervical Cancer

Invasive cervical cancer affects over 500,000 women worldwide annually, and approximately 300,000 women die each year from this disease. Cervical cancer is the second highest cause of cancer death among women. In the United States, Western Europe and other countries where there is wide spread screening and a sophisticated testing infrastructure, cervical cancer is less prevalent. In China, India and many other countries, there is a much higher rate of cervical cancer because of the lack of testing and limited or non-standardized testing infrastructure.

Pap Tests have been the most common method of screening for cervical cancer for more than 50 years. Recently, DNA-based HPV tests have been introduced as an adjunct to the Pap Test. Today, approximately 60 million Pap Tests are performed annually in the United States, and an additional 60 million Pap Tests are performed annually in the rest of the world, mainly in Canada, Western Europe and Japan. Outside the United States, approximately 1.7 billion women do not undergo regular cervical cancer testing. In many cases, this is the result of a lack of economic resources. However, social, cultural and/or religious factors may contribute to inhibiting women from undergoing cervical cancer screening. In some countries, the mortality rate of cervical cancer approaches 100%.

There are two types of cervical cancer. Squamous cell carcinoma is the most prevalent type. Adenocarcinoma is a more virulent cancer that is increasing in incidence and often is undetectable by Pap Tests. Virtually all-cervical cancer is caused by humanpapilloma virus or HPV. However, of the more than 100 specific types of HPV, the scientific community believes only 7 to 15 are positively correlated with most cervical cancers.

Traditional Testing for Cervical Cancer

Pap Tests.

The most common means of screening for cervical cancer is the Pap Test, which has been used as the primary screen for over 50 years. The Pap Test is performed by swabbing the cervix to extract cells and smearing them on a microscope slide. A highly trained licensed cytotechnologist working in a laboratory

observes the cells using a microscope and other specialized equipment to determine whether abnormal cells are present. When a cytotechnologist identifies a potential abnormality, a cytopathologist verifies the interpretation. In the second generation Pap Test, known as a Liquid Pap Test , a process is used to present the cells in a manner that is intended to allow for a more simplified reading of the cells by the cytotechnologist.

Women with normal Pap Test results do not undergo further treatment but typically return for routine Pap screening annually. Women with abnormal Pap Test results typically undergo multiple follow-up Pap Tests, a colposcopy (a visual examination of the cervix with the aid of a colposcope) and a concurrent biopsy to determine if there are cancerous cells. In many cases, suspect lesions are removed using a cauterizing instrument or scalpel, and in some cases a woman undergoes a hysterectomy, or removal of the cervix. If a patient s Pap Test cannot specifically be classified as normal or abnormal, the patient is classified as equivocal , or ASC-US (Atypical Squamous Cells of Undetermined Significance). This occurs in approximately 5-7% of cases in the United States. Patients with equivocal Pap Test results typically will undergo multiple repeat Pap Tests. Many of these patients will also undergo a colposcopy and a biopsy. However, 80% of women in the ASC-US category do not have cervical disease or develop cervical cancer.

While Pap Tests have been an important screening tool for many years and have helped reduce deaths caused by cervical cancer, they still have some significant shortcomings, including:

- limited predictive value in the United States, each year over 9 million colposcopies are performed on patients with abnormal Pap Test results, but only 20% of the colposcopies reveal cervical cancer or pre-cancerous conditions.

- false negative results in the United States**,** Pap Tests fail to diagnose cervical cancer or pre-cancerous conditions that often lead to cervical cancer in approximately 30% to 60% (depending on whether a Liquid Pap Test or a regular Pap Test is used) of the cases where cervical cancer or pre-cancerous conditions are present.

- false positive results Pap Tests alone sometimes are unable to distinguish between cervical cancer or pre-cancerous conditions and benign conditions that mimic them.

- inability to detect adenocarcinomas Pap Tests are unable to detect the presence of the more virulent adenocarcinoma.

- invasive procedure that Pap Test requires the healthcare professional to extract cells from the cervix. In some non-Western countries, women may be inhibited from undergoing this procedure for social, cultural or religious reasons.

- high costs highly trained physicians and specialists are required to collect and examine the Pap Test specimen, which contributes to a higher cost structure for the Pap Test. Following a positive test result, colposcopies and biopsies are required, raising the overall potential cost of screening.

Some of these deficiencies may be due primarily to visual limitations, sample distribution and other technical problems and to the subjective nature of cytology.

HPV Tests.

In the past few years, HPV DNA testing has been introduced as another element of the cervical cancer screening process. The HPV Test is a gene-based test that detects the presence or absence of certain cancer-causing HPV. Like the Pap Test, it is performed by swabbing the cervix to extract cells. The specimen is then analyzed using expensive specialized equipment and software programs in a laboratory.

In the United States, women with ASC-US results from an initial Pap Test often undergo an HPV Test to determine if HPV is present. That test can be performed using the same specimen as the Pap Test or a second specimen. HPV testing has also been introduced in conjunction with Pap Tests as an optional part of the screening protocol for women 30 years of age and older, even in the absence of ASC-US results.

While HPV Tests are helpful in detecting the presence of HPV, which is a precursor for virtually all cervical cancer, they too suffer from some significant shortcomings:

- limited predictive value HPV Tests screen for the presence or absence of HPV, not for the presence of cervical cancer, the stage of the disease or pre-cancerous conditions. Although HPV is a precursor to cervical cancer, the scientific community believes that only 7 to 15 of the 100 types of HPV actually cause the majority of cervical cancers. Only 2% of patients who test positive for HPV will eventually contract cervical cancer

- invasive procedure Like the Pap Test, the HPV Test requires the physician or other healthcare professional to extract cells from the cervix, which may inhibit some women in many non-Western cultures from undergoing screening.

- high cost and complex The HPV Test specimen must be analyzed by specialized laboratory software and equipment administered by highly trained technicians, which contributes to a higher cost structure for the HPV Tests. Following a positive test result, colposcopies and biopsies are required, raising the overall potential cost of screening.

