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

FORM 10-KSB

Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended: May 31, 2005

Commission file number: 000-30453

MIV THERAPEUTICS, INC.
(Exact name of small business issuer as specified in its charter)

Nevada	N/A
(State or other jurisdiction of incorporation or organization)	(IRS Employee Identification No.)

1-8765 ASH STREET, VANCOUVER, B.C., CANADA, V6P 6T3
(Address of principal executive offices)

(604) 301-9545
(Issuer's telephone number)

Securities Registered pursuant to section 12(b) of the Act: None

Securities Registered pursuant to section 12(g) of the Act: Common stock par value $0.001 per share

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Check if disclosure of delinquent filers pursuant to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

[X]

State issuer's revenues for its most recent fiscal year. $0

Aggregate market value of the voting stock held by non-affiliates of the registrant as of August 17, 2005. $44,522,397

Number of outstanding shares of the registrant's par value $0.001 common stock, as of August 17, 2005. 55,682,495

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<TABLE>
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MIV THERAPEUTICS, INC.

FORM 10-KSB
INDEX

</TABLE>

<PAGE>

Part I

ITEM 1. BUSINESS

When used in this Form 10-KSB, the words "expects," "anticipates," "estimates" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties, including those set forth below under "Risks and Uncertainties," that could cause actual results to differ materially from those projected. These forward-looking statements speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. This discussion should be read together with the financial statements and other financial information included in this Form 10-KSB.

History and Development

MIV Therapeutics Inc. is an advanced stage, research and development company pursuing the commercialization of the next generation of fully biocompatible coatings for stents and other medical devices with the intent of providing healing solutions for cardiovascular disease and other conditions. In collaboration with the University of British Columbia (UBC), the Company has developed unique coating technologies that utilize Hydroxyapatite (HAp) for application on medical devices and drug delivery systems.

The Company was incorporated as DBS Holdings, Inc. under the laws of the State of Nevada on March 19, 1999. On June 23, 1999, the Company acquired a 19% interest in "investorservice.com", an Internet domain name, paying for this acquisition with $2,500 in cash and by issuing 2,500 restricted shares of its common stock. On September 15, 2000, the Company exercised its option to acquire the remaining 81% interest in investorservice.com for an additional issuance of 10,000 restricted shares of the Company's common stock. Each issuance of common stock was exempt from registration under the Securities Act pursuant to Regulation D thereunder. Subsequently, the Company completed offerings of 10,268,000 shares of common stock to certain investors under the exemption from registration provided by Rule 504 of Regulation D under the Securities Act of 1933 (the "Securities Act").

On April 25, 2000 the Company filed a registration statement on Form 10SB to register its common stock under the Securities Exchange Act of 1934 (the "Exchange Act"), and thereby became a reporting company, and also became eligible for listing its common stock on the Over-the-Counter Bulletin Board (the "OTCBB"). The Company's common stock was qualified and listed for trading on the OTCBB on July 13, 2000.

In March 2001, the Company announced it had concluded negotiations for the acquisition and control of M-I Vascular Innovations, Inc., a stent medical device development company, and in April 2001, the Company signed a Share Exchange and Finance Agreement with M-I Vascular Innovations, Inc. The Company exchanged, on a one for one basis, 58% of the shares outstanding of M-I Vascular for shares in the Company. Pursuant to the terms of the Agreement, the Company completed the share exchange with the remaining shareholders of M-I Vascular on May 31, 2003.

In May 2001, in connection with the Share Exchange Agreement, the Company announced a change of business and control. The Company elected and appointed new officers and directors and began to engage in the business of developing medical stents. On March 5, 2002, following shareholder approval to amend the Company's Articles of Incorporation, the Company changed its name to MIV Therapeutics, Inc. The Company's shares are currently trading under the symbol "MIVT" on the OTCBB.

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Product Background

Coronary stents are used to treat cardiovascular disorder caused by narrowing or blockage of coronary arteries. Stents are compressible tubular devices that are mounted on a balloon catheter, inserted into the circulatory system by a team of cardiologists, and directed to the location of a blocked coronary artery. During the angioplasty procedure, which involves unclogging the artery, the balloon is expanded to clear the obstruction, allowing normal blood flow. With this

procedure, the stent is deployed and remains in place to reinforce the artery wall. This procedure is the leading alternative to costly and highly invasive open-heart surgery. Stents have eliminated many of the complications that used to accompany simple balloon angioplasty. As much as 80% of heart disease can be treated effectively with stenting.

MIV Therapeutics Inc., in collaboration with the University of British Columbia (UBC), has developed unique coating technologies that utilize Hydroxyapatite (HAp) for application on medical devices and drug delivery systems.

The Company has a strategic alliance with the University of British Columbia (UBC), whereby it has licensed from the university the worldwide rights to technologies for coating stents and other medical devices with HAp. This coating enhances the biocompatibility of implanted devices since it is a material that is found in the body as the main constituent of bone.

MIVT's technology is considered to be suitable for broad applications in cardiovascular and non-vascular drug/device combination products. The Company's goal is to continue on its path of success and diversify its portfolio to capitalize on these potential applications, accessing the $200 billion market of combination drug/device products.

Summary of the Company's existing products currently in the preclinical
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development stage

HAP-NANO-FILM COATING TECHNOLOGY.

The Company's lead product in development is an HAp-coated coronary stent with a nano-film coating. HAp is naturally found in bone and tooth enamel and is rapidly integrated into the human body. As such, it may inhibit a variety of adverse and inflammatory reactions and potentially help reduce restenosis, a recurrence of CAD following angioplasty. It is also believed that HAp-coated cardiovascular stents will not trigger late adverse thrombogenic reactions.

DRUG-ELUTING STENTS.

The Company is expected to enter the drug-eluting stent market by using a thicker coating of HAp loaded with a suitable drug, i.e. anti-inflammatory. The technology has applications in cardiovascular and non-cardiovascular drug/device combination products, including peripheral stents, biodegradable implants, gene therapy, and delivery systems for release of chemotherapeutic agents.

Reports to Security Holders

The Company is subject to the reporting and other requirements of the Securities Exchange Act of 1934 and we will furnish to our shareholders annual reports containing financial statements audited by our independent auditors and to make available quarterly reports containing unaudited financial statements for each of the first three quarters of each year.

The public may read and copy any materials that we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding our electronic filings with the SEC. The address of that site is http://www.sec.gov. Other information may be obtained from our Company website, http://www.mivtherapeutics.com.

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Objectives

MIV Therapeutics, Inc. was established in 1999, with an initial corporate focus on the development of minimally invasive medical devices for use in cardiovascular and other medical procedures. The Company completed the development of a proprietary coronary stent for use in angioplasty procedures but has since shifted its focus on the development of technologies that would be used to manufacture a range of biocompatible coatings for stents and other medical devices.

The corporate mission of MIV Therapeutics is to become a recognized world leader in the development of biocompatible device coatings and drug delivery systems for various medical applications.

Industry Background

The global medical technology marketplace is expanding at double-digit rates, driven by an ageing population, increasing affluence in the developing world and continuing medical innovation. The medical device sector includes nearly 3,000 companies worldwide, with a wide range of devices designed either for treatment or diagnosis. The worldwide annual sales of all types of medical devices are estimated at US$160 billion. The cardiovascular device market remains one of the most attractive sectors of the medical device industry, continuing to exhibit above-average revenue growth and attracting significant attention from the investment community.

The worldwide cardiovascular device market is estimated to generate in excess of US$10 billion in annual sales and is growing at nearly 10% per year. The leading segments in this market by sales volume are products designed for percutaneous intervention (i.e. medical devices that are inserted through the skin), such as those used in angioplasty procedures to unblock clogged arteries. The Company currently specializes in minimally invasive medical devices for cardiovascular disease, with a focus on coronary stents. The stent market alone is estimated to generate nearly US$2.5 billion in worldwide annual sales in 2002 and is anticipated to exceed US$6 billion in annual sales by 2005.

Over the next several years, the Company intends to expand its technologies to include several promising drug delivery platforms. Drug delivery is a system or technology that enables the introduction of a therapeutic agent into the body and improves its efficacy by controlling the rate, time or site of release. Commercially, drug delivery provides the ability to develop a new route of administration for an existing drug and can substantially improve the efficacy of a drug, while also reducing its side effects.

The market for new drug delivery systems is now growing faster than the overall pharmaceutical market, increasing the annual sales in the US for products that utilize drug delivery technologies from US$15 billion in 2000 to a projected US$30 billion by 2005. Drug delivery systems are a strategic tool for expanding markets, as it permits the patenting of generic therapeutics with novel delivery systems as a new formulation, as well as creates new and improved treatments for patients.

The segment of the drug delivery market associated with medical devices has developed very recently, driven primarily by the need for improved coronary stents and other implanted medical devices that do not trigger inflammatory responses. This is the initial target market of the Company and offers the Company an opportunity to enter this rapidly growing sector of the medical marketplace.

The Market

Stents are estimated to be used in approximately 60-80% of angioplasty procedures worldwide. The worldwide coronary stent market currently generates over US$2.2 billion in revenues and is projected to grow to nearly US$6 billion by 2005. Within the next 5 years, coated and drug-eluting stents are anticipated to comprise 86% of this market. MIV Therapeutics is targeting this large and growing market with its coatings for medical devices.

Rapid introduction of new stent designs and the rapid pace of innovations in the last ten years has resulted in dramatic shifts in market share, but also have opened up tremendous opportunities for entrepreneurial market entrants. The Company believes that the development of effective procedures, devices, and therapies for restenosis is the primary challenge that will shape the industry and define the industry leaders in the next decade.

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Target Market and Marketing Strategy

The Company intends to secure a position in the emerging market for coated and drug-eluting stents. The Company's proprietary technologies for novel coatings and drug-delivery will provide the opportunity to expand into other sectors of the drug-delivery marketplace.

The following is a summary for each product area and the market opportunity for the products.

HAP NANO-FILM COATING TECHNOLOGY

The Company's lead product in development is a passive, nano-film Hydroxyapatite (HAp) coating. In parallel, the Company is developing multi-layer and composite film coatings with drug-eluting capabilities to facilitate therapeutics and treatments for localized drug delivery systems.

HAp is naturally found in bone and tooth enamel and is rapidly integrated into the human body. Numerous results from clinical tests and surgical practice have shown that in addition to its demonstrated biocompatibility, this new generation of advanced biocompatible coatings is non-toxic and does not induce thrombogenicity, allergic or inflammatory reactions, therefore making it a potentially solid candidate as a coating for coronary stents and other implantable medical devices.

MIVT's HAp coating technology has demonstrated that it can meet the stringent technical requirements for use on cardiovascular stents. The coating technology has successfully progressed through a comprehensive range of animal and mechanical trials required for CE Mark and FDA approvals in both Europe and the US. These include thrombogenicity (blood clotting), cytotoxicity, and demanding fatigue life testing for its nano-film HAp-coated coronary stent. The results support the expectation that the HAp-coated stent may be considerably safer than currently available stents.

The HAp coating technology is being developed in a series of R&D programs in a collaboration between MIV Therapeutics and the University of British Columbia. The status of the development program is as follows:

Phase I (Completed August 31, 2001). Demonstrated viability of Sol-Gel process to coat thin films of HAp on both wires and stent surfaces. Results also confirmed drug-loading potential of nano-crystaline structure.

Phase II (Completed February 28, 2002). Defined optimum surface preparation for the HAp coating on the stent.

Phase III (Completed July 31, 2002). Developed final formulae for depositing uniform, thin film of HAp on stainless steel stents.

Phase IV (Completed November 31, 2003 - co-supported by NSERC funding). Fine-tuning HAp coating for improved process control, reproducibility and quality, and levels of porosity required for drug delivery purposes. Conducted exploration of alternative HAp coating strategies.

Phase V (Completed, November 2004). Develop family of novel, biocompatible, drug-eluting stent coatings with controlled levels of porosity required for drug delivery purposes over extended periods of time.

Preclinical results support the expectation that the HAp-coated stent may be considerably safer than currently available stents. MIVT is currently

conducting a full range of biocompatibility and histopathology tests on these products, with the potential to reach human clinical trials in early 2006.

DRUG-ELUTING STENTS

Since patients receiving stents remain at risk for complications, doctors continue to explore more efficient and longer-lasting stenting solutions. One of the more effective methods involves employing stents that are covered with medicines that can be released once inside the body. These are called drug-eluting stents.

MIVT appears to be in a solid position to enter the lucrative drug-eluting stent market using two product development approaches:

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Porous HAp coating is in an advanced development stage and can be loaded with considerable quantity of drugs, including anti-inflammatory, immune system depressants, or with the new generation of antithrombotic and/or antirestenotic drugs. This technology has applications in cardiovascular and non-cardiovascular drug/device combination products, including peripheral stents, biodegradable implants, gene therapy, and delivery systems for release of chemotherapeutic agents.

Drug-eluting stents countermeasure post-deployment inflammatory reactions and considerably reduce the incidence of restenosis. Drug-eluting stents have become, after approximately one year on the market, the most widely used modality for coronary revascularization. This has resulted in a paradigm shift in clinical practice that has quickly become the standard of care, despite the fact that drug-eluting stents cost approximately three to four times the price of a bare metal stent.

Drug-eluting HAp-based Composite Coatings: "Development of Novel Drug Eluting Composite Coatings for Cardiovascular Stents" IRAP-MIVI-UBC Collaborative R&D

In December 2004 MIVI (a wholly-owned subsidiary of MIVT has received a Government grant for the research program titled "Development of Novel Drug Eluting Composite Coatings for Cardiovascular Stents". The National Research Council approved MIVI's application following an in depth familiarization with the advanced concept of novel technologies proposed by MIVI, and a review of the Company's organizational and fiscal capability to carry on with the proposed USD 1 million+ R&D program.

The overall objective of this program is to develop calcium phosphate ceramic / biopolymer composites suitable for deposition as coatings for cardiovascular stents and other medical devices, in particular:

1. To define and validate the composite coating characteristics
2. To develop coating process that will be suitable for volume manufacturing environment
3. To develop suitable process for incorporation of drugs into the composite coatings.
4. To characterize in-vitro and in-vivo chemical, mechanical and biological properties of the drug-containing composite coatings based on Hydroxyapatite (HAp)
5. To define drug eluting characteristics for the composite coatings; validate the values in-vitro and in-vivo
6. To modify manufacturing processes for optimum performance of the drug-eluting calcium phosphate ceramic / biopolymer composite coatings on cardiovascular stents

In November 2004, MIVT initiated ambitious in-house research and development program for proprietary composite non-HAp-based drug eluting coatings which resulted in a number of patent applications for intellectual property which are fully owned (do not require licensing from third parties) by the company. These novel coating technologies are designed for use in conjunction with HAp coating technologies under exclusive license from UBC, and may be also used as self-standing technologies for specific applications in implantable medical devices.

Market Opportunity

MIV Therapeutics' passive HAp nano-film coating technology has been developed to offer an attractive alternative to the bare-metal stent and should provide significant benefit to those who cannot afford drug-eluting stents. The passive HAp nano-film coating has the capacity to carry sufficient anti-inflammatory drugs, which can reduce post-procedural trauma.

The Company's second product candidate, the multi-layer HAp stent coating, is being developed to treat cardiovascular disease with an emphasis on inhibiting restonosis as well as localized drug delivery to other diseased organs of the body. The multi-layer, porous HAp coating can be loaded with considerable amounts of drugs including anti-inflammatory, immune system depressants or with anti-thrombotic and/or antirestenotic drugs. The proprietary drug-eluting coating technology is natural in composition and has the potential to become the coating of choice for drug delivery systems on medical devices.

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Coronary stenting is a key component of interventional cardiology. This is a rapidly growing clinical specialty and one characterized by the ready adoption of new products. The coronary stent market recorded worldwide sales of USD$3 billion in 2003 and is estimated to show significant growth from the introduction of drug-eluting stents, with sales reaching USD$7 billion in 2007.

Additionally, through the diversification of its product/technology portfolio, MIV Therapeutics hopes to also capitalize on new applications of its technology

in order to access the USD$200 billion market of drug/device combination products. The market for drug-eluting stents is one of the fastest growing segments within the medical device arena, with annual growth approaching 25%.

Competition

Based on its current stage of product development, the Company can best be compared to other medical device companies with coated stent products. Although there are a number of companies currently selling coronary stents and developing drug-eluting stents, there are a relatively small number of international companies that control the majority of this market segment.

The following is a summary of the companies with the largest current share of the coronary stent market that are also developing coated and/or drug-eluting stents:

JOHNSON & JOHNSON
J&J's Cypher(TM) polymer-coated stent is designed to release the drug Sirolimus to inhibit the cell proliferation that is an underlying cause of restenosis. The company obtained a CE (Conformite Europeenne) mark in Europe in April 2002 for its Cypher(TM) Sirolimus-eluting stent following a 400-patient trial that demonstrated zero restenosis after a one-year follow-up on patients and a low incidence of MACE (Major Adverse Cardiac Events). The Cyber(TM) stent has now been tested in nearly 1,600 patients and enrollment was recently completed in a large 1100-patient SIRIUS trial in the US to provide the data required for FDA marketing approval.

Sirolimus is an antibiotic licensed from Wyeth Pharmaceuticals that is also marketed under the name Rapamune(TM) for prevention of organ rejection after kidney transplantation. Sirolimus was chosen for its "cytostatic" properties, as it inhibits rather than kills the proliferating cells that normally cause restenosis.

J&J indicated that it intends to commence marketing of the Cypher(TM) stent in Europe during late 2002 and is anticipating US marketing approval by late 2003. J&J currently controls 11% of the bare stent market (annual revenues of ~$US350 million) and by 2005 is projected to hold approximately 40% of the drug-eluting stent market (projected annual revenues of ~US$3.5 billion).

GUIDANT
Guidant has completed a 180-patient ELUTES European clinical trial with impressive results and recently received a CE mark for the product. It announced that it plans to initiate marketing in the EU during late 2002. Guidant also anticipates an application to the FDA for marketing approval to be submitted during 2002.

The company has also recently completed enrollment of patients in a large 1024-patient DELIVER II clinical trial in the US to expand the use of the stent for high-risk and difficult-to-treat patients. Guidant currently has an estimated 33% of the bare stent market and by 2005 is projected to hold about 18% of the drug coated stent market.

