

BioCurex moves towards RECAF commercialization

A personal message from Dr. Ricardo Moro, Founder & CEO, about what we are doing...where we are heading... and why our stock price has been so volatile.

Dear Friend of BioCurex:

October 10, 2008

Every investor in medical research is very familiar with the perils and frustrations of bringing viable new products to the marketplace. It's an agonizingly slow process and, assuming it ends successfully -- which it often *doesn't* -- calls for much grit and patience.

BioCurex has been following this well-trod path, but with one important difference: We have so far achieved *every one our original goals* with our core RECAF technology.

That's no small accomplishment, but now something genuinely momentous is just around the corner. I can announce that we will soon be reaching our ultimate goal of commercializing our RECAF technology. This will allow vast numbers of people to live longer and -- just as important in a company-building sense -- BioCurex will start pulling in significant revenue.

To call this is a major development would be a real understatement. But let me put all this in context to help you understand its importance.

The current state of cancer detection

Three essential facts to keep in mind:

- As our lifespan increases, cancer becomes more prevalent.

According to the World Health Organization, the number of people diagnosed with malignant tumors will increase by 50% in a dozen years.

- Survival rates depend mostly on how early the disease is discovered. i.e. The five-year survival rate for breast cancer ranges from 87% at Stage I to only 13% at Stage IV.) RECAF technology detects malignancy earlier, more accurately, and potentially far more cost-effectively.
- Current cancer detection is still primitive. Needle and surgical biopsies are the most accurate, but far from perfect. They're also highly intrusive and can cause serious infections. Blood testing, as it now exists, is much less accurate and rife with false positives. (i.e. PSA is a mediocre marker for prostate cancer. It catches only 80% of malignancies -- yet produces 65% false positives in patients with benign tumors that usually require no treatment. Yet, all too often, patients are still subjected to costly and debilitating surgical procedures.)

That's where things stand now. But thanks to our RECAF technology, all this will change. We are entering the THIRD GENERATION of cancer detection.

The first generation occurred forty years ago, with the discovery of AFP and CEAD and the first use of cancer markers. Then 15 years ago, *the second generation* of cancer detection was launched with the PSA era -- being the only cancer marker used for screenings.

Now there comes *the third generation* of cancer detection, the RECAF era -- in which cancer detection will be made earlier and more accurately...needless surgical procedures from false positives can be drastically curtailed...malignant tumors could be fought far more aggressively with far fewer side-effects... and maybe, just possibly, a RECAF vaccine could find a role in treating cancer in general.

The significance of RECAF

If there's a "Holy Grail" in cancer detection, it will need to prove itself in the bloodstream. But this Holy Grail must also meet TWO further criteria, apart from the obvious (that it must be accurate).

FIRST, it needs to differentiate malignant cells from benign ones, which is where current blood tests perform so poorly. SECOND, it should be "universal" and work with most if not all cancers.

Meet these requirements and cancer detection will have found the ultimate solution. It would be the equivalent to a sugar test for detecting diabetes. When that happens, cancer treatment will have changed forever. But when? Sometime far in the future? NO!

Thanks to our company's work, such a blood test now exists. It's called serum RECAFTM and was created four years ago by BioCurex. Our patents now cover over 40 claims in some 20 countries, and many more are in preparation for filing.

Repeated testing has consistently demonstrated RECAF's extremely high accuracy when identifying cancerous cells and -- almost as important -- recognizing whether tumors were benign or malignant. RECAF would also seem to be fully universal, or "wide-spectrum," and works with all cancers: Prostate, breast, lung, colorectal, etc.

Finally, apart from detecting malignancy, this technological platform offers the potential for multiple applications, such as tumor imaging, therapy -- and even developing a *vaccination* against cancer. Apart from human patients, it could also be used in veterinary oncology, a booming field.

Let's look back for a moment, to show you how far we have come.

BioCurex's accomplishments to the present date

Medical innovation generally follows a similar pattern: Individual scientists and small research companies make the initial discoveries, which are then licensed to giant pharmaceutical and medical service companies.

BioCurex's business model follows this path. Thus, BioCurex discovered the RECAF technology...then developed a proof-of-concept with a prototype...and has so far licensed its RECAF technology to two global giants on a semi-exclusive basis.