Our Planned Cervical Cancer Test

We are developing cervical cancer tests that will detect the presence or absence of specific antibodies that are produced only if cancer-causing HPV is present in the body. Cancer-causing HPV expresses certain unique proteins that trigger the disease. Once the disease is expressed, the body begins to produce certain antibodies to the proteins. These antibodies can be readily distinguished from antibodies that the body produces in reaction to non-cancer-causing HPV. By detecting the presence or absence of antibodies to the cancer-causing HPV, we believe that our tests will be able to more reliably determine whether a patient has cervical cancer or pre-cervical cancer conditions than the existing Pap or HPV Tests.

Our tests are performed by extracting a small blood sample from the patient. It is not necessary to swab the patient s cervix or perform similar invasive procedures. Both of our tests are performed in a few easy steps:

- The specimen is placed into a container which is coated with special proteins. The antibodies in the specimen adhere to the proteins.
- The container is then rinsed, removing everything but the antibodies that have adhered to the proteins.
- A special solution is added to the container. This solution includes detector antibodies that attach themselves to antibodies associated with cancer-causing proteins. The solution will change color if cancer-causing proteins are present.

We are developing two tests. One, known as the ELISA (Enzyme Linked Immunosorbent Assay) Test, is designed to be run in a laboratory. The blood specimen is sent to the laboratory, where a laboratory technician runs the test using standard, readily available laboratory equipment. No unique analytic or diagnostic software is required. While test results typically are available in about 2 hours, we anticipate that the typical turnaround time from the laboratory to the doctor will be approximately 1 day. We believe that a doctor will be able to order this test as one of a battery of tests that is run on a patient s blood sample after a typical office visit.

Our second generation rapid test is designed to be a point-of-care test that will be able to be administered in the hospital, physician s office, clinic or even at home. The test kit will contain the required container and reagents. A color change will indicate the presence of cancer-causing proteins. We anticipate results will be available in 10 to 15 minutes.

We have not yet completed the development of our cervical cancer tests. We are continuing to refine the existing proteins and processes currently used in our tests and are testing other proteins and processes, which may be included in our tests in the future.

We believe that, when completed, our tests will be a more accurate and efficient way to diagnose cervical cancer for the following reasons:

- greater accuracy Our cervical cancer tests will detect the presence or absence of specific antibodies that are present if cancer-causing HPV is present in the body. As a result, we believe our tests will be able to more accurately diagnose the presence or absence of cancer or pre-cancerous conditions than Pap Tests and HPV tests, and will yield fewer false positive or false negative results.
- non-invasive Our tests use a small blood sample, which may be taken from the finger or arm. We believe that in countries where women are reluctant to allow a healthcare professional to swab their cervix to extract a specimen for the Pap Test or HPV Test they may be more willing to submit to the simple blood test required for our tests.
- reduced costs We believe that because our tests will be run by lab technicians using standard, readily available lab equipment and analytic software or by a healthcare professional using a point-of-care test, the overall cost structure for our screening tests will be lower than that of the Pap Test or HPV Tests. In addition, by providing more accurate results, we believe that our tests may reduce the number of repeat tests and high-cost colposcopies, biopsies and other medical procedures.

Initial Validation Studies

We have conducted initial studies to validate our planned cervical cancer tests.

In the United States, the Institutional Review Board (IRB) governs collection and use of patient specimens for research and testing purposes. The IRB Committee at Intermountain Health Care, the largest hospital facility in the intermountain western United States, and at St. Mark s Hospital in Salt Lake City, Utah, approved the evaluation of our technology for screening blood serum from patients, some of whom had negative Pap Tests and some of whom had previously been diagnosed with cervical cancer or intraepithelial lesions, the immediate precursor to cervical cancer. These initial non-blind studies were performed in May 2003 by Ameripath, Inc. on a total of 65 American patient samples from these IRB approved sources. Our tests detected cervical cancer or pre-cancerous conditions 94% of the time such conditions existed, and were able to rule out cervical cancer or pre-cancerous conditions 82% of the time the patient did not have these conditions.

Similar testing was done in April 2003, under a Chinese IRB equivalent, at the China Cancer Institute, China Academy of Medical Sciences on 70 samples, of which over half were from cervical cancer patients. Our tests detected cervical cancer or pre-cancerous conditions 97% of the time such conditions existed and were able to rule out cervical cancer or pre-cancerous conditions 85% of the time the patient did not have these conditions.

The initial studies conduced by Ameripath and in China used a cut off value or measurement standard to differentiate benign from cancerous or pre-cancerous conditions that is higher than would typically be used in a commercially available test. We currently are refining our technology in order to enable our tests to achieve similar results using a measurement standard appropriate for a commercial cervical cancer diagnostic test.

We plan to conduct validation studies on a refined version of our cervical cancer test in the next few months. Allogen Laboratories, a wholly owned subsidiary of the Cleveland Clinic Foundation, has agreed to conduct these studies for us.

Allogen Laboratories will also assist us in developing a proposed protocol of clinical trials and other studies that will be used to support the submissions we intend to make to the FDA and other foreign regulatory authorities.

Regulatory Approval

In the United States, our planned cervical cancer tests will be subject to regulation by the FDA under the Federal Food, Drug and Cosmetic Act. Governmental bodies in many other countries also regulate medical devices. These domestic and foreign regulations govern the majority of the commercial activities we plan to perform, including the purposes for which our proposed tests can be used, the development, testing, labeling, storage and use of our proposed tests with other products and the manufacturing, advertising, promotion, sales and distribution of our proposed test for the approved purposes. Compliance with these regulations will be expensive and time-consuming.

Products that are used to diagnose diseases in people are considered medical devices, which are regulated in the United States by the FDA. To obtain FDA authorization for a new medical device, a company may have to submit data relating to safety and efficiency based upon extensive testing. This testing, and the preparation and processing of necessary applications, are expensive and may take several years to complete. Whether a medical device requires FDA authorization and the data that must be submitted to the FDA varies depending on the nature of the medical device. Medical devices are classified into one of three classes (Class I, II, or III), in accordance with the FDA s determination of controls necessary to ensure the safety and effectiveness of the device or diagnostic. We anticipate that our planned cervical cancer tests will be classified by the FDA either as a class I or class II device.