BOSTON SCIENTIFIC
Boston is developing the Taxus(TM) (paclitaxel-coated) Express(TM) stent and has had excellent results in two European clinical trials (61-patient TAXUS and 538-patient TAXUS II). In May 2002 Boston received approval to market the Express(TM) stent in a limited commercial launch. Boston is currently conducting a 30-patient TAXUS III study for expanded use of the stent and is currently proceeding with a global clinical trial and a major 2000-patient TAXUS IV clinical trial in the US that is anticipated to be completed in 2004.

The Boston stent was developed by Medinol Inc. (Israel) and the paclitaxel formulation is licensed from Angiotech Pharmaceuticals (Canada). Boston Scientific currently has 17% of the bare stent market and by 2005 is projected to capture about 16% of the drug coated stent market.

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MEDTRONIC
Medtronic is developing a number of drug-delivery devices, including coronary stents, using the NeuGene(R) anti-sense compounds licensed from AVI BioPharma. This family of therapeutic agents, known as Resten-NG, are designed to address the underlying genetic mechanism that leads to restenosis. Resten-NG is currently in Phase II human clinical trials.

Medtronic also has a Nitric Oxide coated stent in preclinical development and other anti-restenosis technologies in earlier stage development. While Medtronic is behind the other major stent companies in developing a coated drug stent, they remain a significant company in implanted medical devices, including stents. Medtronic currently has an estimated 29% of the bare stent market, but by 2005 is projected to hold less than 10% of the drug coated stent market.

ABBOTT LABORATORIES
In May 2002, Abbott acquired the cardiovascular stent business of Biocompatabiles (UK) for (pound)165 million (~US$235 million). This company has been developing the BioDIVYSIO biocompatible drug-eluting coronary stents, which are coated with PC (Phosphorylcholine). The BioDIVYSIO stent utilizes the anti-clotting properties of this natural protein to provide biocompatibility. The PC stent also permits drugs to be absorbed into the coating and released slowly after the device has been implanted. The company's cardiovascular products have received a CE mark in Europe and three models of the BioDIVYSIO stents are in clinical trials in the US.

The above represent the major companies with advanced coronary stent products and indicates the market trend towards development of drug-eluting stents. In addition to these major players in the drug-eluting stent market, there are also a number of smaller companies developing these types of products, including:

JOMED N.V. (NETHERLANDS)
JOMED is a European developer of products for minimally-invasive vascular intervention. The company is developing a biocompatible coated stent that

releases low doses of tacrolimus and expects international marketing approval for this product in 2003. Recently JOMED licensed Elast-Eon, a proprietary biocompatible material from AorTech Biomaterials to improve the performance of its stent products.

IMPLANT SCIENCES (WAKEFIELD, MA)
Implant Sciences has developed a thin-coating technology based on a micro-porous polymer. The company is utilizing CardioTech's endothelial "cell seeding technology" to promote more effective healing of the blood vessels. The micro-porous polymer can also be impregnated with more than one drug, allowing enhanced anti-restenosis therapy.

The growth in interest in novel technologies for drug-eluting stents and biocompatible devices provides further support for the future value of the Company's product development plans and indicates the significant market potential in this sector. With the worldwide revenues for coronary stents projected to increase to approximately US$6 billion by 2005, there is a substantial opportunity for even a smaller company such as MIV Therapeutics, Inc., to penetrate this market, if it has leading edge technologies and a strong product development program.

Employees

The Company currently has 7 full time employees.

In addition, the Company has entered into consulting agreements with three individuals to provide management services to the Company. The Company's Chairman, President, and Chief Executive Officer, Mr. Alan P. Lindsay, was hired and has been responsible for the acquisition of the company's technology, for financing, corporate development and the strategic vision of the company. Mr. Patrick McGowan, Executive Vice President and Chief Financial Officer, has been hired to assist the Company with its financing, regulatory filings, administration and business plan. His responsibilities also include liaison with attorneys, auditors, financial consultants, and the day to day business operations of the Company. Dr. Dov Shimon is the Company's chief Medical Officer, and oversees the Company's pre-clinical trials, and is also President of the Company's subsidiary, SagaX, and is in charge of its neurological stent program. The Company hired Mr. Arc Rajtar as the Vice President of Operations of its subsidiary, MIVI Technologies, Inc. Mr. Rajtar's responsibilities include operations, logistics, engineering, quality assurance and regulatory affairs.

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ITEM 2. PROPERTIES

(a) Real Estate None

(b) Property and Equipment $222,689

Real Property

The Company owns no real property. It conducts all of its business from its 10,296 square foot leased facility in Vancouver, Canada. where it conducts its research and development of coronary stents and stent delivery systems and where it has its first laser manufacturing facilities and clean rooms for packaging.

These facilities will be capable of producing 25,000 laser cut stents per annum once the system is fully operational. These manufacturing facilities are presently dedicated to production for research and clinical trial purposes, and can be employed for first commercial production at such time, if ever, as the Company successfully acquires certification and registration permitting the sale of the MIVI Stent. The lease on the manufacturing facility extends to October 31, 2005, at a cost of $10,025 per month.

Intellectual Property And Intangibles

Patents

A. Patents 100% owned by MIVT

1. Expandable Stent and Method for Manufacturing Same Patent #125740

Inventor(s): Zhi-Yong Ma (patent acquired 100% by - MIV Therapeutics Inc.)

Abstract / Non-confidential Description:
An implantable intravascular stent comprising of plurality of expandable stent modules made of medical grade stainless steel wire and connected together along a common longitudinal axis by fastening one of the connectors on one of the modules to an adjacent module. The patent describes the design and the method of manufacturing of the wire intravascular stent.

B. Patents owned by University of British Columbia (UBC) and licensed exclusively to MIVT

1. Novel Sol-Gel Calcium Phosphate Ceramic Coatings and Method of Making Same US Patent 6,426,114, Canadian Patent Application # 2,345,552

Inventor(s): T.Troczynski, Dean-Mo Liu - UBC/MTRL

Abstract / Non-confidential Description:
Low-Temperature Sol-Gel Synthesis of Hydroxyapatite Ceramics for Biomedical Applications. This invention relates to novel sol-gel calcium phosphate, in particular, hydroxyapatite, ceramic coatings and processes of making same at low temperature. Such coatings are useful, inter alia, for dental implants and other bone-metal contact appliances.

2. Biofunctional Hydroxyapatite Coatings and Microspheres for In-situ Drug Encapsulation
US Patent No. 6,730,324, PCT Patent Application No. WO 02/085330 converted to pending applications in Canada; Patent No. 2,444,561), Europe #02721913.8 (Italy, France , Germany, United Kingdom, Ireland, and The Netherlands), Australia #2002225889, Brazil #PI 0209040-6, China #02811285.7, India #1357/KONP/2003, Israel #158474, Japan #2002-582904, and South Africa #2003/8332.

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Inventor(s): T. Troczynski, Dean-Mo Liu, Quanzu Yang - UBC/MTRL

Abstract / Non-confidential Description:
This invention relates to novel room-temperature process for obtaining calcium phosphate, in particular hydroxyapatite, microspheres and coatings with encapsulated drugs, proteins, genes, DNA for therapeutical use. The coatings and microspheres are designed to perform a defined biological function related to drug delivery, such as gene therapy through gene delivery. A novel method for encapsulation, and subsequent controlled release of therapeutically active agents from such biofunctional coatings and microspheres is disclosed. Such coatings and microspheres are useful for side effects - free, long-term, targeted, controlled release and delivery of drugs, proteins, DNA, and other therapeutic agents.

The Company has 8 patent applications which are at various stages of processing by The Patent Office at the present time. 3 of these patents are under exclusive license from UBC and 5 belong 100% to MIVT.

Domain Names

The Company holds a 100% interest in the following domain names:

- mivi.ca
- mivitherapeutics.com
- mivitechnologies.com
- mivitech.com
- investorservice.com
- mivtherapeutics.com
- m-i-v.com

Trademarks

The Company has applications pending in the United States Patent and Trademark Office and in Canada for protection of the trade name MIV Therapeutics.

ITEM 3. LEGAL PROCEEDINGS

JOHN MA

On November 18, 2002, John Ma, a former consultant with the Company's majority owned subsidiary, M-I Vascular Innovations, Inc. ("Vascular") filed a Writ and Statement of Claim in the Supreme Court of British Columbia against the Company, its Chief Executive Officer and President, Alan P. Lindsay, and against Vascular, seeking specific performance of a settlement agreement to receive 3,192,399 shares of the Company in exchange for 3,192,399 shares in Vascular, or alternatively, damages.

On April 1, 2003, the parties attended a court hearing in chambers on an application to dismiss the action against Mr. Lindsay on the basis that the action was vexatious and disclosed no reasonable claim against Mr. Lindsay. The Company was successful and on April 1, 2003 the Honourable Madam Justice Kirkpatrick, who presided over the hearing, granted the relief sought and dismissed the claim against the C.E.O. of the Company, Mr. Lindsay.

The Company and Vascular attended a court hearing in chambers on April 16, 17,and 25, 2003 on a summary trial application by the Plaintiff John Ma for an Order for a declaration that Mr. Ma is entitled to an exchange of 3,192,399 common shares of Vascular for 3,192,399 common shares of the Company pursuant to a Settlement Agreement entered into on September 14, 2001.

The Honourable Mr. Justice Lowry, who presided over the summary trial, pronounced judgment on May 20, 2003, granting the summary relief that was sought by Mr. Ma at the summary trial, and ordered the Company and Vascular to perform the share exchange (the "Judgment"). The Company has appealed the judgment to the British Columbia Court of Appeal. The appeal hearing has been set for hearing on September 7, 2004.

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In a Counterclaim filed on April 14, 2003 in the Supreme Court of British Columbia, the Company and Vascular continue to dispute Mr. Ma's entitlement to the 3,192,399 Vascular shares (the "Shares"), alleging the Shares were part of a specific purpose trust, and that Mr. Ma breached certain contractual obligations and fiduciary duties he owed. The Company and Vascular seek the following:

1. a declaration of trust over the Shares;
2. an interim injunction preserving the Shares pending determination of all of the issues in the Action;
3. damages for breach of contract;
4. if Ma receives any shares in the Company pursuant to the exchange, an interlocutory injunction preserving those shares by deposit of the share certificates into Court and an Order that Mr. Ma not dispose of, transfer or otherwise encumber the shares until a full determination of all the issues in the action;

5. damages for misuse of confidential information;
6. damages for breach of fiduciary duties; and
7. aggravated and punitive damages.

On September 22, 2004 the British Columbia Court of Appeal dismissed with costs two appeals of MIV Therapeutics, Inc. (the "Company") seeking to set aside the Order of the Honourable Mr. Justice Lowry pronounced on May 20, 2003 whereby the British Columbia Supreme Court ordered the Company and its majority owned subsidiary M-I Vascular Innovations, Inc. ("Vascular") to take all necessary steps to exchange 3,192,399 shares of Vascular owned by John Ma for 3,192,399 shares of the Company.

On December 29, 2004, the Company issued 3,192,399 common shares to exchange for Mr. Ma's 3,192,399 common shares of M-I Vascular Innovations, Inc. The share exchange took place on January 14, 2005.

By counterclaim in the British Columbia Supreme Court, the Company continues to dispute John Ma's entitlement to his Vascular shares (and to any Company shares he receives in exchange for his Vascular shares), and the Company is suing Mr. Ma for damages for fraudulent misrepresentation. In a further action in the Supreme Court of British Columbia, the Company is suing Mr. Ma for defamation.

BARRY MIGLIORINI AND JACK NAVENTI DOING BUSINESS AS NATIONALCAPITAL

On November 12, 2003, the Company commenced an action in the Supreme Court of British Columbia against Barry Migliorini and Jack Naventi, both doing business as National Capital (the "Defendants"). The Company claimed that the Defendants were misrepresenting themselves as being affiliated with a registered broker dealer in good standing as a member of the National Association of Securities Dealers, Inc., and on that basis obtained the Company's authorized signatures on several documents authorizing the issuance of shares and warrants to the Defendants in exchange for certain financial advice. In its claim, the Company sought the following relief:

1. a declaration that there is no valid and binding agreement between the Company and the Defendants;
2. a declaration that the Company is not obligated to issue any warrants to purchase the Company's common stock or any shares in the Company's common stock to the Defendants;
3. an Order canceling 65,217 shares of the Company's common stock that were issued to National Capital; and
4. restitution and damages for misrepresentation.

On July 9, 2004, the Company entered into a settlement agreement with Barry Migliorini and Jack Naventi, whereby the parties agreed to the following:

1. the 65,217 shares of the Company registered in the name of the Defendants would be cancelled;
2. all warrants issued by the Company to the Defendants are cancelled;
3. the service agreement and warrant agreement entered into between the Defendants and the Company are terminated in their entirety;
4. other than obligations created by the settlement agreement, each party releases the other from any and all claims and liabilities.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of securities holders for the year ending May 31, 2005.

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Part II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) The Company's common stock is listed on the OTCBB under the symbol "MIVT." Prices reported represent prices between dealers, do not include markups, markdowns or commissions and do not necessarily represent actual transactions. The market for the Company's shares has been sporadic and at times very limited.

The following table sets forth high and low bid quotations of the Company's common stock for the fiscal years ended May 31, 2005 and 2004 as follows:

	Price Range of Common Stock	
Quarter Ended	High	Low
August 31, 2003	0.70	0.31
November 30, 2003	0.59	0.39
February 29, 2004	0.59	0.31
May 31, 2004	0.80	0.33
August 31, 2004	0.52	0.18
November 30, 2004	0.35	0.21
February 28, 2005	0.30	0.19
May 31, 2005	0.63	0.30

(b) As of August 17, 2005, the Company had approximately 55,682,495 shares issued including 2,500,000 Reg S shares in trust to support a potential Reg S financing. In addition, the Company has warrants outstanding to purchase 19,280,221 shares and options outstanding to purchase 7,780,000 shares. Certain warrant and option holders have agreed not to exercise their warrants or options until the Company has amended its articles of incorporation to increase its authorized number of shares of common stock at the next annual meeting of shareholders. The transfer agent for the Company is Interwest Transfer Company at P.O. Box 17136, Salt Lake City, Utah 84117, U.S.A.

(c) No dividends on outstanding common stock have been paid within the last two fiscal years, and interim periods. The Company does not anticipate or intend upon paying dividends for the foreseeable future.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains forward-looking statements that are subject to significant risks and uncertainties. There are several important factors that could cause actual results to differ materially from historical results and percentages and results anticipated by the forward-looking statements. The Company has sought to identify the most significant risks to its business, but cannot predict whether or to what extent any of such risks may be realized nor can there be any assurance that the Company has identified all possible risks that might arise. Investors should carefully consider all of such risks before making an investment decision with respect to the Company's stock. In particular, investors should refer to the section entitled, "Factors that May Affect Future Results and Market Price of Stock".

Plan of Operations

MIV Therapeutics is developing the next generation of biocompatible coatings utilizing HAp nano-film technology. The Company's growth strategy is focused on developing biocompatible device coatings, therapeutic stent technologies, and drug delivery systems for drug eluting applications.

MIVT intends to enter the lucrative drug-eluting stent market with:

(1) Passive nano-film HAp coating with optional capacity to carry adequate quantity of anti-inflammatory drugs, which can reduce post-procedural trauma; and

(2) Multi-layer porous HAp coating, which is in an advanced development stage and can be loaded with a considerable quantity of drugs, including anti-inflammatory, immune system depressants, or with the new generation of antithrombotic and/or antirestenotic drugs.

(3) Composite, polymer-free drug eluting coatings, which can use variety of drugs in a biodegradable single-drug or multiple-drug configuration that offers unique drug-eluting characteristics. Composite coating technologies may combine advantages of HAp passive coatings with those of biodegradable polymers, for improved biocompatibility, and enhanced mechannical and drug eluting characteristics.

(4) Multi-layer closed-cell composite drug eluting coating, which can carry variety of drugs in single-drug or multiple-drug configurations of encapsulated nano-chambers that can provide more effective and gradual drug release, allow for flexible engineering of "personalized" drug eluting characteristics within broad range of parameters, and are expected to elude drugs over extended period of time with improved efficiency and safety. Drugs are contained in "nano-chambers", each of which measures between a few nanometers and several micrometers in diameter to suit specific drug release requirements. Multilayer composite coating technologies may combine advantages of HAp passive coatings with those of biodegradable polymers, for improved biocompatibility, enhanced mechanical and drug eluting characteristics.

The Company's first commercial product could be a passive HAp-coated coronary stent for use in angioplasty procedures followed by additional stent products for drug-elution and for peripheral arteries.

Drug-eluting stents have gained significant popularity among the professional medical community and investors alike. MIVT's goal is to clearly position itself among the leaders in the lucrative drug-eluting stent market.

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After completing development of these products, MIVT will have successfully transitioned itself from being a manufacturer of coronary stents, into an innovative drug-delivery company with proprietary technologies that can be applied to a wide range of therapeutic applications for the delivery of a variety of pharmaceutical agents.

Acquisition of SagaX, Inc.

On March 14, 2005, the Company acquired 100% of SagaX, Inc. ("SagaX") a Delaware corporation with operations in Israel from a third party. SagaX is in the business of researching a neuro-vascular embolic stent filter medical device through its subsidiary in Israel, which will complement the Company's current research activities. SagaX has a registered patent entitled Endovascular Device for Entrapment of Particulate and Method for Use. The technology patented is still in the research stage. As at the date of acquisition, SagaX did not have any other assets or activities prior to acquisition, thus no pro-forma statement of operations has been prepared.

The Company agreed to issue 4,200,000 shares in exchange for all of the issued and outstanding shares of SagaX. The shares are valued at $0.47, which is the fair value of the shares at the time of agreement, and will be issued in three intervals: 2,000,000 of the shares within 30 days of the effective date of this Agreement (issued), 1,100,000 shares upon successful completion of large animal trials and the final 1,100,000 shares upon CE Mark approval relating to SagaX's products. The final 1,100,000 shares have not been accrued as its issuance is dependent on obtaining CE Mark approval, which can not be determine at this time. The Company has also agreed to pay $145,000 of the vendor's debt at the time of acquisition and agreed to finance up to $730,000 for SagaX's research in 2005. If the Company decides to abandon the underlying patented project or is placed into receivership or fails to fund SagaX in any six month period, then the vendor or its nominee may repurchase SagaX, including all of its intelle ctual property, in exchange for the return of all of the Company's common shares issued and a cash payment equal to 125% of all cash advanced by the Company to

SagaX.