Following are the principal milestones:

- **March, 2005:** BioCurex licenses its RECAF technology to Abbot Laboratories. The agreement covers worldwide semi-exclusive rights for Abbott to commercialize RECAF-based products. This

global giant markets many forms of cancer testing -- including the universal PSA tests for prostate cancer.

- **May, 2007:** BioCurex completes an 18-month format conversion program to develop the RECAF assay in the chemoluminescence format. This is used by almost all automated equipment in the testing industry. Following this lengthy and highly complicated project, RECAF is now fully compatible with the industry standard.

With reformatting now complete, our licensees can proceed with their internal RECAF testing, to be followed by seeking their FDA certification.

(NOTE: Most blood work is done by large testing companies in thousands of clinical laboratories. This testing process is fully automated, using light-emitting chemoluminescence -- a technology with which blood samples need to be chemically compatible. The RECAF's discovery was based on an entirely different format, RIA [radio-immuno-assay]. This required RECAF's chemistry to be completely reformatted to fit the chemoluminescence assay.

- **September, 2007:** BioCurex and Abbott jointly presented two RECAF-related studies at the International Cancer Congress in Prague, Czechoslovakia. They confirmed the success of RECAF's reformatting, and reported exceptional test results (95.4%) when used with Abbott's automated instruments for detecting gastric, breast and other cancers.

- **September, 2007:** BioCurex moves closer in its development of a 'rapid test' for ambulatory cancer detection to be used as an early-on-the-spot-preliminary diagnosis in a doctor's office. The company presented remarkable point-of-care test results at the same International Cancer Congress in Prague -- based on a study conducted with the Blokhin Cancer Research Center in Moscow, Russia.

The device used in this research was similar to the common pregnancy test kit, and is a major potential breakthrough in simplifying cancer detection. BioCurex is pursuing this technology independently, and the commercialization is not restricted by the licensing agreements with Abbott and Inverness.

- **January 9, 2008:** BioCurex licenses its RECAF material and technology to Inverness Medical Innovations on the

same global semi-exclusive basis as with Abbott. Inverness is one of the world's leading developer/manufacturers of advanced diagnostic products, with major facilities in the U.S., Europe and Asia. While Inverness is very large, it is still highly entrepreneurial, fast-moving and an aggressive marketer of diagnostic kits. For this reason, we think that Inverness makes an ideal partner.

- **June 12, 2008:** BioCurex's breakthrough ELISA blood-testing moves it towards early commercialization of its RECAF technology -- following completion of successful testing on bladder, kidney, stomach and other types of cancer.

NOTE: The fact that ELISA technology is based on manual testing is especially significant. It allows BioCurex to use and ship this test without any legal restrictions relating to automatic testing -- covered by the company's ongoing agreements with Abbot and Inverness. This gives us full freedom to pursue any manual commercialization, based on this format, entirely on our own. It also offers a testing mechanism that is compatible with almost any lab anywhere in the world.

- **July 29, 2008:** A new patent application was filed to protect certain methods of purifying and detecting RECAF in bodily fluids. The patent also includes what our company believes to be new methods for tumor imaging and therapy based on RECAF. This has potentially huge implications, described in more detail in the company's press release, and I will be talking more about it in the weeks to come. Meanwhile, further equally significant RECAF patent applications will be filed in the near future.

There is one other change relating to our semi-exclusive licensees. Following the collapse of the Abbott Diagnostics sale to General Electric in July 2007, the former became very conservative with its budget. This culminated in the Aug. 21, 2008 announcement that they were making drastic cuts to their global diagnostic business -- eliminating 1,000 jobs for an annual pre-tax savings of over \$150 million.

This process translated into significant amendments to BioCurex's licensing agreement. Under these changes, Abbott was relieved of its future responsibilities in exchange for BioCurex receiving a higher royalty. BioCurex also obtained the right to terminate its license with Abbott if that company does not

agree within 90 days to new due diligence obligations for the commercialization of RECAF-based products.

This amendment is NOT a termination of our licensing agreement. In fact, Abbott co-authored a presentation in an international cancer congress showing similar results to those previously reported by BioCurex. The amendment shifts the research and development effort to BioCurex, which in actuality has already been the case for the past 2 years. Moreover, Abbott is the only licensee allowed to sublicense the technology to third parties.