To market and sell a Class II medical device, a company must first obtain permission of the FDA. This permission is obtained by submitting a 510(k) premarket notification, also known as a 510(k). The 510(k) is a showing that the device is substantially equivalent to a Class I or Class II device that is already on the market. The FDA may require clinical studies of a device s safety and effectiveness be performed.

To market and sell a Class III medical device, a company must first get permission from the FDA for the device by submitting a premarket approval application, commonly known as a PMA application. A company will almost always have to include preclinical and clinical test data in a PMA application, to demonstrate the safety and effectiveness of the device.

In the United States, prior to approval by the FDA, under certain conditions, companies can sell investigational or research kits to laboratories under the Clinical Laboratory Improvement Amendment (CLIA) of 1988. Under CLIA, companies can sell diagnostic assays or tests to high complexity laboratories for validation as an analyte specific reagent. We intend to sell one version of our cervical cancer test to high complexity laboratories for validation as an analyte specific reagent or for use by the laboratories to produce their own homebrew diagnostic assays. However, there is no assurance that we will receive approval under CLIA for sales to these laboratories.

When we complete the development of our planned cervical cancer tests, we intend to market them in the United States for clinical screening purposes. We believe that we will be able to market and sell our tests to laboratories that qualify as high complexity laboratories, without FDA approval. Those laboratories will be able to use our tests for validation as an analyte specific reagent.

We have not yet submitted an application to the FDA or regulatory agencies in any other country to review and approve the cervical cancer tests we are developing. It is likely that we will have to conduct clinical trials and other studies to generate data that will be submitted to the FDA and other regulatory authorities in support of our application. We have not yet designed or initiated any of these trials. We anticipate it will take at least one to two years to conduct these trials and complete the FDA review process, and it may take even longer.

In addition to government requirements relating to marketing authorization for medical device products, we will also be subject to other FDA requirements. Once we complete our tests and begin to manufacture, distribute and sell them, we will have to be registered as a medical device manufacturer with the FDA. We will be inspected on a routine basis by the FDA for compliance with the FDA s quality system regulations, which prescribe standards for manufacturing, testing, distribution, storage, design control and service activities. Also, the FDA s medical device reporting regulation will require us to provide information to the FDA on deaths or serious injuries associated with the use of our proposed tests, as well as product malfunctions that are likely to cause or contribute to death or serious injury if the malfunction were to recur. The FDA also prohibits promoting a device for unauthorized uses and reviews company labeling for accuracy.

Medical devices that have been cleared or approved are subject to numerous post-market requirements. Should we be cleared or approved, we will be subject to inspection and marketing surveillance by the FDA to determine our compliance with regulatory requirements. If the FDA finds that we have failed to comply, it can institute a wide variety of enforcement actions, ranging from a public warning letter to more severe sanctions such as:

- withdrawal of approval;
- denial of requests for future approval;
- fines, injunctions and civil penalties;

- recall or seizure of the product;
- operating restrictions, partial suspension or total shutdown of production; and
- criminal prosecution.

Regardless of FDA approval, we must obtain approval from comparable regulatory authorities in many other countries before we are able to market or sell our proposed tests in those countries. The amount of time necessary for foreign approval of our proposed cervical cancer tests varies between different countries. There is no assurance that acceptance by any one country will determine acceptance by another country. Additionally, implementation of more stringent requirements or the adoption of new requirements or policies could adversely affect our ability to sell our proposed tests in other countries in the world. We may be required to incur significant costs to comply with these laws and regulations.

In addition to the rules and regulations of the FDA and comparable foreign agencies, we may become subject to various other federal, state, provincial and local laws, regulations and recommendations. We may become subject to various laws and regulations relating to the use and disposal of hazardous or toxic chemicals or potentially hazardous substances, infectious disease agents and other materials, and laboratory and manufacturing practices used in connection with our research and development activities. If we fail to comply with these regulations, we could be fined, we may not be able to operate certain portions of our business, and we may suffer other consequences that could materially harm our business.

Competition

We are not aware of other companies that are developing a protein-based screening test that detects antibodies to cervical cancer. However, when completed, we expect that our cervical cancer tests will compete with the Pap Tests, which have been widely accepted by the medical community for many years. Approximately 60 million Pap Tests are performed annually in the United States, and an additional 60 million Pap Tests are performed annually in the rest of the world. Manufacturers of Pap Tests include Cyctc Corporation and several other companies.

Our cervical cancer test also will compete with HPV Tests, which are becoming increasingly accepted in the medical community. Manufacturers of HPV Tests include Digene Corporation, Ventana Medical Systems, Roche Diagnostics, Abbott Laboratories, and Bayer Corporation.

All of the companies who make Pap Tests and HPV Tests have far greater financial, technical, research and development, sales and marketing, administrative and other resources than we do.

For our proposed tests to become accepted in the medical community, we will need to convince those who use established tests that our proposed tests are more reliable for the screening of cervical cancer, either as stand-alone tests or in conjunction with the Pap Test and/or HPV Tests.

In addition, we will need to obtain reimbursement coverage for our proposed cervical cancer tests. In the United States, the American Medical Association assigns specific Current Procedural Terminology, or CPT, codes necessary for reimbursement. Third-party payors and

managed care entities

that provide health insurance coverage to approximately 225 million people in the United States currently authorize almost universal reimbursement for the Pap Test, and the Pap Test is nearly fully reimbursed in other markets where we will sell our proposed tests. The HPV Test now has full reimbursement as well for certain uses. We will attempt to obtain reimbursement for our planned cervical cancer tests to the same degree as the Pap Test. There is no assurance, however, that we will be able to obtain third-party reimbursement for our proposed tests.

Sales and Marketing

When we have completed the development of our cervical cancer tests and received any required regulatory approval, we plan to market and sell our ELISA test to laboratories in the United States, Canada, Western Europe, Japan and other countries with established cervical cancer screening programs for use as a screening test. Initially, we do not plan to sell our test in these countries directly to primary healthcare providers.

In developing nations and other markets where cervical cancer screening is not widespread and where there are few laboratories or other testing facilities, we plan to market and sell our rapid test to primary healthcare providers as a stand alone point-of-care test. In some of these countries, we plan to sell our proposed test directly to the governments or to other national healthcare distributors who distribute tests to national healthcare providers.