As at May 31, 2005, the 2,000,000 common shares have been issued for a fair value of $940,000 and $80,000 has been paid for the vendor's debt. The balance of $65,000 of the vendor's debt has been recorded as common stock issuable.

In accordance with FIN 4: "Applicability of FASB No. 2 to Business Combinations Accounted for by the Purchase Method", all acquisition costs of $1,085,000 have been recorded as Purchased in-process Research and Development and expensed in the statement of operations.

Acquisition of Sahajanand Medical Technologies Inc.

On March 1, 2005 the Company entered into a share acquisition Letter of Intent ("Letter") with the shareholders of Sahajanand Medical Technologies Inc. ("SMT") of India. SMT is in the business of manufacturing, marketing and distributing bare metal and drug eluting stents, which will complement the Company's research activities.

Pursuant to the Letter, the Company shall issue 44,500,000 shares of the Company's common stock in exchange for 100% of the outstanding equity of SMT.

In addition, if the SMT operations achieve at least $90 million in sales within 36 months of the closing of the acquisition, the SMT shareholders shall be issued 2,225,000 additional shares of the Company's common stock. If the SMT operations achieve $180 million or more in sales within 36 months of the closing acquisition, the SMT shareholders shall be issued 2,225,000 additional shares of the Company's common stock so that the SMT shareholders receive an aggregate of 4,450,000 shares of the outstanding shares of the Company's common stock.

Following the closing, the combined entity will finance the development of a catheterization laboratory, and upon completion, the combined entity will have the right (but not obligation) to acquire all right, title and interest in such technology at an acquisition price equal to 100% of the production cost not to exceed $2.0 million to be paid in the form of cash or common stock of the Company.

The completion of the acquisition shall be at least subject to (i) satisfactory completion of customary due diligence; (ii) mutual board and shareholder approval and other customary consents; (iii) negotiation and execution of the Definitive Agreement and the documents contemplated therein; (iv) receipt of audited financial statements of SMT; (v) negotiation and execution of the Management Employment Agreements; (vi) receipt of all necessary third party consents; (vii) transfer of all assets to SMT, free and clear of all liens, claims and encumbrances of any kind, and (viii) the absence of material legal or government limitations.

As at August 18, 2005, the acquisition has yet to be finalized. Project acquisition costs of $53,426 which represents direct costs incurred as a result of this acquisition, have been capitalized on the financial statements. These costs will be included in the total acquisition cost upon consummation of this transaction.

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Intellectual Property

A. Patents 100% owned by MIVT

1. Expandable Stent and Method for Manufacturing Same Patent #125740

Inventor(s): Zhi-Yong Ma (patent acquired 100% by - MIV Therapeutics Inc.)

Abstract / Non-confidential Description:
An implantable intravascular stent comprising of plurality of expandable stent modules made of medical grade stainless steel wire and connected together along a common longitudinal axis by fastening one of the connectors on one of the modules to an adjacent module. The patent describes the design and the method of manufacturing of the wire intravascular stent.

B. Patents owned by University of British Columbia (UBC) and licensed exclusively to MIVT

1. Novel Sol-Gel Calcium Phosphate Ceramic Coatings and Method of Making Same US Patent 6,426,114, Canadian Patent Application # 2,345,552

Inventor(s): T.Troczynski, Dean-Mo Liu - UBC/MTRL

Abstract / Non-confidential Description:
Low-Temperature Sol-Gel Synthesis of Hydroxyapatite Ceramics for Biomedical Applications. This invention relates to novel sol-gel calcium phosphate, in particular, hydroxyapatite, ceramic coatings and processes of making same at low temperature. Such coatings are useful, inter alia, for dental implants and other bone-metal contact appliances.

2. Biofunctional Hydroxyapatite Coatings and Microspheres for In-situ Drug Encapsulation
US Patent No. 6,730,324, PCT Patent Application No. WO 02/085330 converted to pending applications in Canada; Patent No. 2,444,561), Europe #02721913.8 (Italy, France , Germany, United Kingdom, Ireland, and The Netherlands), Australia #2002225889, Brazil #PI 0209040-6, China #02811285.7, India #1357/KONP/2003, Israel #158474, Japan #2002-582904, and South Africa #2003/8332.

Inventor(s): T. Troczynski, Dean-Mo Liu, Quanzu Yang - UBC/MTRL

Abstract / Non-confidential Description:
This invention relates to novel room-temperature process for obtaining calcium phosphate, in particular hydroxyapatite, microspheres and coatings with

encapsulated drugs, proteins, genes, DNA for therapeutical use. The coatings and microspheres are designed to perform a defined biological function related to drug delivery, such as gene therapy through gene delivery. A novel method for encapsulation, and subsequent controlled release of therapeutically active agents from such biofunctional coatings and microspheres is disclosed. Such coatings and microspheres are useful for side effects - free, long-term, targeted, controlled release and delivery of drugs, proteins, DNA, and other therapeutic agents.

The Company has 8 patent applications which are at various stages of processing by The Patent Office at the present time. 3 of these patents are under exclusive license from UBC and 5 belong 100% to MIVT.

DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

The Company has incurred annual operating losses since its inception in January 1999 related primarily to the research and clinical development of its technologies and products, corporate development and general administration costs. During the year ended May 31, 2005, the Company posted a loss from operations of $6.6 million, compared to a loss of $4.0 million for the year ended May 31, 2004.

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The working capital decreased from $2,118,069 (May, 2004) to working capital deficiency of $478,359 (May, 2005). The decrease in the working capital is due primarily to substantially less cash from financing activities during the year and research & development, increased acquisition and investment expenses.

The Company's main focus during the year ended May 31, 2005 has been the continued research and development of new therapeutic technologies and its biocompatible coating for stent and drug delivery systems. During this period of time, the Company completed the transfer of technology from the University of British Columbia to its company owned premises with focus on the introduction of proper process controls and volume production. This transition was facilitated through the acquisition of sophisticated measuring and processing equipment.

General & Administrative Expenses

General and administrative expenses remained fairly constant, increasing slightly to $2,619,524 during the year ended May 31, 2005, compared to $2,590,779 for the year ended May 31, 2004.

The following table compares the General and Administrative expenses for the years ended May 31, 2005 and 2004:

<TABLE>

	2005	2004	INCREASE/ (DECREASE)	% INCREASE/ (DECREASE)
<S>	<C>	<C>	<C>	<C>
Legal	$195,379	$146,311		
Public Relations, Financing and Corporate Development	$935,337	$772,493		
Management Fees	$261,883	$229,996		
Consulting	$692,690	$856,692		
Bad debt	--	$160,000		
Operating Expenses	$534,235	$425,287		
Total	$2,619,524	$2,590,779		

</TABLE>

Research & Development Expenses

Research and developmental costs increased during the year ended May 31, 2005 to $1,523,166 compared to $709,003 for the year ended May 31, 2004. The increase in 2004 resulted primarily from the Company's advanced research and development in its coating technology.

Depreciation Expense

Depreciation expenses increased to $176,453 during the year ended May 31, 2005 compared to $146,783 for the year ended May 31, 2004. This increase is due to acquisitions of several laboratory equipments.

Liquidity And Capital Resources

Since inception, the Company has financed its operations from private financing, the exercise of warrants and interest income. The company has suffered recurring losses from operations since inception, and has a working capital deficiency of $478,359 (current assets less current liabilities).

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Financing

The Company's capital requirements have been and will continue to be significant. As of May 31, 2005, the Company had a working capital deficiency of $478,359

Cash flow from financing activities decreased to $1,586,277 for the year ended May 31, 2005, as compared to $3,857,720 for the year ended May 31, 2004.

The decrease in financing activities was a result of substantial financing activities from the previous year, allowing the Company to focus more of its attention on research and development and marketing activities during the current fiscal year.

Warrants

The following table summarizes information about the warrants issued by the Company:

	NUMBER OF UNDERLYING SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Balance, May 31, 2004	9,386,449	$ 0.60
Issued - private placement	1,851,500	0.25
Issued - finder's fee	10,000	0.75
Issued - services rendered	5,270,000	0.32
Exercised	(2,310,710)	0.26
Cancelled/Expired	(7,043,220)	0.65
Balance, May 31, 2005 - Regular	7,164,019	0.45
Balance, May 31, 2005 - Series A	3,374,999	0.66
Balance, May 31, 2005 - Series B	674,997	0.66
Balance, May 31, 2005	11,214,015	$ 0.53

During the year ended May 31, 2005, the Company issued 5,270,000 warrants with exercise prices ranging from $0.24 to $0.45 per share, to various consultants for services rendered to the Company. These warrants had an estimated fair value of $917,168 using the Black Scholes Pricing Model.

The Board of Directors of the Company approved an extension to the expiry date for 381,800 warrants outstanding from April 30, 2005 to April 30, 2006 and 200,000 warrants outstanding from May 21, 2005 to May 21, 2007.

Stock-based compensation

The Company's 2001 incentive stock option plan provides for the grant of incentive stock options for up to 5,000,000 common shares to employees, consultants, officers and directors of the Company. Incentive benefits granted under the plan may be either incentive stock options, non-qualified stock options, stock awards, restricted shares or cash awards. Options are granted for a term not to exceed five years from the date of grant. Stock options granted generally vest over a period of two years.

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The Company had the following stock option activity:

	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance outstanding, May 31, 2004	4,255,000	$ 0.47
Options granted	3,900,000	0.28
Options exercised	(75,000)	0.30
Options expired	(300,000)	1.00
Balance outstanding, May 31, 2005	7,780,000	$ 0.35

During the year ended May 31, 2005, the company granted an aggregate of 3,900,00 stock options. 2,200,000 of these options were to employees and/or directors of the Company and the remaining 1,700,000 were to consultants. Each option entitles the option holder to acquire one share of the Company's common stock at a price between $0.20 and $0.40 per share, vesting immediately or at a specified time and expires five years from the date of grant or term of agreement.

Cash Position

At May 31, 2005, the Company had cash and cash equivalents of $492,709 compared to a cash position of $2,034,530 at May 31, 2004. The decrease in the Company's cash position is due primarily to a decrease in financing activities. The working capital decreased from $2,118,069 at May 31, 2004 to deficiency of $478,359 as of May 31, 2005.

The company intends to continue to raise additional funds through equity financings via private placements, as it may need to raise additional capital to fund operations over the long-term. There can be no guarantee that such funds will be available to the Company.

Accounts Payable

Accounts payable increased 80% in the year ended May 31, 2005 to $307,369 compared to $170,871 at May 31, 2004. This majority of this increase is attributed to major contracts entered into for research and development.

Cash requirements and need for additional funds

To date, the Company has invested approximately US$7 million in research and development of its stent products, coatings and operations, and in establishing a quality manufacturing facility and completing laboratory and preclinical testing on its stents. The Company also has developed strong research collaborations with the University of British Columbia for its proprietary stent coatings and has implemented an aggressive in-house product development program.

In order to continue effectively the Company's R & D program and marketing efforts aiming at successful commercialization of its HAp coating technologies, the Company will require approximately US$5 million in the coming year. For R & D, the funds will be used to acquire additional manufacturing/R&D equipments and the hiring of additional people to complement its current R&D team. These funds could be provided through any combination of the exercise of existing warrants and options and/or through subsequent rounds of financing.

Factors That May Affect Future Results and Market Price of Stock.

The business of the Company involves a number of risks and uncertainties that could cause actual results to differ materially from results projected in any forward-looking statement, or statements, made in this report. These risks and uncertainties include, but are not necessarily limited to the risks set forth below. The Company's securities are speculative and investment in the Company's securities involves a high degree of risk and the possibility that the investor will suffer the loss of the entire amount invested.

BECAUSE WE HAVE A HISTORY OF LOSSES AND ANTICIPATE CONTINUED LOSSES THROUGH OUR DEVELOPMENT STAGE, WE MAY LACK THE FINANCIAL STABILITY REQUIRED TO CONTINUE OPERATIONS.

Since inception, the Company has suffered recurring losses, totaling $21,774,802 as of May 31, 2005. The Company has funded its operations through the issuance of common stock, and through related party loans since inception, in order to meet its strategic objectives. The Company anticipates that losses will continue until such time, if ever, as the Company is able to generate sufficient revenues to support its operations. The Company's ability to generate revenue primarily depends on its success in completing development and obtaining regulatory approvals for the commercial sale of the products under development. There can be no assurance that any such events will occur, that the Company will attain revenues from commercialization of its products, or that the Company will ever achieve profitable operations.

BECAUSE WE ARE CURRENTLY A DEVELOPMENT STAGE COMPANY, WE HAVE NO PRODUCTS AVAILABLE FOR SALE OR USE AND MAY LACK THE FINANCIAL RESOURCES NEEDED TO BRING PRODUCTS TO MARKET.

The Company is in the development stage and currently has no products approved for sale or use. The Company will not be able to sell significant quantities of its products until such time, if ever, as it receives regulatory approval to commercially market such products, and thus the Company's long-term viability, growth, and profitability will depend upon successful testing, approval, and commercialization of the MIVT Stent or other products resulting from its research and development activities. Adverse or inconclusive results in clinical trials of these products could significantly delay or ultimately preclude any regulatory approvals, and even if obtained there can be no assurance that any product approval would lead to the successful commercialization of the product approved. Furthermore, the Company does not expect to begin the regulatory approval process in the United States for at least the next three years, and will only pursue approval and marketing of its products in the countries recognizing the CE Mark, such as most European and Asian countries.

BECAUSE WE HAVE A LIMITED OPERATING HISTORY ON WHICH AN EVALUATION OF OUR PROSPECTS CAN BE MADE, WE MAY NOT BE ABLE TO EFFECTIVELY MANAGE THE DEMANDS REQUIRED OF A NEW BUSINESS IN THE MEDICAL DEVICE INDUSTRY.

The Company has a limited operating history upon which an evaluation of its prospects can be made. There can be no assurance that the Company will effectively execute MIVT's business plan or manage any growth of the MIVT business, or that the Company's future operating and financial forecast will be met. Future development and operating results will depend on many factors, including access to adequate capital, the completion and regulatory approval of marketable products, the demand for the Company's products, the level of product and price competition, the Company's success in setting up and expanding distribution channels, and whether the Company can control costs. Many of these factors are beyond the control of the Company. In addition, the Company's future prospects must be considered in light of the risks, expenses, and difficulties frequently encountered in establishing a new business in the medical device industry, which is characterized by intense competition, rapid technological change, highly litigious competitors, potential product liability and significant regulation.

BECAUSE THE LIFE CYCLE OF MEDICAL PRODUCTS ARE DIFFICULT TO PREDICT, EVEN IF WE WERE TO INTRODUCE A PRODUCT TO THE MARKET WE MAY NOT BE ABLE TO GAIN MARKET ACCEPTANCE OF THE PRODUCT.

The life cycle of the products that the Company plans to develop is difficult to predict. Failure to gain timely market acceptance of its products would have a material adverse effect on the Company's ability to generate revenue, and would have a material adverse effect on the Company's business, financial condition

and results of operations. To successfully gain market acceptance, the Company must develop the ability to manufacture its products in large quantities in compliance with regulatory requirements and at an acceptable cost. The Company has no long-term experience in manufacturing stent products, and could experience difficulties in development or manufacturing that may have a material adverse effect on the Company's ability to market its product. Moreover, there can be no assurance that the Company will be successful in scaling up manufacturing operations sufficient to produce its products in sufficient volume to generate market acceptance.

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BECAUSE WE ARE SIGNIFICANTLY SMALLER THAN THE MAJORITY OF OUR NATIONAL COMPETITORS WE MAY LACK THE FINANCIAL RESOURCES NEEDED TO CAPTURE MARKET SHARE.

The market in which the Company intends to operate is dominated by several large firms with established products, and the Company's success is dependant upon acceptance of its products by the medical community as reliable, safe and cost-effective. It may be difficult or impossible for the Company to achieve such acceptance of its products in view of these market conditions. In addition, the Company's competitors are more financially stable than the Company and have significant resources for research and development available to them. Thus it is likely that they will be quicker to market than the Company, with products that will compete with its products, should it be successfully approved and commercialized. Moreover, even if the Company successfully brings its products to market ahead of its projected competitors, established competitors could quickly bring products to market that would compete. In addition, the medical device market is subject to constant introduction of new products and designs.

Market acceptance of the Company's products may be influenced by new products or technologies that come to market, which could render the Company's products obsolete or prohibitively expensive.

BECAUSE WE HAVE NOT EARNED ANY REVENUES FROM OPERATIONS, ALL OUR CAPITAL REQUIREMENTS HAVE BEEN MET THROUGH FINANCIAL AND IT IS NOT CERTAIN WE WILL BE ABLE TO CONTINUE TO FIND FINANCING TO MEET OUR OPERATING REQUIREMENTS.

The Company's capital requirements have been and will continue to be significant. The Company will be dependant on future financing to fund its research and development as well as other working capital requirements. The Company estimates that its current working capital will support its activities for no more than four months. After that time, the Company will need additional financing. The Company is currently anticipating further subscriptions for its common stock, but there can be no assurance that these subscriptions will be forthcoming or that they will result in sufficient capital for the Company to meet its current and expected working capital needs. It is not anticipated that any of the officers, directors or current shareholders of the Company will provide any significant portion of the Company's future financing requirements. Furthermore, in the event that the Company's plans change, its assumptions change or prove inaccurate, or its capital resources prove to be insufficient to fund operations, the Company could be required to seek additional financing sooner than currently anticipated, or in greater amounts than is currently anticipated. Any inability to obtain additional financing when needed would have a material adverse effect on the Company, including possibly requiring the Company to significantly curtail or possibly cease its operations. In addition, any future equity financing may involve substantial dilution to the Company's existing shareholders.

BECAUSE WE ARE IN THE DEVELOPMENT STAGE AND HAVE NOT YET PRODUCED A MARKETABLE PRODUCT, WE MAY LACK THE ABILITY TO RECRUIT SUITABLE CANDIDATES FOR EMPLOYMENT, OR TO ATTRACT THEM TO THE COMPANY SHOULD THEY BE IDENTIFIED.

The Company currently has 6 full time employees and only three full-time officers and directors. In addition, the Company has entered into consulting agreements with three individuals two of whom are also Directors, to provide management services to the Company. The remainder of the Company's management has been undertaken by independent consultants. This may make it difficult for the Company to attract capital investment sufficient to meet its capital needs. Because the Company is in the development stage and has not yet produced a marketable product, it will be reliant upon its ability to attract skilled members of the Stent or medical products industries. There can be no assurance that the Company will be able to identify suitable candidates for employment, or to attract them to the Company should they be identified. In addition, the Company will be heavily dependent upon creative design and engineering skills of individuals with whom it has little familiarity, and who may not perform as expected.

