



*Spectral Molecular Imaging*

OTC BB CSDT

INVESTOR INFORMATION BRIEF



## THE COMPANY:

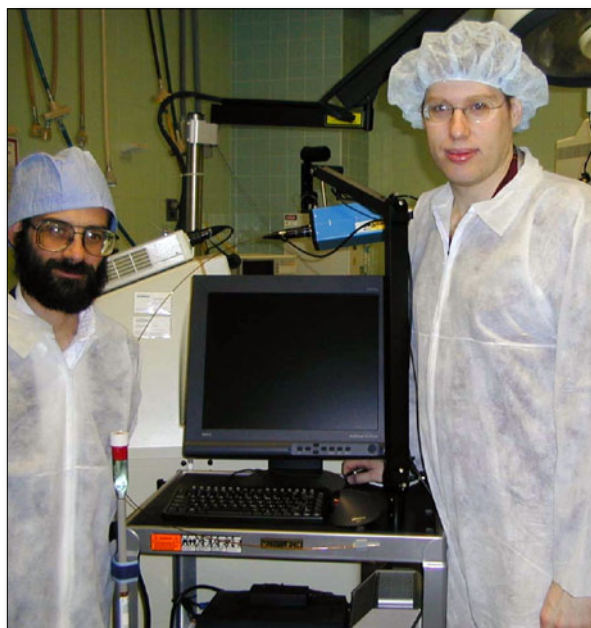
**SMI is a development-stage medical imaging device company in Beverly Hills, California.**

**Spectral Molecular Imaging, Inc. (OTC BB: CSDT)** is developing a range of medical imaging products to address major disease early and effectively, utilizing advanced optical imaging based on an enabling technology we developed, patented and are bringing to market.

## OUR FOCUS:

**Powerful tools for cancer detection and other medical uses.**

Hyperspectral imaging – originally developed for satellite reconnaissance – can provide a powerful tool for cancer detection. SMI is developing non-invasive devices that use this technology for highly specific clinical diagnostics, by high-resolution identification and analysis of certain molecular, cellular, and tissue features. Our technology is expected to enable early detection and more reliable diagnosis skin cancers including melanoma, Barrett's esophagus (a condition leading to esophageal cancer), and lung cancer.



## OUR PRODUCTS:

**Three devices in development.**

We are developing three devices and expect to bring them to market (pending regulatory approval) over the next three years. We refer to these devices as SkinSpect™, EndoSpect™, and OxySpect™.

**SkinSpect™** will address a massive need for early, reliable, non-invasive diagnosis of and screening for skin cancer. We plan to complete SkinSpect™ and market it as our first commercial product.

**EndoSpect™** is a hyperspectral imaging endoscope that will be able to assess tissue status during minimally invasive surgery (gastro-intestinal, pulmonary or other endoscopy). Early detection, diagnosis and outlining of cancer will be enabled by mapping the sizes of nuclei in cells, without the use of contrast agents, by light scattering.

**The OxySpect™** will map tissue oxygenation by spectral imaging in a broad range of body locations, to assist in assessing tissue health during and after surgical intervention.

## MEDICAL NEEDS:

**Our target markets include skin cancer and other clinical areas.**

**Skin Cancer:** Cancer of the skin is the most common type of cancer in the US, with more than one million Americans diagnosed every year. Melanoma is responsible for approximately 75% of all deaths from skin cancer; it is also the fastest growing cancer in the U.S. and worldwide, its incidence increasing 20-fold since 1935, to 1 in 74 people in 2000. The American Cancer Society projects over 10,000 deaths annually from skin cancer. Early detection remains the only effective means of fighting melanoma, but at present dermatologists rely primarily on visual examinations of patients to identify suspicious skin tissues. Melanomas can mimic benign lesions that are overwhelmingly more common, and misdiagnosis of melanoma can occur, with deadly consequences.



SMI

**Minimally Invasive Surgery:** Decision making in minimally invasive surgery currently relies on the (subjective) assessment of tissue health by the surgeon (in real time) and a pathologist (off-line). This process needs to be accelerated and made more reliable for better patient outcomes and enhanced health care savings.

**Other Clinical Needs:** Tissue health mapping is important in clinical areas ranging from open-heart surgery to stroke wound/burn healing, and could greatly benefit from topologically resolved oxygenation data.

**INTELLECTUAL PROPERTY AND TECHNOLOGY:**  
**We have exclusive worldwide rights to patents within our markets.**

We entered into a license agreement with Carnegie Mellon University for exclusive worldwide license to patents issued to Carnegie Mellon (with our chairman as a principal inventor). The uses licensed to SMI include spectral imaging for all clinical medical applications, including endoscopy and dermoscopy. In addition, SMI owns as assignee the rights to a U.S. patent covering a non-invasive technique for the potential early detection of cancer using imaging-elastic-scattering spectroscopy.