We do not currently have a marketing or sales force or a distribution arrangement in place. We will need to expend resources to develop our own marketing and sales force or enter into third party distribution arrangements.

Intellectual Property

We rely on patents, licenses from third parties, trade secrets, trademarks, copyright registrations and non-disclosure agreements to establish and protect our proprietary rights in our technologies and products.

We have an exclusive license from Dr. Yao Xiong Hu for certain processes that we currently include in our cervical cancer tests. Some of the technology owned by Dr. Hu is covered by a United States patent that has been issued, and some of the technology is covered by a United States patent application that has been filed and is pending. The agreement with Dr. Hu also covers technology included in foreign applications presently pending as PCT applications in China and India. The initial term of this license is 17 years, however the license automatically renews for successive one-year periods unless voluntarily terminated by us or terminated by Dr. Hu in the event of our insolvency. Under the license agreement, we are required to pay royalties for sales of tests using the technology licensed from Dr. Hu. We have the right, until July 2006, to purchase the technology that is the subject of the license for $250,000.

We plan to file patent applications for any additional technology that we create in the future.

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We anticipate that we may need to license from other third parties other technology to be used in our planned cervical cancer tests. We cannot be certain that we will be able to obtain these licenses on acceptable terms or at all.

Our technology is also dependent upon unpatented trade secrets. However, trade secrets are difficult to protect. In an effort to protect our trade secrets, we have a policy of requiring our employees, consultants and advisors to execute non-disclosure agreements. These agreements provide that confidential information developed or made known to an individual during the course of their relationship with us must be kept confidential, and may not be used, except in specified circumstances. In addition, our employees are parties to agreements that require them to assign to us all inventions and other technology that they create while employed by us.

Research and Development

Our research and development program is focused on completing development of our cervical cancer tests. We continue to refine existing technology and develop further improvements to our tests.

We believe that in the future we may be able to apply our technology to develop rapid tests for other diseases and certain other cancers. We plan to pursue development of these other tests.

For the fiscal years ended December 31, 2002 and 2003 and the six month period ended June 30, 2004, we spent approximately $270,000, $65,000 and $186,000, respectively, on reasearch and development.

Manufacturing

We plan to outsource the manufacturing and assembly of our planned cervical cancer tests to third parties. We do not currently have arrangements in place with any such third parties.

Suppliers

We develop the processes including proteins and other technology that we use in our proposed tests, and license certain other technology from third parties. We believe that the reagents and other supplies we will use to manufacture our test may be readily obtained from multiple suppliers.

Employees

As of September 24, 2004, we had 7 employees and retained three consultants on a part-time basis. Our employees consist of our 4 executive officers, 1 laboratory development manager, 1 controller and 1 secretary.

Principal Executive Offices

Our principal executive offices are located at 5511 Capitol Center Drive, Suite 224, Raleigh, NC 27606.

History of the Company

Our company was incorporated in Idaho in 1983 as Grant Silver, Inc., for the purposes of acquiring and developing mineral resources. We engaged in preliminary mining work on certain mining claims that were eventually abandoned in 1984. Thereafter, we conducted no business until 1995.

In October, 1997, our company acquired BrewServ Corporation, an Ohio Corporation (BrewServ Ohio). In anticipation of the acquisition of BrewServ Ohio, in 1997, we changed our name to BrewServ Corporation. BrewServ Ohio and its subsidiaries produced and distributed alcohol-based cider products, operated coffee retail stores, and developed theme restaurants. In 1999, the Brewserv Ohio acquisition was rescinded, and in January 2000, we changed our name to Grant Ventures, Inc.

From 1999 to July 2004, we conducted no business. In 2001, we reincorporated in Nevada through a merger with North Ridge Corporation. On July 30, 2004, we acquired Impact Diagnostics, through a merger of our wholly owned subsidiary into Impact Diagnostics. Impact Diagnostics was incorporated in Utah in 1998.

Available Information

Our electronic filings with the United States Securities and Exchange Commission (including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to these reports) are available free of charge on the Securities and Exchange Commission s website at http://www.sec.gov.

DESCRIPTION OF PROPERTY

We lease our principal executive offices in Raleigh, NC, executive offices in Murray, Utah and our clinical laboratory in Sandy, Utah. We believe that our existing facilities will be adequate for our current needs and that additional space will be available as needed. The material terms of our property leases are set forth in the table below.

Location	Use	Square Feet	Rent Payments	Term	Leased From
5511 Capital Center Drive Suite 224 Raleigh, NC 27606	Principal Executive Offices	Approximately 1,438 square feet	$1,600 per month	October 1, 2004 September 30, 2004	HD Capital Center, LLC
64 East Winchester Suite 205 Murray, Utah 84107	Executive Offices	Approximately 1330 square feet	$1,663 per month	September 1, 2004 August 31, 2005	Plaza 6400, LLC
10011 Centennial Parkway Suite 300 Sandy, Utah 84070	Clinical Laboratory	Approximately 800 square feet	$600 per month	April 1, 2004 March 31, 2005	Rocky Mountain Pathology, LLC

LEGAL PROCEEDINGS

We are not currently a party to any litigation.

DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is certain information regarding our directors and executive officers. Our Board of Directors is comprised of seven directors. Currently, we have one vacancy on our Board that we expect to fill in the future. There are no family relationships between any of our directors or executive officers. Each of our directors is elected at our annual meeting of our stockholders and holds office until his successor is elected and qualified or until such director s earlier death, removal or termination.

Name	Age	Position
Stan Yakatan	62	President, Chief Executive Officer and Chairman of the Board of Directors
Michael Ahlin	56	Vice President and Director
Dr. Mark Rosenfeld	55	Vice President and Director
John C. Wilson	55	Executive Vice President and Chief Financial Officer
Jack Levine	54	Director
Eric Wilkinson	46	Director
Kevin Crow	43	Director

Stan Yakatan. Mr. Yakatan has been the Chief Executive Officer and the Chairman of the Board of Directors of the Company since July 2004. From May 2004 to the present, Mr. Yakatan has been the Chief Executive Officer and the Chairman of the Board of Directors of Impact Diagnostics. From September 1984 to the present, Mr. Yakatan has been the Chairman of Katan Associates, a life sciences advisory business. Mr. Yakatan is also a director of Lifepoint, Inc., a manufacturer of drug and alcohol testing systems, and is a strategic advisor to the state government of Victoria, Australia. Between 1968 and 1989, Mr. Yakatan held various senior executive positions with New England Nuclear Corporation (a division of E.I. DuPont), ICN Pharmaceuticals, Inc., New Brunswick Scientific Co., Inc. and Biosearch.