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BECAUSE WE MAY NOT BE ABLE TO OBTAIN PATENTS FOR THE DEVICES WE ARE CURRENTLY RESEARCHING, WE MAY NOT HAVE BE ABLE TO PROTECT OF INTELLECTUAL PROPERTY RIGHTS.

The Company's success will depend in part on whether the Company can obtain patent protection for its products and processes, preserve trade secrets and proprietary technology, and operate without infringing upon patent or other proprietary rights of third parties. The Company has patent applications pending in the United States and in several foreign markets, and is in the process of filing additional foreign patent applications, but there can be no assurance that any of these patents will be issued or that patents will not be challenged. A significant number of medical device companies, other companies, universities, and research institutions have filed patent applications or have been issued patents relating to stents and stent delivery systems, and there has been substantial litigation in this area. Established companies in the medical products industry generally, and the stent industry in particular, are aggressive in attempts to block new entrants to their markets, and the Company's products, if successfully developed, may interfere with the intellectual property rights of these companies. The Company's success will depend on its products not infringing patents that the Company expects would be vigorously prosecuted. Furthermore, the validity and breadth of claims in medical technology patents involve complex legal and factual questions and, therefore,

are highly uncertain. Even if the Company successfully patents the MIVT laser-cut stent, there can be no assurance that it would be able to successfully assert its patents against competing products. In addition, infringement claims against the MIVT laser-cut stent could be sufficiently expensive to have a material adverse effect on the Company's results or ability to continue marketing its products.

BECAUSE PRODUCT LIABILITY IS INHERENT IN THE MEDICAL DEVICES INDUSTRY AND INSURANCE IS EXPENSIVE AND DIFFICULT TO OBTAIN, THE COMPANY MAY BE EXPOSED TO LARGE LAWSUITS.

The Company's business exposes it to potential product liability risks, which are inherent in the testing, manufacturing, marketing and sale of medical products. While the Company will take precautions it deems to be appropriate to avoid product liability suits against it, there can be no assurance that it will be able to avoid significant product liability exposure. Product liability insurance for the medical products industry is generally expensive, to the extent it is available at all. The Company has not yet sought to obtain product liability coverage. The Company intends to obtain such coverage when it is apparent that the MIVT Stent or other products developed bythe Company will be marketable. There can be no assurance that it will be able to obtain such coverage on acceptable terms, or that any insurance policy will provide adequate protection against potential claims. A successful product liability claim brought against the Company may exceed any insurance coverage secured by the Company, and could have a material adverse effect on the Company's results or ability to continue marketing its products.

BECAUSE THE HEALTHCARE INDUSTRY IS SUBJECT TO CHANGING POLICIES AND PROCEDURES, WE MAY FIND IT DIFFICULT TO CONTINUE TO COMPETE IN AN UNCERTAIN ENVIRONMENT.

The health care industry is subject to changing political, economic and regulatory influences that may affect the procurement practices and operations of healthcare industry participants. During the past several years, government regulation of the healthcare industry has changed significantly in several countries. Healthcare industry participants may react to new policies by curtailing or deferring use of new treatments for disease, including treatments that would use the products that the Company intends to develop. This could substantially impair the Company's ability to successfully commercialize the MIVT Stent, which would have a material adverse effect on the Company's performance.

BECAUSE OUR STOCK IS LISTED ON THE OTCBB AND NOT A LARGER OR MORE RECOGNIZED EXCHANGE, INVESTORS MAY FIND IT DIFFICULT TO SELL THEIR SHARES OR OBTAIN ACCURATE QUOTATIONS FOR SHARE PRICES.

The Company's common stock is listed on the OTCBB. Investors may find it more difficult to dispose of, or to obtain accurate quotations as to the market value of, the Company's common stock than would otherwise be the case were the Company's common stock listed on a more recognized stock exchange or quotation service. In addition, trading in the Company's common stock is currently subject to certain rules under the Exchange Act, which require additional disclosure by broker-dealers in connection with any trades involving a stock defined as a "penny stock." Penny stocks are generally non-Nasdaq equity securities with a market price less than $5.00 per share. The penny stock rules require broker-dealers selling penny stocks to make certain disclosures about such stocks to purchasers thereof, and impose sales practice restrictions on broker-dealers in certain penny stock transactions. The additional burdens imposed upon broker-dealers by these rules may discourage them from effecting transactions in the Company's common stock, which could limit the liquidity of the common stock and the ability of the Company's stockholders to sell their stock in the secondary market.

GOING CONCERN RISK

There is substantial doubt as to our ability to continue as a going concern based on our past operating losses and predicted future operating losses. Our auditor has issued a going concern opinion on our financial statements expressing substantial doubt that we can continue as a going concern for a reasonable period of time unless sufficient equity financing can be secured. There can be no assurances that any required capital can be obtained on terms favorable to the Company

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this Item is included as a separate Exhibit to this report. Please see pages F-1 through F-31.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company's independent registered public accounting firm of Moore Stephens Ellis Foster Ltd. ("Moore Stephens") merged with and into Ernst & Young LLP on May 5, 2005. The merger of Moore Stephens into Ernst & Young on May 5, 2005, effectively constituted Moore Stephens' registration as the Company's independent accountant responsible for auditing its financial statements, and that effective as of such date, Moore Stephens no longer acted as the Company's independent registered effective as of such date, Moore Stephens no longer acted as the Company's independent registered public accountant. Therefore, effective on May 5, 2005, Ernst & Young LLP, the successor firm to Moore Stephens, was engaged as the independent registered public accounting firm of the Company. The engagement of Ernst & Young LLP was approved by the Board of Directors.

Moore Stephens' report on the Company's financial statements for the year ended May 31, 2004 did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles except Moore Stephen's report notes that the Company has incurred significant recurring net loses which raise substantial doubt about the Company's ability to continue as a going concern.

During the period covered by the report of Moore Stephens and up to the effective date of registration, the Company had no disagreements with Moore Stephens, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Moore Stephens, would have cause Moore Stephens to make reference to the subject matter of the disagreement in connection with its reports

During the Company's previous two fiscal years and up to the effective date of resignation, the Company did not consult with Ernst & Young regarding any of the items described under Item 304(a)(1)(iv)(B), Item 304(a)(2) or Item 304(b) of Regulation S-B.

ITEM 8A. CONTROLS AND PROCEDURES

As required by Rule 13a-15(e) under the Exchange Act, as of May 31, 2005, the end of the period to which this annual report relates we have carried out an evaluation of the effectiveness of the design and operation of MIV Therapeutics' disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our company's management, including our President and our Chief Financial Officer. Based upon that evaluation, the Company's executive and financial officers concluded that the disclosure controls and procedures are effective. There have been no changes in our internal controls or in other factors that have materially affected, or that are reasonably likely to materially affect, the Company's internal controls subsequent to the date we carried out the evaluation.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the Company's reports filed under the Exchange Act is accumulated and communicated to management, including the our President and Chief Executive Officer as appropriate, to allow timely decisions regarding required disclosure.

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ITEM 8B. OTHER INFORMATION

Subsequent to the year ended May 31, 2005, on August 11, 2005, the Company completed a non-brokered private placement (the "Private Placement") pursuant to which the Company has now issued from treasury an aggregate of 7,684,995 units in and to the Company (each a "Unit") at a subscription price of U.S. $0.45 per Unit. Each Unit is comprised of one common share together with one-half of one Series "A" non-transferable share purchase warrant (each a "Series A Warrant") and one-half of one Series "B" non-transferable share purchase warrant (each a "Series B Warrant") in the capital of the Company. Each whole such Series A Warrant now entitles the subscriber thereof to purchase one additional common share of the Company (each a "Series A Warrant Share") for the period commencing upon the date of issuance of the Units by the Company; that being on August 11, 2005; and ending at 5:00 p.m. (Vancouver time) on the day which is the earlier of (i) 12 months from August 11, 2005 and (ii) six months commencing from t he effective date of the Company's proposed "Registration Statement" pursuant to which the Series A Warrants are to be proposed for registration (the "Registration") under the United States Securities Act of 1933, as amended (the earlier such time period being the "Warrant Exercise Period"), at an exercise price of U.S. $0.65 per Series A Warrant Share during the Warrant Exercise Period. Each whole Series B Warrant now entitles the subscriber thereof to purchase one additional common share of the Company (each a "Series B Warrant Share") for the period commencing on August 11, 2005 and ending at 5:00 p.m. (Vancouver time) on the day which is the earlier of (i) 30 months from August 11, 2005 and (ii) 24 months commencing from the effective date of the Company's proposed Registration Statement pursuant to which the Series B Warrants are to be proposed for Registration, at an exercise price of U.S. $0.70 per Series B Warrant Share during the first 12 months of the Warrant Exercise Period (months one to 12), at an exercise price of U.S. $0.85 per Warrant Share during the next six months of the Warrant Exercise Period (months 13 to 18) and at an exercise price of U.S. $1.00 per Warrant Share during the final six months of the Warrant Exercise Period (months 19 to 24).

A finder's fee comprised of $25,000 together with 62,500 exchangeable Series A Warrants and Series B Warrants was paid by the Company upon the successful completion of the Private Placement.

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Part III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) The following table sets forth the name, age, and position of the executive officers and directors of the Company as of May 31, 2005. The directors were appointed until the Company's next annual general meeting or until a successor is elected and qualifies to be a director of the Company:

NAME	AGE	TITLE	TERM
Alan P. Lindsay	55	Chairman, President, CEO	Annual
Dhirajlal Kotadia	47	Co-Chairman of the Board Managing Director for International Operations	Annual

Patrick A. McGowan	65	Executive Vice President, CFO, Secretary, Director	Annual
Dr. Daniel Savard	54	Director	Annual
Dr. Dov Shimon	55	Director, Chief Medical Officer	Annual
Dr. Tom Troczynski	51	Vice President, Coatings	N/A
Arc Rajtar	57	Vice President, Operations for MIVI Technologies, Inc.	N/A

The following table sets forth the portion of their time the Officers and Directors devote to the Company:

Alan P. Lindsay	100%	Dr. Tom Troczynski	35%
Dhirajlal Kotadia	10%	Dr. Dov Shimon	100%
Patrick A. McGowan	100%	Arc Rajtar	100%
Dr. Daniel Savard	10%		

The term of office for each director is one (1) year, or until his/her successor is elected at the Company's annual meeting and is qualified. The term of office for each officer of the Company is at the pleasure of the board of directors.

The board of directors does not have a nominating committee. Therefore, the selection of persons or election to the board of directors was neither independently made nor negotiated at arm's length.

(b) Identification of Certain Significant Employees.

Strategic matters and critical decisions are handled by the directors and executive officers of the Company.

(c) Family Relationships. None

(d) Business Experience.

The following is a brief account of the business experience during the past five years of each director and executive officer of the Company, including principal occupations and employment during that period and the name and principal business of any corporation or other organization in which such occupation and employment were carried on.

ALAN P. LINDSAY, Chairman, President, and CEO, age 55

Mr. Lindsay has been MIVT's Chairman, President and CEO since October 2001. He has extensive experience in building companies and taking them public on recognized stock exchanges. Before coming to MIVT, Mr. Lindsay was the Chairman, President and CEO of Azco Mining, a base metals exploration company, he co-founded and took public on the Toronto and American Stock Exchanges. Mr. Lindsay served as Azco's CEO and President from 1991-1994, its Chairman and CEO from 1994-1997, and its President, Chairman and CEO from 1997-2000. Azco was listed on the Toronto Stock Exchange in 1993 and on the American Stock Exchange in 1994.

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Mr. Lindsay was also Chairman of the Board of GeneMax Pharmaceuticals Inc., a company he co-founded 1999 and assisted with its financing. Mr. Lindsay resigned as Chairman prior to the company going public, and as director shortly afterward. In 2002 the Company was taken public through a reverse take over and was listed on the OTCBB under the name GeneMax Corp. It currently trades under the stock symbol GMXX. GeneMax Corp., through GeneMax Pharmaceuticals, is a product-focused biotechnology company specializing in the application of the latest discoveries in cellular immunology and cancer biology to the development of proprietary therapeutics aimed at the treatment and eradication of cancer and therapies for infectious diseases, autoimmune disorders and transplant tissue rejection.

Prior to becoming an entrepreneur, Mr. Lindsay was responsible for building a significant business and marketing organization in Vancouver, BC for Manulife Financial, a major international financial services corporation. Mr. Lindsay has not been involved in the past five years in any legal proceedings described in Item 401(d) of Regulation S-B.

DHIRAJLAL KOTADIA, Co-Chairman and Managing Director for International Operations, age 47

Mr. Dhirajlal Kotadia is the founder and CEO of Sahajanand Group of companies comprising of Sahajanand Technologies Pvt. Ltd., Sahajanand Medical Technologies Pvt. Ltd., Sahajanand Biotech Pvt. Ltd. and Sahajanand Biotech, Inc. He is responsible for developing strategy and providing leadership and direction to the Sahajanand Group of companies. The Sahajanand Group of companies has grown from a single startup company with a handful of employees, to the Sahajanand Group of companies, an umbrella group with more than 600 personnel in its repertoire of employees as on date under the able guidance of Mr. Kotadia.

Having completed his diploma in Electronics and Sound Engineering in 1980, Mr. Kotadia started his own Distribution business in the name of Dhiraj Agency in Chennai (Madras) in 1980 which dealt in modern home appliances. In 1988 he co-founded a technology company "Sahajanand Laser Mechanics", which designed and marketed an innovative product; an electronic weft controller for the Textile Industry. Mr. Kotadia then started working on the Project of development of a Laser system, that could cut diamonds in the latter part of 1988 and 89, and by end of 1990, Sahajanand produced the first indigenous Diamond Laser cutting machine. At the end of 1993, Sahajanand Laser Mechanics was incorporated as Sahajanand laser Technology Pvt. Ltd. By 1998 Sahajanand Laser Technology had started producing and marketing an entire range of diamond processing systems, useful at various stages of diamond processing. In 1998 Mr. Kotadia founded

Sahajanand Medical Technologies in 1998 to bring the laser-based manufacturing technology to the stent industry, Mr. Kotadia has built the company into the third-largest maker of drug-eluting stents in the world. SMT has focused on brining affordable advanced drug-eluting cardiovascular stents to people everywhere, including developing nations. SMT expects to generate an estimated $20 million in annual revenues for the current financial year as it expands its markets in Asia, the Middle East, the Pacific Rim and Latin America. Mr. Kotadia has not been involved in the past five years in any legal proceedings described in Item 401(d) of Regulation S-B.

PATRICK A. MCGOWAN, Executive VP, Chief Financial Officer, Secretary,
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Director, age 65

Mr. McGowan is a management consultant specializing in assisting public companies with financing, regulatory filings, administration and business plans. >From November 1, 2001 to the present, he has been engaged by the Company to serve as its Executive Vice President and Chief Financial Officer, and to assume responsibility for negotiations with attorneys, auditors and financial institutions and the day to day business operations of the Company. From September 1997 to the time he joined MIVT, Mr. McGowan served as CEO of American Petro-Hunter, Inc., an oil exploration company with duties including reviewing business proposals, writing business plans and approving corporate filings. Mr. McGowan was also responsible for all legal matters and functional areas of business for American Petro-Hunter including administration, accounting, contract negotiations, banking, writing press releases and overseeing regulatory filings. American Petro-Hunter is currently listed on the OTCBB under the stock symbol AAPH.

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Mr. McGowan obtained his Masters of Business Administration from the University of Western Ontario in 1965, and his Bachelors of Science from the University of Oregon in 1963. Mr. McGowan has not been involved in the past five years in any legal proceedings described in Item 401(d) of Regulation S-B.

DR. DANIEL SAVARD, Director, age 54

Dr. Daniel Savard brings more than 20 years of clinical practice and clinical research in cardiology. From 1997 to the present, Dr. Savard has been President of Medi-Recherche Inc. and Assistant-Medical Director of the Quebec Blue Cross (Canassistance, Inc.). In 2001 Dr. Savard became a member of the Board of Governors of the Quebec Blue Cross. He is also member of the Societe des Medecins Experts du Quebec and he does expertise evaluation in Cardiology mainly for Insurance companies and in civil liability. Since 2000, he has been a Consultant for La Regie des Rentes du Quebec. Recently, he joined Biomundis, a Canadian venture capital company in biotechnology, as medical Director.

Dr. Savard holds a doctorate degree in medicine from Faculty of Medicine of Montreal University (1971-1976) and a license of the Medical Council of Canada. He completed postdoctoral training in Internal Medicine and in Cardiology at Montreal University (1976-1980) and a 1-year fellowship in clinical and research echocardiography at Quebec Heart Institute of Laval University. He has been certified in Cardiology from the Corporation des Medecins du Quebec and from the Royal College of Physicians and Surgeons of Canada. Dr. Savard is assistant professor of Medicine at University of Montreal and practicing at Centre Hospitalier Universitaire de Montreal, Notre-Dame Hospital in Montreal. His research interests are coronary heart disease, congestive heart failure, arterial hypertension, hyperlipidemia, angiogenesis therapy in coronary heart disease, circadian cycle and ambulatory blood pressure monitoring.

Dr. Savard is highly involved in clinical research. Indeed, he participated in 65 clinical trials or which several were international multicenter studies. He has been member for several pharmaceuticals clinical advisory boards for companies such as Pfizer, Hoechst Marion Roussel, Biovail Corp, Crystal Corp. and Aventis Pharma Inc. He is currently consultant for Biovail Corp. and for Medisys, an important Canadian Health Care Management company.

He is an active member of several associations such as: the Association des Cardiologues du Quebec ,the Association des Medecins Specialistes du Quebec and of the Societe des Medecins Experts du Quebec. Dr. Savard published more than 40 manuscripts from his research. Mr. Savard has not been involved in the past five years in any legal proceedings described in Item 401(d) of Regulation S-B.