**BUSINESS MODEL:**  
**Our strategy comprises multiple applications, markets & revenue streams.**

Our spectral-optical-imaging technology has multiple applications, end-user markets, and potential revenue streams. Our devices are intended to harness our acousto-optic-tunable filter platform, generating revenue from unit sales, recurring items, and tangential services, including high profit margin software. We also intend to generate income from telemedicine (dermatology), device maintenance, optional feature modules, and remote terminals. Our objective is for SkinSpect™ to become an integral part of the standard of care in melanoma detection. Additionally, our strategy will include the potential acquisition of complementary products and technologies in the dermatological arena. We plan to commence a similar timeline and development plan for each of the EndoSpect™ and OxySpect™ devices.



**MANAGEMENT:**  
**We have experienced senior management with in-depth backgrounds in biomedical sciences.**

**Daniel L. Farkas, PhD – Founder and Chairman**

Dr. Farkas is Professor of Surgery and Biomedical Sciences and Director of the Minimally Invasive Surgical Technologies Institute at the Cedars-Sinai Medical Center in Los Angeles, California (where he also served as Vice-chairman for Research in the Department of Surgery from 2002 until 2009). Trained in Physics, he holds a PhD from the Weizmann Institute in Israel, came to the US as a Fulbright scholar, and served from 1992 to 2002 at Carnegie Mellon University as Associate Director and then Director of a National Science and Technology Center that won the Smithsonian Award for Science in 1996. Additionally, he was Professor of Bioengineering and Pathology at the Univ. of Pittsburgh. Currently, in addition to his faculty positions there, he is Research Professor in Biomedical Engineering at the Univ. of Southern California, and Adjunct Professor of Robotics at Carnegie Mellon University. He has published approximately 160 articles and 18 books, is on 11 journal editorial boards, chaired 25 international conferences and had \$65 million in peer-reviewed funding for his research for which he was awarded the Automated Imaging Association Award for Scientific Application (1994) and the Sylvia Sorkin Greenfield Award from the American Association of Physicists in Medicine (2002). In 2008 he was elected President of IMLAS, an international interdisciplinary surgical society.



Spectral Molecular Imaging, Inc.  
www.spectralmi.com

## VITAL STATISTICS

AS OF MAY 14, 2010

SHARE PRICE  
**\$0.35**

52-WEEK RANGE  
**\$0.25 – \$1.50**

MARKET CAP  
**\$66.7 million**  
(approx.)

SHARES OUTSTANDING  
**190.6 million**  
(approx.)



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**SAFE HARBOR STATEMENT** We are a development stage company with limited assets and no revenue. Matters discussed in this investor information sheet contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this investor information sheet, the words "anticipate," "believe," "estimate," "may," "intend," "expect" and similar expressions identify such forward-looking statements. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. These forward-looking statements are based largely on the expectations of SMI and are subject to various risks and uncertainties. These include, but are not limited to, risks and uncertainties associated with: the impact of economic, competitive and other factors affecting SMI and its operations, markets, ongoing product development, technological obsolescence, competition from other medical instrument(s) and imaging companies, lack of capital, lack of revenue, unexpected costs, failure or delay of FDA approval, absence of revenue, the impact on the national and local economies resulting from an economic recession; unavailability of financing for the Company or its customers, product malfunction and potential product liability claims, and other factors detailed in reports filed by SMI's parent, Cascade Technologies, Inc (OTCBB: CSDT).

### Erik H. Lindsley, PhD – President and Director

Dr. Lindsley is a biomedical engineer with 8 years of bioimaging experience, primarily in medical devices, including their development and surgical applications. Additionally, he has 10 years of professional computer programming and 3 years of telecommunication engineering experience, as well as extensive knowledge with medical endoscopes, cancer research, and augmented reality for hospital operating rooms. He has significant insight into medical instrumentation and regulations, and medical information systems, and possesses deep cross-functional experience in computer science and electrical engineering. Dr. Lindsley completed received his Ph.D. in Biomedical Engineering from the University of Pittsburgh in 2005. Prior and subsequent to his official degree award, he did post-doctoral work in the Spectral Visualization Laboratory at the Robotics Institute at Carnegie Mellon University, prior to joining the Cedars-Sinai Medical Center (2005) as a Research Scientist.

### MARKETPLACE:

**Products expected to save lives while reducing healthcare costs in multibillion-dollar medical markets.**

We believe that the development of our technology and the accepted use of our products will improve long-term patient outcomes while substantially reducing overall healthcare costs. In 2004, domestic spending on non-melanoma skin cancer alone topped \$1 billion, and by 2010 worldwide spending on melanoma is expected to reach \$6 billion. Since approximately 62% of melanomas and 45% of melanoma deaths occur before age 65, the growing treatment costs for melanoma places significant burdens on the healthcare system well beyond Medicare. Additionally, published reports estimate the total current annual U.S. market for endoscopic-imaging products at approximately \$6 billion/year for gastro-intestinal and lung applications alone.

### VISION:

**We address unmet medical needs and growing markets.**

SMI's vision is built on a unique plan to apply an enabling technology we pioneered, designed to address essential needs in medicine and surgery. These are unmet needs that in our estimate - are vitally important today, will become more significant within the next decade, and are not adequately addressed by any other product currently on the market.