Michael Ahlin. Mr. Ahlin has been a Vice President and a director of the Company since July 2004. From May 2004 to the present, Mr. Ahlin has been the Vice President and a member of the Board of Directors of Impact Diagnostics. From July 1998 to May 2004, Mr. Ahlin was the Chairman of the Board, President and Chief Executive Officer of Impact Diagnostics. Mr. Ahlin has been President of WetCor, Inc., a land development company, since 1983.

Mark Rosenfeld, PhD. Dr. Rosenfeld has been a Vice President and a director of the Company since August 2004. From July 1998 to the present, Dr. Rosenfeld has been the Secretary and Chief Technical Officer of Impact Diagnostics. He was formerly on the research faculty at the Department of Cellular, Viral and Molecular Biology at the University of Utah School of Medicine. From October 1993 to October 2000, Dr. Rosenfeld was the Chief Technical Officer of Ratite Research, a bio-agricultural consulting company.

John C. Wilson. Mr. Wilson has been the Chief Financial Officer of the Company since July 2004. Since January 1, 1997, Mr. Wilson has been the Managing Principal of Wentworth Advisors, LLC, a financial consulting company. From August 1996 to January 2002, Mr. Wilson was a Managing Director and Senior Advisor of Credit Suisse First Boston Corporation.

Jack Levine. Mr. Levine has been a director of the Company since July 2004. Since 1984, Mr. Levine has been the President of Jack Levine, PA, a certified public accounting firm. Since 1999, Mr. Levine has served as a director and the chairman of the audit committee of SFBC International Inc., a clinical research organization. Mr. Levine is also a director, Vice Chairman of the Executive Committee and Chairman of the Audit Committee of Beach Bank, a director and Chairman of the Audit Committee of The Prairie Fund, a mutual fund, and a director of RealCast Corporation, an internet streaming company. Mr. Levine is a certified public accountant licensed by the State of Florida.

Eric Wilkinson. Mr. Wilkinson has been a director of the Company since July 2004. Since June 2003, Mr. Wilkinson has been the Vice President of Life Sciences for XL TechGroup, a biotechnology company. From September 2001 to May 2003, Mr. Wilkinson worked as a consultant for Tyrgen Technologies, a biotechnology-consulting firm. From December 1999 to August 2001, Mr. Wilkinson was the President of Genetic Vectors, Inc., a biotechnology company. Mr. Wilkinson served as a consultant for the Cleveland Clinic Medical Foundation from November 1998 to November 1999.

Kevin Crow. Mr. Crow has been a director of the Company since July 2004. Since April 2004, Mr. Crow has been the Chief Executive Officer of Diversified Corporation Solutions, LLC, a business advisory company. From September 2000 to December 2003, Mr. Crow was the Chief Operating Officer of the Women s United Soccer Association, a professional athletic league. Mr. Crow was President of

ZipDirect, LLC, a full service printing, mailing and shipping company, from February 1994 to September 2000. Mr. Crow is the brother of Michael Crow, who serves as the Chairman and Chief Executive Officer of Duncan Capital Group LLC, which is the Company s financial advisor and beneficially owns 5.3% of the outstanding capital stock of the Company, and a manager of B&P Management LLC, which beneficially owns 6.2% of the outstanding capital stock of the Company.

Consultants

We have retained Stephen Bende, PhD, David Bolick, M.D. and Cliff Mintz, PhD as consultants. Each of them provides services to our company on a part-time basis.

Executive Compensation

The following table provides information about the compensation paid us to our executive officers who were serving as executive officers at the end of 2003, 2002 and 2001. With the exception of the compensation paid to Pete Wells and Geoff Williams, all compensation information provided in the table was paid by Impact Diagnostics prior to the Merger.

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Awards ($)	Securities Underlying Options/SARs (#)	LTIP Payouts ($)	All Other Compen-sation ($)
Stan Yakatan	2003							
Chief Executive Officer	2002							
	2001							
John C. Wilson	2003							
Chief Financial Officer	2002							
	2001							
Dr. Mark Rosenfeld	2003	76,763						
Vice President	2002	85,000						
	2001	72,000						
Michael Ahlin	2003	73,617						
Vice President	2002	75,552						
	2001	48,768						
Pete Wells	2003							
President and Director	2002							
	2001							

Geoff Williams	2003	
Secretary and Director	2002	
	2001	33,839 (1)

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(1) In February 2002, Mr. Williams was granted 1,691,951 shares of our common stock for services to the Company valued at $33,839. At the time the shares were issued, Mr. Williams served as our Secretary and a director.

We did not pay any salaries or other compensation to our officers, directors or employees for the years ended December 31, 2003, 2002 or 2001, except as set forth on the table above. We did not have a bonus, profit sharing, or deferred compensation plan for the benefit of employees, officers or directors for the years ended 2003, 2002 or 2001.

Between May and June 2004, Impact Diagnostics paid Mr. Yakatan $5,000 per month for consulting services to Impact Diagnostics in connection with the Merger. Beginning in July 2004, Mr. Yakatan receives $10,000 per month for acting as Chief Executive Officer of our company and Mr. Wilson receives $6,000 per month for acting as Chief Financial Officer of our company. We expect to enter into employment agreements with Stan Yakatan and John C. Wilson in the future.

Michael Ahlin and Mark Rosenfeld each have an employment agreement with Impact Diagnostics. Pursuant to those employment agreements, Impact Diagnostics pays to each of Mr. Ahlin and Dr. Rosenfeld an annual salary of $144,000 and the Board of Directors of Impact Diagnostics has the discretion to grant an annual bonus to each of them. Mr. Ahlin and Dr. Rosenfeld are each entitled to participate in all employee benefit plans or programs that are available to management employees of Impact Diagnostics and all other benefit plans or programs as may be specified by the Board of Directors of Impact Diagnostics. Each of the employment agreements provide that either we or Mr. Ahlin or Dr. Rosenfeld may terminate the respective agreement at any time.