DR. DOV SHIMON, Director, Chief Medical Officer, age 55

Dr. Dov Shimon is a renowned cardiac and thoracic surgeon. He graduated with honors from Hadassah Hebrew University Medical School in 1977, and trained from 1978-1984 as a surgeon and cardiothoracic surgeon at Hadassah University Hospital in Israel. From 1984-1986 he was the chief resident, in cardiovascular surgery at the University of Toronto, Canada, and in 1986 he became the heart transplantation fellow at the Medical College of Virginia in Richmond, Virginia. He was appointed as senior Cardiothoracic Surgeon at Hadassah in 1987 and tenured in 1989. He was head of Israel Transplant Program from 1987-1992. Dr. Shimon pioneered Heart Transplantation in Israel (1987), lung Transplantation (1989) and Heart-Lung Transplantation (1993). He has performed more than 8,000 open-heart operations and thousands of other thoracic operations. Dr. Shimon has more than 17 years of experience in animal and clinical testing of medical devices.

In addition to his clinical duties as head of cardiovascular surgery, he was a director at the Artificial Heart Institute, Salt Lake City, Utah. He is a member of numerous medical and scientific societies including Mensa International, and has authored many peer reviewed publications. Dr. Shimon retired as Major from the IDF Medical Corps reserves (Paratroopers Battalion) where he had been decorated in 1972. He gained wide experience and has served as a senior military surgeon during the war in Lebanon in 1982-3 and multiple smaller scale collisions. Dr. Shimon completed Senior Business Management Studies in Tel-Aviv University, School of management in 1996. Dr. Shimon has been working since 1999 with medical device companies in design and implementation of preclinical and

clinical studies. He founded and has been serving as CEO of SagaX Technologies for Medicine Inc. since 2002. Mr. Shimon has not been involved in the past five years in any legal proceedings described in Item 401(d) of Regulation S-B.

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DR. TOM TROCZYNSKI, Vice President of Coatings, age 51

Dr. Troczynski joined the Company in February 2002 to assist in the development of its proprietary coating technologies and in the supervision of the Research and Development team at the University of British Columbia. Since 2001, Dr. Troczynski has been a Professor in Metals and Materials Engineering Dept. at the University of British Columbia and leads UBCeram, the largest ceramics research group in Canada. His bio-ceramics development program is focused on the development of biocompatible hydroxyapatite coatings for metallic substrates, such as implants and stents. From 1997 to 2001, Dr. Troczynski was an assistant professor at the University of British Columbia. Dr. Troczynski graduated from McMaster University in Hamilton, Ontario in Materials Science and Engineering in 1987. He has published many journal articles and other publications, as well as filed a number of patents. Dr. Troczynski has not been involved in the past five years in any legal proceedings described in Item 401(d) of Regulation S-B.

ARC RAJTAR, Vice President, Operations (MIVI Technologies, Inc.), age 57.

Arc Rajtar joined MIVI Technologies, Inc. the operating subsidiary of MIV Therapeutics, in February 2002. From 1999 to 2002, Mr. Rajar served as Vice President of Logistics of Netlogix Information Technologies, Inc. From 1998 to 2001 Mr. Rajtar was Corporate Quality Assurance Manager at Spectrum Signal Processing, Inc. From 1991 to 1998, he was the President of Quexx International Ltd., a management consulting company that specializes in business process engineering, business development and quality management systems for medical and electronics industries. Mr. Rajtar received a Master in Mechanical Engineering from the Technical University of Gdansk, Poland and is a Chartered Engineer with The Institution of Engineers, Australia and a Member of American Society for Quality. Mr. Rajtar has not been involved in the past five years in any legal proceedings described in Item 401(d) of Regulation S-B.

(e) Directors Compensation

Directors who are also officers of the Registrant receive no cash compensation for services as a director.

ITEM 10. EXECUTIVE COMPENSATION

Section 16(a) of the Securities Exchange Act of 1934, as amended (The "Exchange Act"), requires the Registrant's officers and directors, and persons who own more than 10% of a registered class of the Registrant's equity securities, to file reports of ownership and changes in ownership of equity securities of the Registrant with the Securities and Exchange Commission and NASDAQ. Officers, directors and greater-than 10% shareholders are required by the Securities and Exchange Commission regulation to furnish the Registrant with copies of all Section 16(a) that they file.

Some of the officers and directors of the Company will not devote more than a portion of their time to the affairs of the Company. There will be occasions when the time requirements of the Company's business conflict with the demands of their other business and investment activities. Such conflict may require that the company attempt to employ additional personnel. There is no assurance that the services of such persons will be available or that they can be obtained upon terms favorable to the Company.

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EXECUTIVE COMPENSATION

(a) Cash Compensation.

Compensation paid by the Company for all services provided up to May 31, 2005 to each of its executive officers

<TABLE>

SUMMARY COMPENSATION TABLE

	Annual Compensation			Long Term Compensation		
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Restricted Stock Awards ($)	Securities Underlying/ Options (#)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Alan P. Lindsay	2005	185,244	-	-	-	500,000
Chairman, President	2004	161,051	-	-	-	200,000
and CEO	2003	138,710	-	7,700	-	500,000
Dhirajlal Kotadia	2005	7,373	-	-	-	-
Co-Chairman of the Board	2004	-	-	-	-	-
Managing Director for International Operations	2003	-	-	-	-	-
Patrick A. McGowan	2005	101,941	-	-	-	400,000
CFO, Executive VP	2004	85,920	-	-	-	350,000
Secretary and Director	2003	58,343	-	24,000	-	250,000
Dr. Daniel Savard	2005	-	-	-	-	-
Director	2004	-	-	-	-	-
	2003	-	-	17,022	-	250,000

Dr. Dov Shimon	2005	101,000	-	-	-	500,000
Director	2004	-	-	-	-	-
Chief Medical Officer	2003	-	-	-	-	-
Dr. Tom Troczynski	2005	57,718	-	-	-	-
Vice President of	2004	52,967	-	-	-	100,000
Coatings	2003	43,937	-	6,368	-	100,000
Arc Rajtar	2005	82,090	-	-	-	300,000
Vice President of	2004	69,122	-	-	-	200,000
Operations (MIVI)	2003	64,166	-	-	-	-

(a) Except as disclosed above, the Company did not pay any compensation to any director or executive in the fiscal year ended May 31, 2005.

Option/SAR Grants in Last Fiscal Year

Name	Number of Securities Underlying Option/SAR Granted (#)	Percent of total Option/SAR Granted in Fiscal Year	Exercise or Base Price ($/S#)	Expiration Date
Alan Lindsay	500,000	13%	0.20	2/15/2010
Dhirajlal Kotadia	-	-	-	-
Patrick McGowan	400,000	10%	0.20	2/15/2010
Dr. Daniel Savard	-	-	-	-
Dr. Dov Shimon	200,000	5%	0.30	7/31/2009
	300,000	8%	0.30	3/1/2010
Dr. Tom Troczynski	-	-	-	-
Arc Rajtar	150,000	4%	0.20	2/9/2010
	150,000	4%	0.30	3/3/2010

</TABLE>

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Aggregated Option Exercises and Option Values

The following table sets forth the aggregate option exercises since June 1, 2004 by each of the executives of the Company named in the Summary Compensation Table and the number of securities underlying unexercised options held by those executives as of May 31, 2005.

<TABLE>

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Securities Underlying Options Exercisable/Unexercisable
<S>	<C>	<C>	<C>
Alan Lindsay	n/a	n/a	1,200,000
Dhirajlal Kotadia	n/a	n/a	-
Patrick McGowan	n/a	n/a	1,000,000
Dr. Daniel Savard	n/a	n/a	250,000
Dr. Dov Shimon	n/a	n/a	500,000
Dr. Tom Troczynski	n/a	n/a	200,000
Arc Rajtar	n/a	n/a	500,000

</TABLE>

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

a) Beneficial owners of five percent (5%) or greater, of the Company's common stock:

The following sets forth information with respect to ownership by holders of more than five percent (5%) of the Registrant's common stock known by the Registrant based upon 55,682,495 shares outstanding at August 17, 2005.

Title of Class	Name and Address of Beneficial Owner	Amount of Beneficial Interest	Percent of Class
Common	Cede & Co. PO Box 222 Bowling Green Stat New York	41,182,331 (1)	74%

(1) Shares are held electronically in the Depository Trust and Clearing Corporation by various shareholders.

b) The following sets forth information with respect to the Company's common stock beneficially owned by each Officer and Director, and by all Directors and Officers as a group, at August 17, 2005. The Percentages are based on a total of 55,682,495 shares outstanding as of

August 17, 2005.

Title of Class	Name and Address of Beneficial Owner	Amount of Beneficial Interest	Percent of Class
Common	Alan P. Lindsay Suite 1, 8765 Ash Street. Vancouver, BC V6P 3T3	400,001 Shares 1,200,000 Options	0.7% 2.2%
Common	Dhirajlal Kotadia Suite 1, 8765 Ash Street. Vancouver, BC V6P 3T3	0 Shares 0 Options	0% 0%

29

<PAGE>

Common	Patrick A. McGowan Suite 1, 8765 Ash Street Vancouver, BC V6P 3T3	65,172 Shares 1,000,000 Options	0.2% 1.8%
	Daniel Savard Suite 1, 8765 Ash Street Vancouver, BC V6P 3T3	0 Shares 250,000 Options	0% 0.4%
Common	Dov Shimon Suite 1, 8765 Ash Street Vancouver, BC V6P 3T3	0 Shares 500,000 Options	0% 0.9%
	Tom Troczynksi Suite 1, 8765 Ash Street Vancouver, BC V6P 3T3	832,477 Shares 200,000 Options	1.5% 0.4%
Common	Arc Rajtar Suite 1, 8765 Ash Street Vancouver, BC V6P 3T3	10,000 Shares 500,000 Options	0.0% 0.9%
Total as a group		1,307,650 Shares 3,650,000 Options	2.3% 6.6%

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the year ended May 31, 2005, the Company paid or accrued $445,904 in management and consulting fees to four directors and officers of the Company.

As at May 31, 2005, $nil (2004 - $13,585) was due to Alan Lindsay, the Chief Executive Officer of the Company.

As at May 31, 2005, $17,500 was due from the Chief Financial Officer of the Company. Of this amount, $10,030 has been paid subsequent to year-end.

ITEM 13. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

The following documents are filed as part of this Annual Report on Form 10-KSB

a) Financial Statements and Schedules. The following financial statements and schedules for the Company as of May 31, 2003 are filed as part of this report.

(1) Financial statements of MIV Therapeautics, Inc.

(2) Financial Statement Schedules

All schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

30

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(3) Exhibits

The exhibits listed below are required by Item 601 of Regulation SB. Each management contract or compensatory plan or arrangement required to be filed as an exhibit to this Form 10-K has been identified.

Exhibit Number	Description of Document
3.1 (a)	Articles of Incorporation
3.2 (a)	By-laws
31.1	Section 302 Certification of CEO

31.2	Section 302 Certification of CFO
32.1	Section 906 Certification of CEO
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1 (b)	Press Release dated June 1, 2004: US Patent Issued for Drug Encapsulation Applications of MIV Therapeutics' Biocompatible Drug Eluting Coating Technology
99.2 (b)	Press Release dated June 10, 2004: MIV Therapeutics Inc. Retains Strategic Growth as Investor Relations Advisor
99.3 (b)	Press Release dated June 17, 2004: MIV Therapeutics Biocompatible Stent Coating Successfully Completes Pyrogen Trial
99.4 (b)	Press Release dated June 22, 2004: MIV Therapeutics' Coatings Presented at World Biomaterials Congress
99.5 (b)	Press Release dated June 28, 2004: MIV Therapeutics Inc. Completes Significant Biocompatibility Milestones for HAp Stent Coating Technology
99.6 (c)	Press Release dated September 7, 2004: MIVT Vice President of Coatings, nominated for the 2004 World Technology Award
99.7 (c)	Press Release dated September 13, 2004: HAp Coating Successfully Completes Safety Trials
99.8 (c)	Press Release dated September 22, 2004: VisiTrade Network Now Trading McCormick, Marsh & McLennan, 3M, MIV Therapeutics
99.9 (c)	Press Release dated October 7, 2004: MIV Therapeutics Inc. - HAp Coating Successfully Completes Porcine Coronary Implantation Trials
99.10	Press Release dated May 23, 2005: MIV Therapeutics Names Dhirajlal Kotadia, CEO of Sahajanand, as Co-Chairman and Managing Director of International Operations - Appointment to Accelerate Successful Completion of MIVT's Planned Acquisition of Sahajanand Medical Technologies
99.11	Press Release dated May 13, 2005: MIV Therapeutics Commences Animal Trials of Stroke-Preventing Proprietary Device Developed by Recently-Acquired SagaX
99.12	Press Release dated May 13, 2005: SmallCap Sentinel: A Smarter Stent? One Innovative Biotech Company's Proprietary Stent Technology May Take Cardiovascular Therapies to Next Generation of Safety and Effectiveness
99.13	Press Release dated May 12, 2005: MIV Therapeutics Medical Officer Dr. Dov Shimon Interviewed by BiomedDiscoveries.com about New Clinical Evidence of Stent Risks
99.14	Press Release dated May 2, 2005: MIV Therapeutics CEO Discusses Company's Biotechnology Business Strategy in Online Interview With BiomedDiscoveries.com
99.15	Press Release dated Apr 22, 2005: MIV Therapeutics Announces Availability of Online Audio Interview with CEO Alan Lindsay on CEOcast.com
99.16	Press Release dated Apr 22, 2005: MIV Therapeutics Announces Online Availability of Corporate Video Reporting on Company's Biocompatible Coatings
99.17	Press Release dated Apr 21, 2005: MIV Therapeutics Announces Excellent Results in Animal Studies of New Multilayer Drug-Eluting Coating for Cardiovascular Stents
99.18	Press Release dated Apr 18, 2005: MIV Therapeutics Chief Medical Officer to Discuss Advanced Drug-Eluting Stent Coating at Third Annual Biotechnology Conference
99.19	Press Release dated Apr 15, 2005: MIV Therapeutics Reports Successful Progress of Animal Studies on Proprietary Hydroxyapatite Coatings for Coronary Stents
99.20	Press Release dated Apr 13, 2005: MIV Therapeutics to Present Data on Proprietary HAp Biocompatible Coatings at Leading European Symposium

<PAGE>

99.21	Press Release dated Apr 7, 2005: MIV Therapeutics Expands Intellectual Property for Multi-layer/Multi-drug Delivery Systems with Two New Patent Applications
99.22	Press Release dated Mar 31, 2005: MIV Therapeutics Builds Strength of Drug-Delivery Technologies Program with Appointment of Dr. Dean-Mo Lui as Chief Scientist
99.23	Press Release dated Mar 22, 2005: MIV Therapeutics Receives Government Grant to Expedite Development of Proprietary HAp Stent Coating for Drug Delivery Technologies
99.24	Press Release dated Mar 18, 2005: MIV Therapeutics Completes Acquisition of SagaX, Developer of Advanced Stroke Prevention Technology
99.25	Press Release dated Mar 15, 2005: MIV Therapeutics Announces 2004 Year-End Review: Milestones Achieved in Development of Revolutionary Coatings for Medical Devices; Technology Increases Body's Acceptance of Implanted Devices, Provides Advanced Therapeutic Functionality
99.26	Press Release dated Mar 11, 2005: MIV Therapeutics and Sahajanand Medical Technologies to Join Forces to Form World Class Drug-Eluting Coronary Stent Company
99.27	Press Release dated Mar 7, 2005: HAp nano stent coating demonstrates excellent biocompatibility and safety in coronary arteries.
99.28	Press Release dated Feb 15, 2005: SISM Research Analyst Reinforces' Speculative Buy/4 Rating for MIV Therapeutics Inc.
99.29	Press Release dated Oct 7, 2004: MIV Therapeutics Inc. - HAp Coating Successfully Completes Porcine Coronary Implantation Trials

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(a) Included as an Exhibit to MIV Therapeautics, Inc.'s registration statement on Form 10-SB filed April 25, 2000.

(b) Included as an Exhibit to MIV Therapeautics, Inc.'s quarterly statement on Form 10-QSB filed October 14, 2004.

(c) Included as an Exhibit to MIV Therapeautics, Inc.'s quarterly

statement on Form 10-QSB filed January 14, 2005.

b) The following current reports on Form 8-K were filed during the year ended May 31, 2005:

On June 4, 2004, the Company filed a report on Form 8-K under Item 4, 5, and 7 disclosing the Company's change in certifying accountants.

On September 28, 2004, the Company filed a report on Form 8-K under Item 8.01, Other Events, updating the Company's litigation proceedings.

On February 28, 2005, the Company filed a report on Form 8-K under Items 8.01 and 9.01 disclosing the Company had signed a letter of intent with SagaX Medical Technologies Inc.

On March 17, 2005, the Company filed a report on Form 8-K under Items 1.01, 8.01 and 9.01 disclosing entry into a Financing Agreement with Casimir Capital, LP, and the signing of a letter of intent to acquire Sahajanand Medical Technologies.

On March 18, 2005, the Company filed a report on Form 8-K under Items 1.01, 2.03 and 9.01 disclosing the acquisition of SagaX Medical Technologies Inc.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit Fees

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and in connection with statutory and regulatory filings or engagements for those fiscal years is $87,946.

<PAGE>

Audit - Related Fees

No fees were billed in each of the last two fiscal years for assurance and related services by the principal accountant.

Tax Fees

No fees were billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning.

All Other Fees

No other fees were paid to the principal accountant for services other than those reported above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 2, 2005 MIV THERAPEUTICS, INC.

