ANNOUNCEMENT

To our Cells for Life Clients:

I would like to take this opportunity to thank you for choosing Cells for Life to process and store your child's/ children's umbilical cord blood stem cells. I realize this is an important decision in planning for your family's future. I also realize that there are numerous umbilical cord blood banks now operating in Ontario. Since 1997, Cells for Life has grown. We now have over 11,000 samples entrusted to our care. I would like to re-confirm our commitment to our clients --- We will continue to be a leader in the industry by setting higher standards for cord blood banking in Canada through operational excellence and improved client services.

A five-year old boy, almost one year ago, used his sibling's cord blood sample from Cells for Life to treat his leukemia at The Hospital for Sick Children. He is fully recovered and cured from his cancer at this time. It is important to share information such as this with our clients – in fact many of you have requested a newsletter. We are pleased to announce that we will be posting newsletters on September 12, 2006 through our website and email sign up program. We encourage you to visit www.cellsforlife.com/updates.html to see our first edition.

We are pleased to announce that Cells for Life has opened a new office and state-of-the-art laboratory at Toronto General Hospital. Our administrative office located at the Markham Stouffville Health Centre will remain at its current location to serve clients as we have in the past. Our laboratory operations and cryogenic storage operations are moving to our new facility. We would like to share some details of this exciting change with you:

1. LOCATION: Cells for Life is currently located within the Markham Stouffville Health Centre. The new facility, also within a hospital setting, is centrally located in the heart of Toronto's *Discovery District,* underground at one of University Health Network's (UHN) leading transplant facilities, Toronto General Hospital.
2. NEW LABORATORY: Samples will be processed in cGMP (Sterile) laboratories. We are planning for the future with infrastructure that sets us apart from other cord blood banks in Canada. This diligence provides extra safeguards above and beyond our closed processing systems. This is vital since cancer treatment centres and transplant facilities must feel confident and secure with the facility providing cord blood stem cells for use with their patients. The combination of processing in a cGMP lab and our AABB accreditation will reinforce Cells for Life's position as a universally respected and accepted cord blood company.
3. SECURITY: Our new laboratory exceeds every current and proposed regulatory requirement to define a new level of safety and security for stored samples. There is no access to unauthorized personnel; there are four levels of security that must be passed prior to accessing our Cells for Life laboratory and storage area.
4. MONITORING: Our Cells for Life staff are present during regular work hours and on weekends – every day of the year. In addition, there are cameras located throughout the facility that are wired directly to the University Health Network (UHN) central monitoring station. Fire alarms, entry alarms and oxygen alarms are also monitored by the UHN system. Alarms are also present on each of our liquid nitrogen storage freezers to monitor liquid nitrogen levels, temperature and liquid nitrogen filling conditions. The Cells for Life staff can also access specific information about our freezers 24 hours per day via online VPN access. The UHN security staff has been involved in the development of our monitoring protocols and fully understand the nature of the alarms and subsequent response procedures.
5. ELECTRICAL SUPPORT: Our new facility has back up batteries on each storage freezer as well as connection to Toronto General Hospital's emergency back up power system. The freezer controllers and alarm systems require electricity but systems are in place to perform these functions manually if ever required. Apart from this, however, it is important to know sample storage in liquid nitrogen freezers does not require power to function; the liquid nitrogen is the refrigerant not electricity as is the case with mechanical freezers.
6. LIQUID NITROGEN SUPPLY: The new liquid nitrogen vapour storage freezers are the most efficient freezers available. They are engineered to maintain temperature for up to 28 days in the event of a disruption in liquid nitrogen supply. Each freezer holds a volume of liquid nitrogen equivalent to a standard supply dewar (typically

used by cord blood companies to feed storage freezers.) Our central supply tank provides an additional 2000 Litres of Liquid Nitrogen which automatically feeds our storage freezers through a sophisticated vacuum jacketed piping system.

7. MEDICAL RELEASE: Only Cells for Life personnel can remove samples from our freezers with required documentation. Procedures are currently in place at Cells for Life for samples to be released to medical facilities for transplant purposes. Our new lab is connected via an underground tunnel network to the major transplant hospitals in Toronto including Toronto General Hospital, Princess Margaret Hospital, The Hospital for Sick Children and Mount Sinai Hospital. This is beneficial for swift and easy transport. For long distance transport, we will benefit from the extensive knowledge and experience of staff at our partner company, Core Cryolab, when transporting samples. Core Cryolab Inc. is routinely hired by companies around the world to serve this purpose.
8. STAFF: Our experienced staff does not change however we have added some important new members to our team. Cells for Life's new Scientific Director, Dr. Elisabeth Semple, has extensive experience working with blood banks and cord blood banks worldwide. Her specialized knowledge of most if not all processing techniques bring significant value and 'best practices' to our Cells for Life team. Our partner company, Core Cryolab, specializes in cryopreservation (freezing) of all types of human cells and tissues. Dr. Ian Pope has also traveled the world extensively working with major repositories and cord blood banks designing systems and lecturing on thermodynamic properties of cells and will work with our Cells for Life staff to ensure that all freezing and storage protocols continue to be the best in the industry. Our goal is to ensure cells are viable and functional post thaw so that they will be effective in transplant or cellular therapies.

Samples currently stored at the Markham Stouffville Health Centre will be moved within the next couple of weeks to our new storage facility. The move has been planned with the utmost care and attention to the safety and security of your sample(s). Here's the plan…

1. All transport plans have been carefully orchestrated through consultation with Cells for Life laboratory personnel as well as experts in liquid nitrogen transport at Core Cryolab Inc..
2. Our freezers will be secured and transferred on specially constructed air-ride trucks. Cells for Life and Core Cryolab personnel will monitor the tanks at all times. Additional liquid nitrogen supplies will accompany the freezers in the unlikely chance that they will be needed. However the amount of liquid nitrogen in the freezers is more than adequate to maintain a constant temperature of approximately -190 degrees Celsius during this time; freezers do not require electricity.
3. The trucks will transport the tanks at a low speeds during the early hours of a Sunday morning. As an added precaution, we have hired three police escorts to precede and follow the transport trucks. While we don't expect any traffic problems at an early hour on a Sunday morning, this will assist in uninterrupted travel.
4. Upon reaching the Toronto General Hospital loading docks, the freezers will move through the hospital's underground access tunnel directly to the Cells for Life lab.
5. The samples will then be moved from their current freezer to the newer Cells for Life freezers by our staff with the expert assistance of the bio-repository staff at Core Cryolab Inc.. We will use a specialized transfer cart called the MVE Cryocart to maintain temperature during the transfer. We have one of only four of these carts in the world!

Our clients may visit our new facility upon request; however it may be necessary for us to organize group tours. We have also set up a new section of the Cells for Life website to answer any additional questions and to show photos of the move and our new facility. We invite you to visit our website at: www.cellsforlife.com/labtour.html Our first newsletter is also posted.

In summary, the Cells for Life team want you to feel assured that we are committed to the safety of your umbilical cord blood sample(s). We will maintain the highest standards at all times to ensure your sample is safe and available in the event that a cord blood transplant is needed for your family in the future.

Sincerely,

Dr. Michael Virro, Medical Director
Cells for Life Ltd.