We have entered into consulting agreements with each of Dr. Stephen Bende, Dr. David Bolick and Dr. Cliff Mintz. We pay each of these consultants $5,000 per month for providing part-time consulting services to our company. The consultants are also entitled to reimbursement of expenses related to these consulting services.

Compensation of Non-Employee Directors

We pay our directors who are not employees of our company a director s fee of $4,000 per year. Each non-employee director also is paid $300 per hour for attending any meeting of the Board of Director and each Board committee meeting, up to a maximum of $1,200 per meeting. We have granted each non-employee director options to purchase 100,000 shares of our common stock at an exercise price of $0.18, of which, 50,000 will first be exercisable in September 2005 and 50,000 in September 2006.

Non-employee directors will receive additional options to purchase 50,000 shares of our common stock at the start of each calendar year that they serve as directors, beginning in 2005. These options will have an exercise

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price equal to the market value at the time they are granted. One third of the options will first become exercisable on the first, second and third anniversary of the date of their grant. Jack Levine, Kevin Crow and Eric Wilkinson are non-employee directors.

In addition to the fees and options which they receive for serving as non-employee directors, the chairman of our Audit Committee and Compensation Committee each receives an annual fee of $2,500 and $1,500, respectively for each year that he or she serves as chair of their respective committees. The chairman of each of these committees will also receive options to purchase an additional 25,000 shares of our common stock for each year that he or she serves as chairman of the committee. The options will be exercisable at the market price at the time they are granted. One third of these options will first become exercisable on the first, second, and third anniversary of the date of the grant. Jack Levine is the chairman of the Audit Committee and Kevin Crow is the chairman of the Compensation Committee.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 78.7502 of the Nevada Revised Statutes allows a corporation to indemnify any officer, director, employee or agent who is a party or is threatened to be made a party to a litigation by reason of the fact that he or she is or was an officer, director, employee or agent of the corporation, or is or was serving at the request of the corporation as an officer, director, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such director or officer if:

- there was no breach by the officer, director, employee or agent of his or her fiduciary duties to the corporation involving intentional misconduct, fraud or knowing violation of law; or

- the officer, director, employee or agent acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Our Amended and Restated Articles of Incorporation provide for the indemnification of our officers and directors to the maximum extent permitted by Nevada law, and also provide that:

- the indemnification right is a contract right that may be enforced in any manner by our officers and directors,

- the expenses of our officers and directors incurred in any proceeding for which they are to be indemnified are to be paid to them as they are incurred, with such payments to be returned to our company if it is determined that an officer or director is not entitled to be indemnified,

- the indemnification right is not be exclusive of any other rights that our officers and directors have or may acquire and includes any other rights of indemnification under any bylaw, agreement, vote of stockholders or provision of law,

- our Board of Directors may adopt bylaws to provide for the fullest indemnification permitted by Nevada law,

- our Board of Directors may cause our company to purchase and maintain insurance for our officers and directors against any liability asserted against them while acting in their capacity as our officers or directors, and

- these indemnification rights shall continue to apply after any officer or director has ceased being an officer or director and shall apply to their respective heirs, executors and administrators.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of our company pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

These provisions of our Amended and Restated Articles of Incorporation become effective 20 days after the Information Statement is first mailed to our stockholders.

SECURITY OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT

The following table lists stock ownership of our common stock as of September 24, 2004. The information includes beneficial ownership by (i) holders of more than 5% of our common stock, (ii) each of our current directors and executive officers and (iii) all of our directors and executive officers as a group. The information is determined in accordance with Rule 13d-3 promulgated under the Exchange Act based upon information furnished by the persons listed or contained in filings made by them with the Commission. Except as noted below, to our knowledge, each person named in the table has sole voting and investment power with respect to all shares of our common stock beneficially owned by them.

Name and Address of Beneficial Owner	Director/Officer	Amount and Nature of Beneficial Ownership (1)	Percentage of Class (1)
Michael Crow 830 Third Avenue New York, NY 10022		5,766,974 (2)	11.5%
Blaine Taylor 634 Hidden Circle North Salt Lake City, UT 84054		4,600,718 (3)	9.2%
Mitchell T. Godfrey P.O. Box 10206 Bozeman, MT 59719		3,730,607	7.5%
David Fuchs		3,437,535	6.9%

830 Third Avenue New York, NY 10022		
Rex Lewis 2325-A Renaissance Drive Las Vegas, NV 89119	3,256,905	6.7%
B & P Management LLC 830 Third Avenue New York, NY 10022	3,096,974 (4)	6.2%
DCOFI Master LDC 803 Third Avenue New York, NY 10022	3,007,200	6.0%
Duncan Capital Group LLC 830 Third Avenue New York, NY 10022	2,670,000 (5)	5.3%

Stan Yakatan 155 Lyndon First Court Hermosa Beach, CA 90254	President, Chief Executive Officer and Chairman of the Board of Directors	573,651 (6)	1.1%
Michael Ahlin 4770 Ichabod Holladay, UT 84117	Vice President and Director	6,640,900 (7)	13.3%
Dr. Mark Rosenfeld 1075 Skyler Drive Draper, UT 84020	Vice President and Director	6,077,050 (8)	12.2%
John C. Wilson P.O. Box 1883 Southern Pines, NC 28388	Chief Financial Officer	250,000 (9)	*
Jack Levine 16855 N.E. 2nd Avenue, Suite 303 N. Miami Beach, FL 33162	Director	588,555 (10)	1.2%
Eric Wilkinson 348 Versailles Drive Melbourne Beach, FL 32951	Director	0 (11)	*
Kevin Crow 5120 Park Brooke Walk Way Alpharetta, GA 30022	Director	0 (12)	*
All directors and officers as a group (7 persons)		14,130,156 (13)	28.3%

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* Less than one percent

(1) Includes in each case shares of our common stock that may be issued upon exercise of options or warrants that are exercisable within 60 days for the subject individual only. Percentages are computed on the basis of 50,000,000 shares of our common stock outstanding as of September 24, 2004.