/s/ Alan P. Lindsay

Alan P. Lindsay
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Alan P. Lindsay --- Alan P. Lindsay	Director	September 2, 2005
/s/ Patrick McGowan --- Patrick McGowan	Director	September 2, 2005
/s/ Dov Shimon --- Dov Shimon	Director	September 2, 2005

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Financial Statements
(Expressed in U.S. Dollars)

May 31, 2005 and 2004

INDEX

<PAGE>

[LOGO] ERNST & YOUNG

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS AND STOCKHOLDERS OF

MIV THERAPEUTICS INC.
(A development stage company)

We have audited the accompanying consolidated balance sheet of MIV THERAPEUTICS INC. (a development stage company) as of May 31, 2005, the related consolidated statements of stockholders' equity (deficit), operations and cash flows for the year ended May 31, 2005 and for the period from January 20, 1999 (inception) to May 31, 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The consolidated financial statements as of May 31, 2004 and for the cumulative period from January 20, 1999 (inception) to May 31, 2004 were audited by other auditors whose reports dated July 29, 2003 and July 7, 2004 expressed unqualified opinions on those statements. The financial statements for the period from January 2, 1999 (inception) to May 31, 2004 include total revenues and net loss of $nil and $16,829,714 since inception, respectively. Our opinion on the statements of stockholders' equity (deficit), operations and cash flows for the period January 20, 1999 (inception) to May 31, 2005, insofar as it relates to amounts for prior periods through May 31, 2004 is based solely on the reports of other auditors.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, base on our audit and the reports of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of May 31, 2005, and the results of its operations and its cash flows for the year ended May 31, 2005, and for the cumulative period from January 20, 1999 (inception) to May 31, 2005 in conformity with U.S. generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1, the Company has recurring losses from operations since inception and has a working capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada
August 18, 2005

/s/ Ernst & Young LLP
Chartered Accountants

<PAGE>

MOORE STEPHENS ELLIS FOSTER LTD.
CHARTERED ACCOUNTANTS

1650 West 1st Avenue
Vancouver, BC Canada V6J 1G1
Telephone: (604) 734-1112 Facsimile: (604) 714-5916
Website: www.ellisfoster.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF

MIV THERAPEUTICS INC.
(A development stage company)

We have audited the consolidated balance sheet of MIV THERAPEUTICS INC. (a development stage company) ("the Company") as at May 31, 2004 and the related consolidated statements of stockholders' equity, operations and cash flows for the year ended May 31, 2004. These financial statements are the responsibility

of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the cumulative data from January 20, 1999 (inception) to May 31, 2003 in the statements of stockholders' equity, operations and cash flows, which were audited by other auditors whose report, dated July 29, 2003, which expressed an unqualified opinion, has been furnished to us. Our opinion, insofar as it relates to the amounts included for cumulative data from January 20, 1999 (inception) to May 31, 2003, is based solely on the report of the other auditors.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2004 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company is a development stage company since inception on January 20, 1999 and has incurred significant recurring net losses since then resulting in a substantial accumulated deficit, which raise substantial doubt about its ability to continue as a going concern. The Company is devoting substantially all of its present efforts in establishing its business. Management's plans regarding the matters that raise substantial doubt about the Company's ability to continue as a going concern are also disclosed in Note 2 to the financial statements. The ability to meet its future financing requirements and the success of future operations cannot be determined at this time. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Vancouver, Canada "MOORE STEPHENS ELLIS FOSTER LTD."
July 7, 2004 Chartered Accountants

MS AN INDEPENDENTLY OWNED AND OPERATED MEMBER OF MOORE STEPHENS NORTH AMERICA, INC. MEMBERS IN PRINCIPAL CITIES THROUGHOUT NORTH AMERICA. MOORE STEPHENS NORTH AMERICA, INC. IS A MEMBER OF MOORE STEPHENS INTERNATIONAL LIMITED, MEMBERS IN PRINCIPAL CITIES THROUGHOUT THE WORLD.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Balance Sheets
May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	2005	2004
<S>	<C>	<C>
(See Note 1 - Basis of Presentation)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 492,709	$ 2,034,530
Accounts receivable	33,742	13,336
Due from related party (Note 8)	17,500	--
Prepaid expenses and deposits	41,139	254,659
TOTAL CURRENT ASSETS	585,090	2,302,525
PROJECT ACQUISITION COSTS (Note 13)	53,426	--
PROPERTY AND EQUIPMENT (Note 5)	222,689	177,549
TOTAL ASSETS	$ 861,205	$ 2,480,074
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and other payables	$ 307,369	$ 170,871
Due to related parties (Note 8)	--	13,585
Convertible debentures (Note 7)	756,080	--
TOTAL CURRENT LIABILITIES	1,063,449	184,456
COMMITMENTS AND CONTINGENT LIABILITIES (Note 11)		
STOCKHOLDERS' EQUITY (DEFICIT)		
COMMON STOCK (Note 6)		
Authorized:		
80,000,000 common shares with a par value of $0.001		
20,000,000 preferred shares with a par value of $0.001		
Issued and outstanding:		
50,517,020 common shares at May 31, 2005 and		

40,092,993 common shares at May 31, 2004	50,517	40,093
ADDITIONAL PAID-IN CAPITAL	22,383,581	18,032,242
DEFERRED COMPENSATION	(556,138)	(190,375)
COMMON STOCK ISSUABLE (Note 3 and 4)	139,000	--
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(22,033,109)	(15,424,227)
ACCUMULATED OTHER COMPREHENSIVE LOSS	(186,095)	(162,115)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	(202,244)	2,295,618
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 861,205	$ 2,480,074

</TABLE>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS)

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Statements of Stockholders' Equity (Deficit)
For the Period from Inception (January 20, 1999) to May 31, 2005
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-in	Deferred Compen-	Common Stock	Accumulated Other Compre- hensive	Deficit Accumulated During the	Total Stock- holders'
	Shares	Amount	Capital	sation	Issuable	Income (Loss)	Development Stage	Equity Deficit
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
		$	$	$	$	$	$	$
BALANCE, January 20, 1999	--	--	--	--	--	--	--	--
Issuance of common stock for cash	12,217,140	12,217	920,826	--	--	--	--	933,043
Common shares issuable pursuant to anti-dilution provision	--	--	--	--	45,676	--	--	45,676
Comprehensive income (loss):								
Loss for the period	--	--	--	--	--	--	(179,544)	(179,544)
BALANCE, May 31, 1999	12,217,140	12,217	920,826	--	45,676	--	(179,544)	799,175
Issuance of common stock:								--
- for cash	828,350	828	693,392	--	--	--	--	694,220
- for services rendered	420,000	420	287,700	--	--	--	--	288,120
- for settlement of agreement	99,500	100	68,157	--	--	--	--	68,257
Common shares issuable pursuant to anti-dilution provision	--	--	--	--	210,487	--	--	210,487
Subscriptions received	--	--	--	--	249,800	--	--	249,800
Stock options granted	--	--	54,600	(54,600)	--	--	--	--
Amortization of stock-based compensation	--	--	--	23,780	--	--	--	23,780
Comprehensive income (loss):								
Foreign currency translation adjustment	--	--	--	--	--	(731)	--	(731)
Loss for the year	--	--	--	--	--	--	(1,602,492)	(1,602,492)
BALANCE, May 31, 2000	13,564,990	13,565	2,024,675	(30,820)	505,963	(731)	(1,782,036)	730,616

</TABLE>

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<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Statements of Stockholders' Equity (Deficit)
For the Period from Inception (January 20, 1999) to May 31, 2005
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-in	Deferred Compen-	Common Stock	Accumulated Other Compre- hensive	Deficit Accumulated During the	Total Stock- holders'
	Shares	Amount	Capital	sation	Issuable	Income (Loss)	Development Stage	Equity (Deficit)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
		$	$	$	$	$	$	$
BALANCE, May 31, 2000	13,564,990	13,565	2,024,675	(30,820)	505,963	(731)	(1,782,036)	730,616
Issuance of common stock:								
- for cash	1,865,000	1,865	1,660,235	--	--	--	--	1,662,100
- for settlement of agreement	62,000	62	42,470	--	--	--	--	42,532
- for conversion of subscription								

receivable	269,800	270	249,530	--	(249,800)	--	--	--
Common shares issuable	--	--	--	--	53,100	--	--	53,100
Subscriptions received	--	--	--	--	57,825	--	--	57,825
Stock options granted	--	--	112,600	--	--	--	--	112,600
Common shares issuable pursuant to anti-dilution provision	--	--	--	--	25,147	--	--	25,147
Amortization of stock-based compensation	--	--	--	20,183	--	--	--	20,183
Beneficial conversion on related party loan	--	--	850,000	--	--	--	--	850,000
Comprehensive income (loss):								
Foreign currency translation adjustment	--		--	--	--	30,027	--	30,027
Loss for the year	--		--	--	--	--	(3,911,601)	(3,911,601)
Balance prior to recapitalization	15,761,790	15,762	4,939,510	(10,637)	392,235	29,296	(5,693,637)	(327,471)
Minority interest of M-I Vascular Innovations, Inc.	(6,751,790)	(6,752)	(1,906,150)	--	(392,235)	--	1,744,526	(560,611)
Total relating to final M-I Vascular Innovations, Inc., May 15, 2001	9,010,000	9,010	3,033,360	(10,637)	--	29,296	(3,949,111)	(888,082)
DBS Holdings, Inc. (MIV Therapeutics, Inc.) shareholders at May 15, 2001	11,085,500	11,086	150,104	--	--	--	(193,910)	(32,720)
Share redemption pursuant to share exchange and financial agreement	(5,500,000)	(5,500)	(150,104)	--	--	--	(64,396)	(220,000)
Subscriptions received	--	--	--	--	1,070,000	--	--	1,070,000
BALANCE, May 31, 2001	14,595,500	14,596	3,033,360	(10,637)	1,070,000	29,296	(4,207,417)	(70,802)

</TABLE>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS)

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Statements of Stockholders' Equity (Deficit)
For the Period from Inception (January 20, 1999) to May 31, 2005
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-in Capital	Deferred Compen-sation	Common Stock Issuable	Accumulated Other Compre-hensive Income (Loss)	Deficit Accumulated During the Development Stage	Total Stock-holders' Equity (Deficit)
	Shares	Amount						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
		$	$	$	$	$	$	$
BALANCE, May 31, 2001	14,595,500	14,596	3,033,360	(10,637)	1,070,000	29,296	(4,207,417)	(70,802)
Issuance of common stock:								
- for subscription received	713,333	713	1,069,287	--	(1,070,000)	--	--	--
- for cash	35,000	35	52,465	--	--	--	--	52,500
- for settlement of related party loan	1,133,333	1,133	848,867	--	--	--	--	850,000
- for finders' fees	113,334	113	236,755	--	--	--	--	236,868
- for services rendered	75,000	75	164,925	--	--	--	--	165,000
Stock option granted	--	--	2,552,073	(322,439)	--	--	--	2,229,634
Amortization of stock-based compensation	--	--	--	248,331	--	--	--	248,331
Subscriptions received	--	--	--	--	256,066	--	--	256,066
Comprehensive income (loss):								
Foreign currency translation adjustment	--	--	--	--	--	(56,211)	--	(56,211)
Loss for the year	--	--	--	--	--	--	(3,929,466)	(3,929,466)
BALANCE, May 31, 2002	16,665,500	16,665	7,957,732	(84,745)	256,066	(26,915)	(8,136,883)	(18,080)
Issuance of common stock:								
- for cash	2,452,523	2,453	892,305	--	--	--	--	894,758
- for services rendered	1,789,777	1,790	538,251	(13,333)	--	--	--	526,708
- for license fee	750,000	750	248,677	--	--	--	--	249,427
- for subscriptions received	640,165	640	193,499	--	(256,066)	--	--	(61,927)
- for settlement of debt	235,294	235	110,600	--	--	--	--	110,835
- in exchange of MI shares	2,043,788	2,044	639,299	--	--	--	(642,042)	(699)
Stock option granted	--	--	257,032	(5,975)	--	--	--	251,057
Subscriptions received	--	--	--	--	31,244	--	--	31,244
Warrants issued for services	--	--	659,673	(29,341)	--	--	--	630,332
Amortization of stock-based compensation	--	--	--	84,745	--	--	--	84,745
Comprehensive income (loss):								
Foreign currency translation adjustment	--	--	--	--	--	(24,834)	--	(24,834)
Loss for the year	--	--	--	--	--	--	(3,173,411)	(3,173,411)
BALANCE, May 31, 2003	24,577,047	24,577	11,497,068	(48,649)	31,244	(51,749)	(11,952,336)	(499,845)

</TABLE>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS)

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Statements of Stockholders' Equity (Deficit)
For the Period from Inception (January 20, 1999) to May 31, 2005
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-in Capital	Deferred Compen-sation	Common Stock Issuable	Accumulated Other Compre-hensive Income (Loss)	Deficit Accumulated During the Development Stage	Total Stock-holders' Equity (Deficit)
	Shares	Amount						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
		$	$	$	$	$	$	$
BALANCE, May 31, 2003	24,577,047	24,577	11,497,068	(48,649)	31,244	(51,749)	(11,952,336)	(499,845)
Issuance of common stock:								
- for private placements and subscriptions	9,423,079	9,423	3,558,439	--	(31,244)	--	--	3,536,618
- for services	2,394,456	2,395	1,145,731	(525,750)	--	--	--	622,376
- for settlement of debt	100,000	100	11,900	--	--	--	--	12,000
- in exchange of MI shares	1,398,411	1,398	502,030	--	--	--		503,428
- for warrants exercised	2,100,000	2,100	408,900	--	--	--	--	411,000
- for options exercised	100,000	100	33,400	--	--	--	--	33,500
Stock option granted to consultants	--	--	59,976	--	--	--	--	59,976
Warrants issued for services			814,798	(505,938)				308,860
Amortization of deferred compensation	--	--	--	889,962	--	--	--	889,962
Comprehensive income (loss):								
Foreign currency translation adjustment	--	--	--	--	--	(110,366)	--	(110,366)
Loss for the year	--	--	--	--	--	--	(3,471,891)	(3,471,891)
Balance, May 31, 2004	40,092,993	40,093	18,032,242	(190,375)	--	(162,115)	(15,424,227)	2,295,618

</TABLE>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS)

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Statements of Stockholders' Equity (Deficit)
For the Period from Inception (January 20, 1999) to May 31, 2005
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	Common Stock		Additional Paid-in Capital	Deferred Compen-sation	Common Stock Issuable	Accumulated Other Compre-hensive Income (Loss)	Deficit Accumulated During the Development Stage	Total Stock-holders' Equity (Deficit)
	Shares	Amount						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
		$	$	$	$	$	$	$
BALANCE, May 31, 2004	40,092,993	40,093	18,032,242	(190,375)	--	(162,115)	(15,424,227)	2,295,618
Issuance of common stock:								
- for share subscriptions	904,215	904	217,499	--	--	--	--	218,403
- for exercise of warrants	2,320,710	2,321	605,064	--	--	--	--	607,385
- for exercise of options	75,000	75	22,425	--	--	--	--	22,500
- for services	1,904,703	1,905	543,123	(194,968)	74,000	--	--	424,060
- for finder's fee on private placements completed in prior year	10,000	10	(10)	--	--	--	--	--
- in exchange of MI shares (Note 6)	3,209,399	3,209	613,376	--	--	--	--	616,585
- for acquisition of SagaX (Note 3)	2,000,000	2,000	938,000	--	65,000	--	--	1,005,000
Fair value of warrants attached to Convertible debentures (Note 7)	--	--	48,920	--	--	--	--	48,920
Warrants issued for services	--	--	917,164	(917,164)	--	--	--	--
Stock options granted	--	--	155,978	--	--	--	--	155,978
Amortization of deferred compensation	--	--	--	746,369	--	--	--	746,369
Beneficial conversion feature of convertible debentures (Note 7)	--	--	289,800	--	--	--		289,800
Comprehensive income (loss):								
Foreign currency translation adjustment	--	--	--	--	--	(23,980)	--	(23,980)
Loss for the year	--	--	--	--	--	--	(6,608,882)	(6,608,882)
BALANCE, May 31, 2005	50,517,020	50,517	22,383,581	(556,138))	139,000	(186,095)	(22,033,109)	(202,244)

</TABLE>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS)

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Statements of Operations
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	Period from inception (January 20 1999) to May 31 2005	2005	2004
<S>	<C>	<C>	<C>
EXPENSES			
General and administrative (Note 8 and 12)	$ 10,703,479	$ 2,619,524	$ 2,590,779
Research and development	4,921,705	1,523,166	709,003
Stock-based compensation	3,642,619	155,978	59,976
Depreciation	754,742	176,453	146,783
Interest expense	879,683	--	3,876
Licenses acquired charged to operations	479,780	--	--
Finance cost on convertible debentures (Note 7)	382,307	382,307	
Purchased in-process research and development (Note 3 and 6)	2,205,013	1,701,585	503,428
	23,969,328	6,559,013	4,013,845
LOSS FROM OPERATIONS	(23,969,328)	(6,559,013)	(4,013,845)
GAIN ON EXTINGUISHMENT OF DEBT	462,249	--	462,249
INTEREST INCOME	54,928	5,161	--
GAIN (LOSS) ON FOREIGN EXCHANGE	13,555	(55,030)	79,705
LOSS FOR THE YEAR BEFORE MINORITY INTEREST	(23,438,596)	(6,608,882)	(3,471,891)
MINORITY INTEREST SHARE OF LOSS	1,663,794	--	--
NET LOSS FOR THE YEAR	$ (21,774,802)	$ (6,608,882)	$ (3,471,891)
LOSS PER COMMON SHARE - basic and diluted	$ (1.11)	$ (0.15)	$ (0.11)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - basic and diluted	19,668,319	42,881,975	31,024,826

</TABLE>

(THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS)

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Consolidated Statements of Cash Flows
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

<TABLE>
<CAPTION>

	Period from inception (January 20 1999)to May 31 2005	2005	2004
<S>	<C>	<C>	<C>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Net loss	$ (21,774,802)	$ (6,608,882)	$ (3,471,891)
Adjustments to reconcile loss to net cash used in operating activities:			
- stock-based compensation	5,555,934	902,347	949,938
- stock issued for other than cash	3,113,703	424,060	943,235
- interest expense on related party loan	850,000	--	--
- depreciation	754,742	176,453	146,783
- leasehold improvements written down	13,300	--	--
- purchased in-process research and development	2,275,013	1,621,585	503,428
- gain on extinguishment of debt	(462,249)	--	(462,249)
- provision for bad debt	160,000	--	160,000

- beneficial conversion feature on convertible debenture (Note 7)	289,800	289,800	--
- minority interest	(1,663,794)	--	--
Changes in non-cash working capital items:			
- accounts receivable	(193,993)	(20,406)	(7,946)
- due from related party	(17,500)	(17,500)	--
- prepaid expenses and deposits	(41,697)	213,520	(207,719)
- accounts payable and other payables	330,223	136,498	(279,851)
Net cash used in operating activities	(10,811,320)	(2,882,525)	(1,726,272)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Issuance of common stock, less share issuance costs	9,380,306	848,288	3,981,118
Due to related parties	850,000	(13,585)	(123,398)
Proceeds from convertible debentures (Note 7)	805,000	805,000	--
Project acquisition costs	(53,426)	(53,426)	--
Cash acquired in reverse acquisition	13,824	--	--
Subscriptions received	1,357,310	--	--
Common stock redemption	(120,000)	--	--
Loan payable	500,000	--	--
Net cash provided by financing activities	12,733,014	1,586,277	3,857,720
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of license	(200,000)	--	--
Purchase of plant and equipment	(1,000,574)	(221,593)	(17,078)
Net cash used in investing activities	(1,200,574)	(221,593)	(17,078)
FOREIGN EXCHANGE EFFECT ON CASH	(228,411)	(23,980)	(91,454)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	492,709	(1,541,821)	2,022,916
CASH AND CASH EQUIVALENTS, beginning of year	--	2,034,530	11,614
CASH AND CASH EQUIVALENTS, end of year	$ 492,709	$ 492,709	$ 2,034,530

</TABLE>

(PLEASE SEE NOTE 10 FOR SUPPLEMENTAL DISCLOSURES)
THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

1. BASIS OF PRESENTATION AND NATURE OF OPERATIONS

Basis of Presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Since inception, the Company has suffered recurring losses, totalling $21,392,495 and working capital deficiency of $478,359 as of May 31, 2005. Management has been able to, thus far, finance the operations through the issuance of common stock, and through related party loans, in order to meet its strategic objectives. Management plans to continue to seek other sources of financing on favorable terms; however, there are no assurances that any such financing can be obtained on favorable terms, if at all. Management expects to keep its operating costs to a minimum until cash is available through financing or operating activities. There are no assurances that the Company will be successful in achieving these goals. The Company anticipates that losses will continue until such time, if ever, as the Company is able to generate sufficient revenues to support its operations. The Company's ability to generate revenue primarily depends on its success in completing development and obtaining regulatory approvals for the commercialization of its stent technology. The Company's ability to obtain sufficient financing to continue the development of, and if successful, to commence the manufacture and sale of its products under development, if and when approved by the applicable regulatory agencies is uncertain. In view of these conditions, the ability of the Company to continue as a going concern is in substantial doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans enable it to continue as a going concern. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

Nature of Operations

MIV Therapeutics Inc. (the "Company") is a development stage company involved in the research, manufacture and development of bio-compatible stent coatings for implantable medical devices and drug-delivery technologies.