Thus, the termination or transfer of the Abbott license to BioCurex or another licensee, would allow the recipient to sublicense the RECAF tests to an unlimited number of sub-licensees, thus removing the semi-exclusivity restrictions currently in place. Since the termination/transfer of the Abbott license could be accompanied by granting Abbott a *sublicense* under the same terms they have now, this would allow BioCurex to "keep the cake and eat it too". The ability to sublicense to an unrestricted number of companies has a considerable value to either BioCurex or to anyone interested in acquiring the Abbott license.

Another important concession negotiated with Abbott was the removal of manual tests from the semi-exclusivity terms of the original licensing agreement. This, together with the exclusion of manual assays from the Inverness licensing agreement, has made possible the direct commercialization of the RECAF tests directly by the company to smaller markets without sacrificing the commercialization potential -- many times larger -- of its licensees.

Finally, as our RECAF technology moves towards commercialization, its value increases significantly. Keep in mind that BioCurex is allowed to have three licensees: Inverness, which signed its agreement earlier this year, Abbott and one other company. Early negotiations are currently underway, and it is quite conceivable that two companies will want to license our RECAF technology. If that was the case, then Abbott's position might have to be vacated.

- **September 17, 2008:** The Australian Patent Offices issued BioCurex the first patent on therapeutic applications for its proprietary RECAF marker. As all previous proprietary protection has covered only diagnostic applications, this is particularly important and marks a major milestone for the company.

The data is still very preliminary and requires further confirmation before any firm conclusions can be drawn. However it is highly significant in that it permits us to approach major pharmaceutical companies interested in licensing this type of targeted cancer therapy.

Meanwhile we continue working on various therapeutic applications.

We expect similar favorable proprietary outcomes in other territories where we have pending applications.

**Some personal thoughts -- and introducing a new way
to communicate with our investors.**

As someone who has invested most of his professional life in cancer research -- over two decades on three continents -- for me, personally, these are very exciting and fulfilling times. I've heard RECAF being called a "magic bullet" and the "Holy Grail of all cancer markers," but what really matters is that *no other technology* comes close to matching its potential in the entire field of cancer detection and treatment.

Of course, all this is further validated by our licensing agreements, the first steps towards commercializing our technology. And, hopefully by the end of this year, we will have more licensees -- whether it is a large diagnostic company with an automated system, or smaller companies as distributors for manual RECAF tests.

For a small research laboratory with only a handful of over-worked technicians and scientists, we've come a long way. How on earth did we do it? A huge amount of work, some smart thinking and being very, very careful with our money. Of course, every so often, we are also blessed with some out-of-the-blue "luck."

Yes, there were times when we got lucky, which I'll cheerfully admit! But Louis Pasteur once said that "chance only favors the prepared mind" -- and our team was always well-prepared for turning simple dreams...into tangible discoveries...then building towards commercialized products that can help millions of people to live longer and stay healthier. And if luck played a part? That's fine with me.

But that's not quite the full story, is it? After all, if

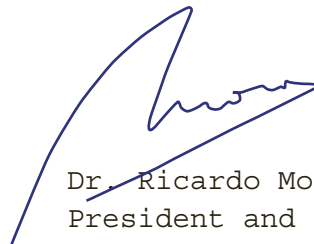
BioCurex's research has been making steady progress, then why has our stock been so volatile? Why has it dropped so sharply.

A very tough market in a scary economy? Yes, and that is why we have started an initiative to communicate better and more frequently with investors through an excellent portal site, www.agoracom.com. This not only offers a forum where genuinely interested investors can discuss topics related to BioCurex, but it also provides other IR services for us, such as web awareness in search engines and exposure to new investors. It has also provided us with the opportunity to understand the questions most of our shareholders want to ask and to respond to the best of our abilities, respecting confidentiality agreements and regulations.

These tools will give us a quick way to channel news to shareholders -- both corporate and all aspects of research into cancer detection, beyond what we're doing -- and provide two-way communication between BioCurex and its shareholders. We encourage you to speak your mind, not that many of you will need any encouragement!

Please visit us soon because BioCurex will aggressively reach out to new and old investors in the coming months. And that's a promise. After all, in a vital way, we are partners in this great enterprise.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ricardo Moro', with a large, sweeping flourish on the left side.

Dr. Ricardo Moro
President and CEO
BioCurex Inc.

P.S. Please send us back the enclosed postcard so that we can verify your address. We'll be having a lot more to tell you -- through mail and email -- and our investor file is currently being updated. ALSO remember to visit us at www.agoracom.com.