(2) Includes the 2,992,479 shares of our common stock warrants to purchase 104,495 shares of our common stock held by B & P Management LLC and the warrants to purchase 2,670,000 shares of our common stock held by Duncan Capital Group LLC. Michael Crow is a manager of B & P Management LLC and the Chairman and Chief Executive Officer of Duncan Capital Group LLC.

(3) Includes 1,253,000 shares of our common stock held by Six Way, Inc. Mr. Taylor is the President, a director and principal shareholder of Six Way, Inc.

(4) Includes 2,992,479 shares of our common stock and warrants to purchase 104,495 shares of our common stock exercisable within 60 days.

(5) Represents warrants to purchase 2,670,000 shares of our common stock exercisable within 60 days.

(6) Represents options to purchase 573,651 shares of our common stock exercisable within 60 days. Does not include options to purchase 2,294,603 shares of our common stock held by Mr. Yakatan that are not exercisable within 60 days.

(7) Includes 1,253,000 shares of our common stock held by Princess Investments. Mr. Ahlin has voting power over securities held by Princess Investments. Includes 3,387,900 shares of our common stock that Mr. Ahlin is entitled to receive as a result of the Merger, but that Mr. Ahlin agreed not to receive until the Board of Directors and stockholders have increased the authorized capital of the Company. Our Board of Directors has approved the required increase in the number of shares of our authorized common stock, and the holders of a majority of our outstanding common stock, acting by written consent, have also approved such increase in our authorized shares of common stock. We have filed an Information Statement regarding those changes with the Securities and Exchange Commission. This change will be deemed effective 20 days after mailing of the Information Statement to our stockholders.

(8) Includes 4,077,050 shares of our common stock that Dr. Rosenfeld is entitled to receive as a result of the Merger, but that Dr. Rosenfeld agreed not to receive until the Board of Directors and stockholders have increased the authorized capital of the Company. Our Board of Directors has approved the required increase in the number of shares of our authorized common stock, and the holders of a majority of our outstanding common stock, acting by written consent, have also approved such increase in our authorized shares of common stock. We have filed an Information Statement regarding those changes with the Securities and Exchange Commission. This change will be deemed effective 20 days after mailing of the Information Statement to our stockholders.

(9) Includes 250,000 shares of our common stock held by Wentworth Advisors, LLC. Mr. Wilson is the managing principal and 100% owner of Wentworth Advisors. Does not include options to purchase 750,000 shares held by Mr. Wilson that are not exercisable within 60 days.

(10) Includes warrants to purchase 98,092 shares of our common stock beneficially owned by Mr. Levine that are exercisable within 60 days. Does not include options to purchase 125,000 shares of our common stock that are not exercisable within 60 days.

(11) Does not include options to purchase 100,000 shares of our common stock that are not exercisable within 60 days.

(12) Does not include options to purchase 125,000 shares of our common stock that are not exercisable within 60 days.

(13) Includes options to purchase 573,651 shares of our common stock and warrants to purchase a total of 98,092 shares of our common stock exercisable within 60 days. Does not include options to purchase a total of 3,394,603 shares of our common stock not exercisable within 60 days.

Securities Authorized for Issuance Under Equity Compensation Plans

As of the end of fiscal year 2003, we had no compensation plans under which our equity securities were authorized for issuance. On August 2, 2004, our Board of Directors adopted our 2004 Stock Issuance Plan, subject to stockholder approval. The Plan provides for the issuance of qualified and non-qualified incentive stock options and direct restricted stock grants to officers, employees, consultants and others providing services to our company. The directors of our company will be eligible to be issued options to purchase shares of our common stock,

or to receive awards of restricted stock, under the Plan. Up to 25,000,000 shares of our common stock may be issued in connection with awards granted under the Plan.

On September 30, 2004, a total of 17 stockholders owning 25,696,014 shares of our common stock, acting by written consent, approved the Plan. On September 30, 2004, we filed a preliminary information statement with the Securities and Exchange Commission that includes a description of the Plan and its approval by the stockholders. The Plan will be deemed effective 20 days after mailing the Information Statement to our stockholders.

As of September 24, 2004, Stan Yakatan held options to purchase 2,868,254 shares of our common stock, John C. Wilson held options to purchase 750,000 shares of our common stock, Jack Levine held options to purchase 125,000 shares of our common stock, Eric Wilkinson held options to purchase 100,000 shares of our common stock and Kevin Crow held options to purchase 125,000 shares of our common stock. No other options of the Company have been granted as of the date of this Registration Statement.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except as set forth below, there have been no material transactions during the past two years between us and any officer, director or any stockholder owning greater than 5% of our outstanding shares, nor any of their immediate family members.

In August 2004, we paid $100,000 and issued warrants to purchase 2,670,000 shares of our common stock to Duncan Capital Group LLC as compensation for acting as our financial advisor in connection with the Merger. In August 2004, we paid $77,000 and issued warrants to purchase 306,199 shares of our common stock to Duncan Capital LLC as compensation for acting as our placement agent in connection with the sale of our units in a private financing. The warrants have an exercise price of $0.18 per share. Duncan Capital Group LLC beneficially owns 5.3% of the outstanding capital stock of the company. Both Duncan Capital LLC and Duncan Capital Group LLC are affiliates of B & P Management LLC, which beneficially owns 6.2% of the outstanding capital stock of our company. Michael Crow, the brother of Kevin Crow, a director of our company, is Chairman and Chief Executive Officer of Duncan Capital Group LLC, which is the Company s financial advisor and beneficially owns 5.3% of the outstanding capital stock of our company, and a manager of B&P Management LLC, which beneficially owns 6.2% of the outstanding capital stock of our company.

In 2002 and 2003, Impact Diagnostics advanced $22,500 and $13,000, respectively, to Michael Ahlin, a director and Vice President of our company, and $8,533 and $8,533, respectively, to Dr. Mark Rosenfeld, a director and Vice President of our company. At the time of the advances, Mr. Ahlin was Chairman of the Board, President and Chief Executive Officer of Impact Diagnostics, and Dr. Rosenfeld was Secretary and Chief Technical Officer of Impact Diagnostics.