On April 25, 2001, the Company executed a Share Exchange and Finance Agreement ("Agreement") with M-I Vascular Innovations, Inc. ("M-I") which is a development stage company incorporated in Delaware. The main business of the Company prior to April 25, 2001 was its InvestorService.com

website. This business ceased operations as of April 25, 2001 and, at the time of the Agreement, the Company was a non-operating public company.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

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1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION (CONTINUED)

The Agreement closed effective as of May 15, 2001. As a consequence, control of the Company shifted from the shareholders of the Company to the founders of M-I. The change of control resulted from the combined effect of (I) a redemption of 5,500,000 of the common shares of the Company, and (ii) the issuance of 9,010,000 common shares by the Company in a one-for-one exchange for the shares of M-I held by its shareholders. As a result, the former shareholders of M-I obtained a majority interest in the Company.

As the Company was a non-operating public company, the share exchange has been accounted for as a recapitalization of M-I and an issuance of shares by M-I to the shareholders of the Company. On May 15, 2001, the Company had total assets of $13,824 and total liabilities of $46,544. As the total liabilities exceeded total assets by $32,720, the excess of liabilities over assets over the par value of the stock related to the Company's shareholders was charged to deficit as if a distribution was made to the Company's shareholders. As 43% of the M-I shareholders did not tender their shares in the combination, those interests represent a minority interest in the legal subsidiary. Accordingly, 6,751,790 common shares related to the minority interest were removed from the number of shares outstanding as at May 15, 2001 along with the par value value of such shares, a pro-rate amount from additional paid-in capital and, as the Company has a shareholders' deficiency, an amount from deficit to the extent of the amount removed from common stock and additional paid-in capital. In addition, shares issuable to certain subscribers were reflected as a minority interest. Any such offer will be accounted for as a step purchase.

Pursuant to the terms of the Agreement, warrants held by shareholders who agreed to exchange their common shares for the Company's common shares were deemed to be exchanged for warrants in the Company. The value of warrants held by shareholders who did not agree to exchange their shares was allocated to minority interest. In addition, the value of compensatory stock options issued by the Company to employees and other non-shareholders and the value relating to common shares issuable in M-I have also been allocated to minority interest.

In connection with the Agreement, the Company issued 2,043,788 common shares during the year ended May 31, 2003. The shares of the Company were exchanged on a one-for-one basis for shares of M-I. Accordingly, 2,043,788 common shares were added to the number of shares outstanding along with the par value of such shares, a pro-rated amount to additional paid-in capital and as the Company has a shareholders' deficiency, an amount to deficit to the extent of the amount added to common stock and additional paid-in capital.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Principles of Accounting

These consolidated financial statements are stated in U.S. Dollars and have been prepared in accordance with U.S. generally accepted accounting principles.

(b) Principle of Consolidation

The accompanying consolidated financial statements include the accounts of MIV Therapeutics Inc. (incorporated in Nevada, USA), 90% of M-I Vascular Innovations, Inc. (incorporated in Delaware, USA), its wholly-owned subsidiaries, MIVI Technologies, Inc. (incorporated in Yukon, Canada) and SagaX, Inc. (incorporated in Delaware, USA). All significant inter-company transactions and balances have been eliminated upon consolidation.

(c) Development Stage

The Company's activities have primarily consisted of establishing facilities, recruiting personnel, conducting research and development, developing business and financial plans and raising capital. Accordingly, the Company is considered to be in the development stage.

(d) Property and Equipment

Property and equipment are recorded at cost and amortized as follows:

Furniture and fixtures	5 years straight-line basis

	Computer equipment	3 years straight-line basis
	Laboratory equipment	5 years straight-line basis
	Leasehold improvements	Over term of lease

(e) Research and Development Costs

Expenditures for research and development are expensed in the period incurred.

(f) Government assistance and other subsidies

Government assistance and other subsidies are recorded as either a reduction of the cost of the applicable assets or the related expenditures as determined by the terms and conditions of the agreement under which the assistance is provided to the Company.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Income Taxes

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards ("SFAS" No. 109, "ACCOUNTING FOR INCOME TAXES". Under SFAS No 109, deferred income tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred income tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

(h) Foreign Currency Translation

The Company's subsidiary's operations are located in Canada, and its functional currency is the Canadian dollar. The financial statements of the subsidiary have been translated using the current method whereby the assets and liabilities are translated at the year-end exchange rate, capital accounts at the historical exchange rate, and revenues and expenses at the average exchange rate for the period. Adjustments arising from the translation of the Company's subsidiary's financial statements are included as a separate component of shareholders' equity.

(i) Financial Instruments and Concentration of Credit Risk

Fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and amount due to and from related parties approximate their fair value because of the short-term nature of these instruments.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company operates and incurs significant expenditures outside of the United States of America and is exposed to foreign currency risk due to the fluctuation between Canadian dollar and the U.S. dollar.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Earnings (Loss) Per Share

Basic earnings or loss per share is based on the weighted average number of common shares outstanding. Diluted earnings or loss per share is based on the weighted average number of common shares outstanding and dilutive common stock equivalents. Basic earnings(loss) per share is computed by dividing net income(loss) applicable to common stockholders by the weighted average number of common shares outstanding (denominator) for the period. All earnings or loss per share amounts in the financial statements are basic earnings or loss per share, as defined by SFAS No 128, "EARNINGS PER SHARE." Diluted earnings or loss per share does not differ materially from basic earnings or loss per share for all periods presented. Convertible securities that could potentially dilute

basic earnings (loss) per share in the future, such as warrants, were not included in the computation of diluted earnings (loss) per share because to do so would be antidilutive.

(k) Stock-Based Compensation

The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES." Compensation cost for stock options, if any, is measured as the excess of the quoted market price of the Company's stock at the date of grant over the amount an employee must pay to acquire the stock. SFAS No. 123, "ACCOUNTING FOR STOCK-BASED COMPENSATION" established accounting and disclosure requirements using a fair-value-based method of accounting for stock-based employee compensation plans. The company has elected to remain on its current method of accounting as described above, and has adopted the PRO FORMA disclosure requirements of SFAS No. 123.

(l) Comprehensive Loss

The Company adopted Statement of Financial Accounting Standards No. 130 (SFAS No. 130), "Reporting Comprehensive Income", which establishes standards for reporting and display of comprehensive income, its components and accumulated balances.

Comprehensive loss includes all changes in equity during the year except those resulting from investments by, or distribution to, shareholders. The Company's comprehensive loss consists solely of net losses and foreign currency translation adjustment for the year.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents. The Company places its cash and cash equivalents with high credit quality financial institutions. The Company occasionally maintains balances in a financial institution beyond the insured amount. As at May 31, 2005, the Company had deposits of $432,709 (2004 - $1,974,530) beyond the insured amount.

(n) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes its best estimate of the ultimate outcome for these items based on historical trends and other information available when the financial statements are prepared. Actual results could differ from those estimates.

(o) Recent Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued the following pronouncements, none of which are expected to have a significant affect on the financial statements:

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs - an amendment of ARB No. 43, Chapter 4", which is the result of the FASB's project to reduce difference between U.S. and international accounting standards. SFAS No. 151 requires idle facility costs, abnormal freight, handling costs, and amounts of wasted materials (spoilage) be treated as current-period costs. Under this concept, if the costs associated with the actual level of spoilage or production defects are greater than the costs associated with the range of normal spoilage or defects, the difference would be charged to current-period expense, not included in inventory costs. SFAS No. 151 will be effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The adoption of SFAS No. 151 will not have a material impact on the Company's consolidated financial statements.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Recent Accounting Pronouncements (continued)

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets, an amendment of APB No. 29, Accounting for

Nonmonetary Transactions". SFAS No. 153 requires exchanges of productive assets to be accounted for at fair value, rather than at carryover basis, unless (1) neither the asset received nor the asset surrendered has a fair value that is determinable within reasonable limits or (2) the transactions lack commercial substance. SFAS 153 is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. The adoption of FASB No. 153 will not have a material impact on the Company's consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123(R), "Accounting for Stock-Based Compensation". SFAS 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. This Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS 12(R) requires that the fair value of such equity instruments be recognized as expense in the historical financial statements as services are performed. SFAS 123(R) requires all share-based payments to be recognized in the financial statements based on their fair values using either a modified-prospective or modified-retrospective transition method. Prior to SFAS 123(R) , only certain pro-forma disclosures of fair value were required. SFAS 123(R) shall be effective for the Company as of the beginning of the first interim or annual reporting period that begins on or after April 1, 2006. The adoption of FASB No. 123(R) will have a material impact on the consolidated financial statements.

3. ACQUISITION OF SAGAX, INC.

On March 14, 2005, the Company acquired 100% of SagaX, Inc. ("SagaX") a Delaware corporation with operations in Israel from a third party. SagaX is in the business of researching a neuro-vascular embolic stent filter medical device through its subsidiary in Israel, which will complement the Company's current research activities. SagaX has a registered patent entitled Endovascular Device for Entrapment of Particulate and Method for Use. The technology patented is still in the research stage. As at the date of acquisition, SagaX did not have any other assets or activities prior to acquisition, thus no pro-forma statement of operations has been prepared.

The Company agreed to issue 4,200,000 shares in exchange for all of the issued and outstanding shares of SagaX. The shares are valued at $0.47, which is the fair value of the shares at the time of agreement, and will be issued in three intervals: 2,000,000 of the shares within 30 days of the effective date of this Agreement (issued), 1,100,000 shares upon successful completion of large animal trials and the final 1,100,000 shares upon CE Mark approval relating to SagaX's products. The final 1,100,000 shares have not been accrued as its issuance is dependent on obtaining CE Mark approval, which can not be determine at this time. The Company has also agreed to pay $145,000 of the vendor's debt at the time of acquisition and agreed to finance up to $730,000 for SagaX's research in 2005. If the Company decides to abandon the underlying patented project or is placed into receivership or fails to fund SagaX in any six month period, then the vendor or its nominee may repurchase SagaX, including all of its intellectual property, in exchange for the return of all of the Company's common shares issued and a cash payment equal to 125% of all cash advanced by the Company to SagaX.

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3. ACQUISITION OF SAGAX, INC. (CONTINUED)

As at May 31, 2005, the 2,000,000 common shares have been issued for a fair value of $940,000 and $80,000 has been paid for the vendor's debt. The balance of $65,000 of the vendor's debt has been recorded as common stock issuable.

In accordance with FIN 4: "Applicability of FASB No. 2 to Business Combinations Accounted for by the Purchase Method", all acquisition costs of $1,085,000 have been recorded as Purchased in-process Research and Development and expensed in the statement of operations.

4. LICENSES

(a) On February 1, 2003, the Company entered into two license agreements with the University of British Columbia ("UBC") which provides the Company with the right to use, develop and sublicense coating technology for stents.

In consideration of granting the licenses, the Company will pay UBC a royalty of 2.5% of revenue and a royalty ranging from 10% or 15% of sublicense revenue depending upon the sublicensed technology. In addition, various minimum annual royalties, maintenance fees and milestone payments are payable over the period of development. The Company issued 750,000 common shares to UBC as part of the consideration for the grant of the rights.

The fair value of $187,500 of the 750,000 common shares issued were recorded as an expense in the year ended May 31, 2003.

On May 19, 2005, the Company signed an amendment to the existing license agreements to include some amendments in the definition of "Field of Use". Also, the royalties was amended to range from 2.5% to 5% of revenue.

In consideration of the amendments, the Company will issue 200,000 common shares for a total value of $74,000 being the fair value at the time of the amendment. The amount is recorded as research and development costs.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

4. LICENSES (CONTINUED)

(b) On March 15, 2004, the Company entered into a collaborative research agreement with the UBC to continue with exploratory research on coating technology for stents for a period from April 1, 2004 to March 31, 2006. During the period of the agreement, various milestone payments will be made to UBC for the continuation of the research program, estimated to be approximately CDN$220,800. As at May 31, 2004, the Company has paid CDN$50,000 and expensed to research and development.

On October 28, 2004, the Company and UBC amended the existing collaborative research agreements and referred to it as Amendment No. 1 and 2.

In Amendment No. 1, the contract period of the existing collaborative agreement was changed to April 1, 2004 to November 30, 2004 and total costs to the Company was estimated at CDN$110,400. As at May 31, 2005, the Company has paid/accrued and recorded CDN$110,400 to research and development costs in accordance with Amendment No. 1.

In Amendment No. 2, the contract period, work plan and total costs of the existing collaborative agreement as amended by Amendment No. 1 was amended. The contract period was extended from December 1, 2004 to November 30, 2006 and total costs to the Company was estimated at CDN$400,400, being payable over the term of the Agreement at various stipulated intervals. As at May 31, 2005, the Company has paid $35,000 and accrued $94,000 to research and development costs in accordance with Amendment No. 2.

The Company obtained support of up to CDN$315,000 from the Industrial Research Assistance Program ("IRAP") from the National Research Council Canada. As at May 31, 2005, the Company has received $44,150 from IRAP.

5. PROPERTY AND EQUIPMENT

<TABLE>
<CAPTION>

	2005			2004
	Cost	Accumulated Amortization	Net book value	Net book value
<S>	<C>	<C>	<C>	<C>
Furniture and fixtures	$ 41,297	$ 39,867	$ 1,430	$ 8,751
Computer equipment	110,766	101,146	9,620	2,977
Laboratory equipment	789,158	577,519	211,639	163,922
Leasehold improvements	49,158	49,158	--	1,899
	$ 990,379	$ 767,690	$ 222,689	$ 177,549

</TABLE>

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

6. STOCKHOLDERS' EQUITY

(a) Common Stock

(i) The Company placed 6,000,000 common stock to a financial custodian acting as trustee pursuant to a listing of the Company's shares on the Frankfurt Stock Exchange. The Company is conducting a Regulation S ("Reg S") Offering through the facilities of the Berlin Stock Exchange to raise capital in mainly German speaking countries. The trustee will receive a fee of 3% of the total value of the stocks held in trust to be paid in equal installments of 30,000 common shares per month over a ten month period, assuming the maximum offering is sold. The stocks may only be traded on German stock exchanges pursuant to Regulation S.

During the fiscal year ended May 31, 2005, a total of 1,209,108 Reg S stock have been issued at a price range of $0.34 to $0.62 per share of which 904,215 was issued for cash for total net proceeds of $218,403 (net of agent's fees of 154,893 Reg S stock). Of the 200,000 shares issued to a consultant for services as a security for non-paid commissions, 50,000 shares were returned to the Company.

As at May 31, 2005, 4,204,689 Regulation S stocks are held in trust by the financial custodian.

(ii) During the fiscal year ended May 31, 2005, the Company issued an aggregate of 1,599,810 common shares for consulting, research and development, legal and employee services for a total value of $515,028 being the fair value of the shares at the earlier of 1) the agreement date and 2) the period of completion of performance.

(iii) During the fiscal year ended May 31, 2005, the Company issued 2,320,710 common shares pursuant to an exercise of stock purchase warrants for total proceeds of $607,385.

(iv) On December 29, 2004, the Company issued 3,192,399 common shares to exchange for 3,192,399 common shares of MI on a one-for-one basis. These shares were issued to comply with an order of the Supreme Court of British Columbia dated May 20, 2003. On May 26, 2005, the Company issued 17,000 common shares to exchange for 17,000 common shares of M-I Vascular Innovations, Inc. on a one-for-one basis. The exchanges were accounted for using the step purchase method and accordingly the purchase price of $616,585, being the fair market value of the Company's shares at the time of exchange, was allocated to purchased in process research and development. This amount was written off during the fiscal year 2005 in accordance with FASB Interpretation No. 4, "APPLICABILITY OF FASB NO. 2 TO BUSINESS COMBINATIONS ACCOUNTED FOR BY THE PURCHASE METHOD".

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

6. STOCKHOLDERS' EQUITY (CONTINUED)

(a) Common Stock (continued)

(v) On March 24, 2005, the Company issued 75,000 common shares to a consultant of the Company for stock options exercised at a price of $0.30 per share, for total proceeds of $22,500.