In 2002 and 2003, Impact Diagnostics advanced $22,631 and $6,229, respectively, to Seroctin Research & Technology. Michael Ahlin, a director and Vice President of our company, owns 20%, and Dr. Mark Rosenfeld, a director and Vice President of our company, owns 18.4% of Seroctin Research & Technology.

In 2002 and 2003, Impact Diagnostics advanced $11,922 and $7,820, respectively, to WetCor, Inc. Michael Ahlin, a director and Vice President of our company, is the President of WetCor, Inc.

In 2002 and 2003, Impact Diagnostics received advances of $10,000 and $20,000 from Blaine Taylor, pursuant to a non-interest bearing demand note. Mr. Taylor beneficially owns 9.2% of the outstanding capital stock of our company. As of December 31, 2003, the amount outstanding under the note was approximately $21,500. Effective July 30, 2004, this note was converted to 89,918 shares of common stock of our company.

In 2002, Impact Diagnostics paid management and consulting fees of $115,000 and $55,000, respectively, to WetCor, Inc. Michael Ahlin, a director and Vice President of our company, is the President of WetCor, Inc.

In 2001, Mitchell Godfrey loaned Impact Diagnostics $50,000, pursuant to an unsecured promissory note. Mr. Godfrey beneficially owns 7.5% of the outstanding capital stock of our company. As of December 31, 2003 and 2002, the amount outstanding under the note was $29,279 and $32,083, respectively. Effective July 30, 2004, this note was converted into 159,557 shares of common stock of our company.

From time to time since 1999, Seroctin Research & Technology has leased office facilities from Impact Diagnostics, pursuant to a verbal agreement. Seroctin Research & Technology has made payments to Impact Diagnostics of $2,300 for each month (approximately $55,000 in the aggregate since 1999) it has leased such facilities. Michael Ahlin, a director and Vice President of our company, owns 20% and Dr. Mark Rosenfeld, a director and Vice President of our company, owns 18.4% of Seroctin Research & Technology.

SELLING STOCKHOLDERS

The following table details the name of each selling stockholder, the number of shares owned by that selling stockholder, and the number of shares that may be offered by each selling stockholder for resale under this prospectus. The selling stockholders may sell up to 24,268,495 shares of our common stock from time to time in one or more offerings under this prospectus, of which 19,135,767 are shares of common stock currently held by the selling stockholders and 5,132,728 are shares of common stock issuable upon exercise of warrants held by the selling stockholders. Because each selling stockholder may offer all, some or none of the shares it holds, and because, based upon information provided to us, there are currently no agreements, arrangements, or understandings with respect to the sale of any of the shares, no definitive estimate as to the number of shares that will be held by each selling stockholder after the offering can be provided. The following table has been prepared on the assumption that all shares offered under this prospectus will be sold to parties unaffiliated with the selling stockholders. Except as indicated below, no selling stockholder nor any of their affiliates have held a position or office, or had any other material relationship, with us.

Name of Selling Stockholder	Number of Shares Owned Before Offering	Number of Shares Offered for Sale	Number of Shares Owned After Completion of Offering	Percentage of Common Stock Owned After Completion of Offering
Michael Ahlin (1)	6,640,900	1,000,000	5,640,900	11.8%
AJW Offshore, Ltd.	241,962	241,962	0	0
AJW Partners	104,632	104,632	0	0
AJW Qualified Partners, LLC	287,738	287,738	0	0
Alan Gelband Co. Defined Contribution Pension Plan & Trust	130,790	130,790	0	0
Armadillo Partners	653,951	653,951	0	0
Thomas J. Axon	788,201	788,201	0	0
B & P Management LLC (3)	3,096,974	3,096,974	0	0
Shekhar K. Basu and Sita Basu	653,951	653,951	0	0
BIP Partners	117,711	117,711	0	0
Daniel C. Bolick	653,951	653,951	0	0
Dr. David R. Bolick (2)	660,490	660,490	0	0
Julia Bolick	32,697	32,697	0	0
Larry and Glenda Bolick Family Trust	130,790	130,790	0	0
Marie Bono	65,395	65,395	0	0
Mike Cassidy	130,790	130,790	0	0
Peter L. Coker and Susan H. Coker	130,790	130,790	0	0
DCOFI Master LDC	3,007,200	3,007,200	0	0
James H. Donell, as receiver of Citadel Capital Management, Inc.	507,167	507,167	0	0
Thomas Doyle	65,395	65,395	0	0
Duncan Capital LLC (4)	306,199	306,199	0	0
Duncan Capital Group LLC (5)	2,670,000	2,670,000	0	0
Blair Eddins	29,428	29,428	0	0
John A. Fahlberg	130,790	130,790	0	0
Bruce A. Falbaum	65,395	65,395	0	0
Anthony Falcone	130,790	130,790	0	0
Richard Gillings	326,976	326,976	0	0
Mitchell Godfrey	3,370,607	159,557	3,211,050	6.4%
Francesco Gozzo	326,976	326,976	0	0
Harold Gubnitsky	163,488	163,488	0	0
Steven T. Hague	78,820	78,820	0	0
Roberta B. Hardy	65,395	65,395	0	0
Frank L. Hoffecker	300,000	300,000	0	0
HT Ardinger & Sons, Inc.	326,976	326,976	0	0

Ira A. Hunt Jr.	130,790	130,790	0	0
Horace Mann Johnson III	98,093	98,093	0	0
David P. Kalm	78,820	78,820	0	0
Don Larsen	98,093	98,093	0	0
Steven W. Lefkowitz	1,576,402	1,576,402	0	0
Jack Levine and Susan Levine (6)	588,556	588,556	0	0
Timothy McNamee	326,976	326,976	0	0
Andreas Michailidis	130,790	130,790	0	0
Network 1 Financial Securities Inc.	104,904	104,904	0	0
New Millenium Capital Partners II, LLC	19,618	19,618	0	0
Pershing LLC, as custodian of Robert L. Bolick, Roth IRA	130,790	130,790	0	0
Christina Recchia	65,395	65,395	0	0
Peter Reichard	65,395	65,395	0	0
RH Damon & Co. Inc.	501,200	501,200	0	0