(b) Warrants

The following table summarizes information about the warrants issued by the Company:

	Number of Shares	Weighted Average Exercise price
Balance, May 31, 2003	10,717,821	0.62
Issued - private placement	2,181,164	0.75
Issued - finders' fees	55,714	0.60
Issued - services rendered	3,375,000	0.40
Exercised	(2,100,000)	(0.20)
Expired	(4,843,250)	(0.75)
Balance, May 31, 2004	9,386,449	0.60

	Number of Shares	Weighted Average Exercise price
Balance, May 31, 2004	9,386,449	0.60
Issued - convertible debentures (Note 7)	1,851,500	0.25
Issued - finders' fees	10,000	0.75
Issued - services rendered	5,270,000	0.32
Exercised	(2,310,710)	0.26
Expired	(7,043,220)	0.65
Balance, May 31, 2005 - Regular	7,164,019	0.45
Balance, May 31, 2005 and 2004 - Series "A"	3,374,999	0.66
Balance, May 31, 2005 and 2004 - Series "C"	674,997	0.66
Balance, May 31, 2005	11,214,015	0.53

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

6. STOCKHOLDERS' EQUITY (CONTINUED)

(b) Warrants (continued)

During the year ended May 31, 2005, the Company issued 5,270,000 warrants, with exercise prices ranging from $0.24 to $0.45 per share, to various consultants for services rendered to the Company. These warrants had an estimated fair value of $917,168, using the Black Scholes Pricing Model.

During the year ended May 31, 2005, the board of directors approved an extension to the expiry date for 381,800 warrants outstanding from April 30, 2005 to April 30, 2006 and 200,000 warrants outstanding from May 21, 2005 to May 21, 2007.

(c) Stock Options

The Company's incentive stock options plan provides for the grant of incentive stock options for up to 5,000,000 common shares to employees, consultants, officers and directors of the Company. Incentive benefits granted under the plan may be either incentive stock options, non-qualified stock options, stock awards, restricted shares or cash awards. Options are granted for a term not to exceed five years from the date of grant. Stock options granted generally vest over a period of two years.

In fiscal year 2005, the Company granted an aggregate of 3,900,000 stock options; 2,200,000 to employees/directors of the Company and 1,700,000 to consultants. Each option entitles its holder to acquire one common share of the Company between $0.20 and $0.40 per share, being vested immediately or at a specified time and expires five years from date of grant or term of agreement.

The fair value of each option granted is estimated on the grant date using the Black-Scholes option pricing model assuming no dividend yield and the following weighted average assumptions:

	2005	2004
Risk-free interest rate	3.50%	5.25%
Expected life (in years)	3 years	5 years
Expected volatility	78.58%	136.11%

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and therefore, in management's opinion, existing models do not necessarily provide reliable measure of the fair value of the Company's stock options.

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

6. STOCKHOLDERS' EQUITY (CONTINUED)

(c) Stock Options (continued)

Compensation cost related to the stock options granted to consultants and employees during the year ended May 31, 2005 was charged to operations at their estimated fair value of $155,978 (2004 - $53,276).

A summary of the weighted average fair value of stock options granted during the year ended May 31, 2005 is as follows:

<TABLE>
<CAPTION>

	Weighted Average Exercise Price	Weighted Average Fair Value
<S>	<C>	<C>
Exercise price equals market price at grant date:	$ 0.30	$ 0.30
Exercise price greater than market price at grant date:	$ 0.26	$ 0.21
Exercise price less than market price at grant date:	$ 0.25	$ 0.29

</TABLE>

A summary of the weighted average fair value of stock options granted during the year ended May 31, 2005 is as follows:

<TABLE>
<CAPTION>

	Weighted Average Exercise Price	Weighted Average Fair Value
<S>	<C>	<C>
Exercise price equals market price at grant date:	$ 0.40	$ 0.40
Exercise price greater than market price at grant date:	$ 0.50	$ 0.31

Exercise price less than market price at grant date:	$ 0.30 $ 0.31

</TABLE>

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

6. STOCKHOLDERS' EQUITY (CONTINUED)

(c) Stock Options (continued)

Summary of employee stock options information for the period from inception to May 31, 2005 is as follows:

<TABLE>
<CAPTION>

	Shares	Weighted Average Exercise Price
<S>	<C>	<C>
Options outstanding, May 31, 2003	4,175,000	0.53
Options granted	995,000	0.35
Options exercised	(100,000)	(0.34)
Options cancelled	(565,000)	(0.74)
Options expired	(250,000)	(0.67)
Options outstanding, May 31, 2004	4,255,000	0.47
Options granted	3,900,000	0.28
Options exercised	(75,000)	0.30
Options expired	(300,000)	1.00
Options outstanding, May 31, 2005	7,780,000	0.35

</TABLE>

The following summarizes information about the stock options outstanding and exercisable at May 31, 2005:

<TABLE>
<CAPTION>

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number of options Outstanding	Weighted Average Remaining Contractual Life (yr)	Weighted Average Exercise Price	Number of options Exercisable	Weighted Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$ 0.17	950,000	1.93	$ 0.17	950,000	$ 0.17
$ 0.20	1,400,000	4.71	$ 0.20	1,400,000	$ 0.20
$ 0.21	500,000	2.89	$ 0.21	500,000	$ 0.21
$ 0.30	2,920,000	4.18	$ 0.30	2,320,000	$ 0.30
$ 0.40	300,000	4.51	$ 0.40	230,000	$ 0.40
$ 0.50	550,000	2.28	$ 0.50	550,000	$ 0.50
$ 0.55	650,000	2.50	$ 0.55	650,000	$ 0.55
$ 1.00	510,000	1.53	$ 1.00	510,000	$ 1.00
$ 0.17 - $1.00	7,780,000	3.30	$ 0.35	7,110,000	$ 0.35

</TABLE>

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

6. STOCKHOLDERS' EQUITY (CONTINUED)

(d) Pro-forma Disclosure

Had compensation expense for the Company's stock-based compensation plans been determined under SFAS No. 123, based on the fair market value at the grant dates, the Company's pro-forma net loss and pro-forma net loss per share would have been reflected as follows:

<TABLE>
<CAPTION>

	2005	2004
<S>	<C>	<C>
Net loss, as reported	$ (6,226,575)	$ (3,471,891)
Add: Stock-based employee compensation expense included in reported net loss above, net of related tax effects	155,978	6,700

Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(325,449)	(226,962)
Pro-forma loss for the year	$ (6,396,046)	$ (3,251,629)
Pro-forma basic and diluted loss per share	(0.15)	(0.10)

</TABLE>

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

7. CONVERTIBLE DEBENTURES

On March 15, 2005, the Company closed a bridge debenture financing for gross proceeds of $805,000 of senior convertible debentures ("Debentures") and 1,610,000 detachable share purchase warrants. The Debentures are interest bearing at 10% per annum, and principal and accrued interest are due and payable in one installment upon the earlier of (i) 180 days from the date of closing of the offering and (ii) the closing of a financing or series of related financings in the Company in the aggregate of $500,000. At the option of the holder, all or a portion of the outstanding principal amount and any accrued interest shall convert into the Company's common stock at a conversion price of $0.25 per share or on the first occasion following the date on which the Company has a financing or series of financing, the Debentures are convertible at a conversion price equal to the lower of (i) the purchase price per share in such subsequent financing, or (ii) the conversion price then in effect. As at May 31, 2005, no Debentures have been converted. If converted, the Debentures can be converted into 3,220,000 common shares of the Company at the current conversion price.

The transferable share purchase warrants are exercisable at $0.25 per share and have a term of five (5) years from date of grant.

In connection with this financing, the Company paid a commission fee of $88,000 (which is equal to 10% of the aggregate gross proceeds) in cash, $4,507 in related expenses, and issued 241,500 share purchase warrants ("Agent's warrants") (which is equal to fifteen percent (15%) of the shares of Common Stock underlying the warrants in the financing). The Agent's Warrants are exercisable at $0.25 per share and have a term of five (5) years from date of grant. The Agent's Warrants shall be exercisable for cash or in a cashless exercise, whereby the optionee can elect to receive common stock in lieu of paying cash for the options based on a formula, in accordance with the Agent's Agreement.

The Company is also committed to pay a commission to the Agent in cash or warrants if any of the Debenture holders invest in the Company within 18 months after the financing. As at May 31, 2005, no accrual have been provided for as there is no obligation to the Company to pay commission and future obligations are not determinable at this time.

Gross proceeds have been allocated to the liability ($756,080) and the equity ($48,920) components using the relative fair value method of the fair value of the debentures and the estimated fair value of the attached warrants.

The transaction resulted in a beneficial conversion feature calculation in accordance with EITF 98-5: "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios", of $289,800, which has been recorded as financing costs on convertible debentures on the statements of operations.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

8. RELATED PARTY TRANSACTIONS

The following services were provided by related parties. These transactions, recorded at exchange amounts agreed to by all parties, were as follows:

During the year ended May 31, 2005, the Company paid or accrued $445,904 (2004 - $293,963) of management and consulting fees to 4 directors and officers of the Company. Of this amount, $158,718 (2004 - $63,967) was charged to research and development.

As at May 31, 2005, an amount of $nil (2004 - $13,585) was due to the Chief Executive Officer of the Company.

As at May 31, 2005, an amount of $17,500 (2004 - $nil) was due from the Chief Financial Officer of the Company. Of this amount, $10,030 of this amount has been paid subsequent to year-end.

(EXPRESSED IN U.S. DOLLARS)

9. INCOME TAXES

The Company is subject to income taxes in the United States of America while its subsidiary is subject to income taxes in Canada. US federal net operating loss carryforwards of $11,939,000, if not utilized to offset taxable income in future periods, expire between 2021 and 2025. Canadian net operating loss carryforwards of $3,502,000, if not utilized to offset taxable income in future periods, expire between the years 2008 and 2015.

Following is a reconciliation between expected income tax benefit and actual, using the applicable statutory income tax rates of 35% for the years ended May 31, 2005 and 2004:

	2005	2004
Income tax benefit at statutory rate	$ (2,313,000)	$ (1,156,000)
Foreign rate differential	(12,000)	--
Certain non-deductible expenses	140,000	140,000
Acquisition intangibles	596,000	--
Research and development	279,000	--
Change in valuation allowance	1,310,000	1,016,000
	$ --	$ --

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9. INCOME TAXES (CONTINUED)

The Company's total deferred tax asset is as follows:

	2005	2004
Tax benefit relating to net operating loss carryforwards	$ 5,439,000	$ 4,433,000
Plant and equipment	151,000	151,000
Stock option compensation	304,000	--
Valuation allowance	(5,894,000)	(4,584,000)
	$ --	$ --

Future utilization of the loss carryforward in the U.S. is subject to certain limitations under the provisions of the Internal Revenue Code, including limitations subject to Section 382. It is likely that a prior ownership change has occurred and the losses will be limited in their ability to offset future income.

10. SUPPLEMENTAL CASH FLOW INFORMATION

<TABLE>
<CAPTION>

	Period from inception (January 20, 1999) to May 31, 2005	2005	2004
<S>	<C>	<C>	<C>
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid in cash	$ 29,683	$ --	$ 3,876
Income taxes paid in cash	--	--	--
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Debt settlement with shares	$ 621,375	$ --	$ 12,000
Debt forgiven	462,249	--	462,249
Shares issued for service	2,686,315	545,028	1,148,125
Warrants issued for service	2,391,635	917,164	814,798
Subscriptions received	594,935	--	--

</TABLE>

<PAGE>

11. COMMITMENTS AND CONTINGENT LIABILITIES

(a) The Company has obligations under a long-term premises lease for a period of five years from November 1, 2000. Negotiations to renew

the lease is on-going at this time. The future minimum rent payments until October 2005 is $37,557.

(b) On November 18, 2002, a lawsuit against the Company was filed in the Supreme Court of British Columbia.

The Statement of Claim arising from a Settlement Agreement, dated September 14, 2001, seeks the exchange of 3,192,399 shares of the Company for 3,192,399 shares in the capital of the Company's subsidiary or, alternatively, damages and costs.

The Company and M-I Vascular ("MI") attended a court hearing in chambers on April 16, 17 and 25, 2003 on a summary trial application by the Plaintiff for an Order for a declaration of specific performance that the Plaintiff is entitled to an exchange of 3,192,399 common shares of MI for 3,192,399 common shares of the Company pursuant to the Settlement Agreement entered into on September 14, 2001. The Plaintiff was granted the relief he sought at the summary trial and the Company was ordered to perform the share exchange. The Company has appealed the decision to the British Columbia Court of Appeal and the appeal hearing has been set on September 7, 2004.

On May 16, 2003, the Company delivered a Take-Over Bid Circular (the "Circular") to the Plaintiff, offering to exchange his common shares in MI for shares in the Company pursuant to British Columbia securities laws and regulations. In late May 2003, after the judgment was received, the Company asked the Plaintiff to submit his MI share certificates and fill in the required forms pursuant to the Circular, so that the Company could comply with the judgement and exchange his shares in accordance with British Columbia securities laws and regulations.

On December 29, 2004, the Company issued 3,192,399 common shares to exchange for 3,192,399 common shares of MI on a one-for-one basis. These shares were issued to comply with an order of the Supreme Court of British Columbia dated May 20, 2003.

In a counterclaim in the Supreme Court of British Columbia, the Company continues to dispute the Plaintiff's entitlement to the 3,192,399 MI shares and any Company shares that he may receive pursuant to court order.

No provision has been provided as at May 31, 2005 as the outcome of this legal proceeding is uncertain at this time.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

12. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise the following:

	2005	2004
Legal	$ 195,379	$ 146,311
Public relations, financing and corporate development	935,337	772,493
Management fees	261,883	229,996
Consulting	692,690	856,692
Bad debt	--	160,000
Operating expenses	534,235	425,287
	$ 2,619,524	$ 2,590,779

General and administrative expenses include $322,202 (2004 - $641,249) and $390,429 (2004 - $237,170) of deferred compensation in public relations and consulting, respectively.

13. ACQUISITION OF SAHAJANAND MEDICAL TECHNOLOGIES INC.

On March 1, 2005 the Company entered into a share acquisition Letter of Intent ("Letter") with the shareholders of Sahajanand Medical Technologies Inc. ("SMT") of India. SMT is in the business of manufacturing, marketing and distributing bare metal and drug eluting stents, which will complement the Company's research activities.

Pursuant to the Letter, the Company shall issue 44,500,000 shares of the Company's common stock in exchange for 100% of the outstanding equity of SMT.

In addition, if the SMT operations achieve at least $90 million in sales within 36 months of the closing of the acquisition, the SMT shareholders shall be issued 2,225,000 additional shares of the Company's common stock. If the SMT operations achieve $180 million or more in sales within 36 months of the closing acquisition, the SMT shareholders shall be issued 2,225,000 additional shares of the Company's common stock so that the SMT shareholders receive an aggregate of 4,450,000 shares of the outstanding shares of the Company's common stock.

Following the closing, the combined entity will finance the development of a catheterization laboratory, and upon completion, the combined entity will have the right (but not obligation) to acquire all right, title and interest in such technology at an acquisition price equal to 100% of the

production cost not to exceed $2.0 million to be paid in the form of cash or common stock of the Company.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

13. ACQUISITION OF SAHAJANAND MEDICAL TECHNOLOGIES INC. (CONTINUED)

The completion of the acquisition shall be at least subject to (i) satisfactory completion of customary due diligence; (ii) mutual board and shareholder approval and other customary consents; (iii) negotiation and execution of the Definitive Agreement and the documents contemplated therein; (iv) receipt of audited financial statements of SMT; (v) negotiation and execution of the Management Employment Agreements; (vi) receipt of all necessary third party consents; (vii) transfer of all assets to SMT, free and clear of all liens, claims and encumbrances of any kind, and (viii) the absence of material legal or government limitations.

As at August 18, 2005, the acquisition has yet to be finalized. Project acquisition costs of $53,426 which represents direct costs incurred as a result of this acquisition, have been capitalized on the financial statements. These costs will be included in the total acquisition cost upon consummation of this transaction.

14. SUBSEQUENT EVENTS

(a) Subsequent to the fiscal year 2005, the Company issued 409,290 and 159,500 common shares pursuant to an exercise of stock purchase warrants at a price of $0.26 and $0.66 per share, respectively, for total proceeds of $211,685.

(b) Subsequent to the fiscal year 2005, the Company issued 200,563 common shares for research and development and consulting services for a total value of $119,706.

(c) Subsequent to the fiscal year 2005, the Company issued 66,108 common shares for employee services for a total value of $40,449.

(d) On June 3, 2005, the Company issued 116,071 shares to a consultant of SagaX, Inc. for total value of $65,000. This is the remaining balance of the vendor's debt which the Company has agreed to pay as part of the Acquisition Agreement (See note 3).

(e) On June 7, 2005, the Company signed a consulting agreement and pursuant to the agreement, issued 500,000 share purchase warrants with a term of three years and exercise price of $0.50. Each warrant entitles the holder to purchase one common share of the Company.

(f) On July 1, 2005, the Company signed a consulting agreement wherein the Company will pay $10,000 and issue a total of 140,000 common shares over a specified amount of time in the contract. The Company has paid the $10,000 fees and issued 40,000 common shares on July 29, 2005.

<PAGE>

MIV THERAPEUTICS INC.
(A development stage company)

Notes to Consolidated Financial Statements
Years Ended May 31, 2005 and 2004
(EXPRESSED IN U.S. DOLLARS)

14. SUBSEQUENT EVENTS (CONTINUED)

(g) On July 1, 2005, the Company signed a consulting agreement and pursuant to the agreement, issued 250,000 share purchase warrants with a term of three years and exercise price of $0.50. Each warrant entitles the holder to purchase one common share of the Company.

(h) On August 11, 2005, the Company completed a non-brokered private placement (the "Private Placement") of an aggregate of 7,684,995 units at the price of $0.45 per Unit. Each Unit is comprised of one common share together with one-half of one Series "A" non-transferable share purchase warrant (each a "Series A Warrant") and one-half of one Series "B" non-transferable share purchase warrant (each a "Series B Warrant"). Each whole Series A Warrant entitles the holder to purchase one common share at a price of $0.65 per share for a period which is the earlier of (i) 12 months from August 11, 2005 and (ii) six months commencing from the effective date of the Company's proposed "Registration Statement". Each whole Series B Warrant entitles the holder to purchase one common share at a price of $0.70 per share for the first 12 months, at a price of $0.85 per share for the next 6 months, and at a price of $1.00 per share for the last 6 months thereafter. Series B Warrants are exercisable at the earlier of (i) 30 months from August 11, 2005 and (ii) 24 months commencing from the effective date of the Company's proposed "Registration Statement".

A finder's fee comprised of $25,000 in cash and 62,500 exchangeable Series A Warrants and Series B Warrants was paid upon the completion of the private placement.

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