Investment Opportunity
Mycotox Solutions Inc. (“MSI”), a Winnipeg (Canada) based Biotech Company, has two unique technologies capable of eliminating the toxic and carcinogenic effects of mycotoxins (fungal toxins) in livestock, poultry, pets and aquaculture caused by the consumption of toxin-contaminated feed. This mycotoxin contamination is known to be transferred to humans via milk, eggs and meat. The annual losses in the US and Canada due to the impact of mycotoxins on the feed and livestock industries is estimated at $5 billion USD. The market for feed mycotoxin detoxifiers in North America, Europe and Asia Pacific, was estimated at US$1.8 billion in 2015 and $2.1 billion USD by 2020. MSI is looking for a seed investment of $100,000 CAD (in two instalments of $50K CAD) in exchange for 20% equity in the company. Currently, MSI is in discussions with a couple of multinational companies that are interested in MSI’s technologies.

Business Description
Mycotox Solutions Inc. was founded in 2014 by Dr. Sri Madhyastha and Prof. Ronald R. Marquardt. The Company is focused on developing, patenting and commercializing technologies for the mitigation of mycotoxins in the livestock and feed industries. Revenue will be generated from out licensing of the technology, including: (i) an upfront fee for signing the right of first refusal agreement; (ii) licensing agreement fee; (iii) milestone fee payment after completing each milestone; and (iv) royalty on sales.

What are Mycotoxins?
Mycotoxins are naturally occurring toxins produced by moulds growing on agricultural crops and forages before harvest and during storage. Consumption of these toxins by animals causes irreversible damage to their livers and kidneys, as well as cancer, immunotoxicity, neurotoxicity, and loss of fertility. These effects greatly reduce animal weight gain and the efficiency of feed utilization, thereby decreasing profitability. Furthermore, mycotoxins are transferred to humans via the consumption of dairy products, eggs and meats.

Problem with Existing Solutions
Current marketed solutions involve the use of nonspecific mycotoxin binders, which are only partially effective at absorbing mycotoxins. Furthermore, they absorb important nutrients (vitamins, minerals and antioxidants) in animal feed, which affects the nutritional health of livestock.

MSI's Unique Solutions
MSI's unique two-pronged approach to detoxify mycotoxins in feed involves the use of: (i) aptamer (a specific chemical antibody-based toxin binder to prevent absorption of toxins in the gut); and (ii) phytochemical-based toxin deactivators to transform absorbed toxin into nontoxic or less toxic water-soluble conjugates in the body for excretion. The combination of these approaches will enable MSI to develop a unique, safe and highly effective product that will be superior to competing products that are currently on the market and will result in improved animal performance and the production of safe animal products as well. Furthermore, MSI's products will not only greatly reduce gut absorption of mycotoxin, but will also deactivate absorbed mycotoxin by activating the detoxifying...
enzyme system in the body for elimination. MSI products will therefore prevent the transfer of mycotoxin contamination via milk, eggs and meat to humans.

Proof of Concept
MSI's 'proof of concept' research with Aflatoxin B1 (AFB1) using Zebrafish as a model animal demonstrated the complete prevention of lethality in Zebrafish by an AFB1-specific aptamer. In contrast, the lethality in Zebrafish when treated with only AFB1 was 82%. These data strongly support the proposal that aptamers can be designed to eliminate mycotoxin pathogenicity in animals.

Projected Revenue
Currently, MSI has two published PCT patent applications entitled: (i) “Aptamers for Mycotoxin Detoxification (WO 2017/075696 A1)” and (ii) “Uses of Mycotoxin Detoxifying Antibodies” (WO 2017/075696 A1). MSI plans on generating revenue by out-licensing the technologies to animal healthcare and feed companies that manufacture and market feed additives, including mycotoxin detoxifying agents. It is expected that revenues from licensing will include an upfront fee, milestone payments and royalties. Based on a conservative estimate, by the end of 2020 MSI could generate revenue of $0.5 million CAD from an upfront fee of $150K CAD for signing the right of first refusal agreement and $350K CAD for executing the licensing agreement for one of the two technologies. Additionally, royalty payments (5% of sales) by the companies that license the technology/product prototype would start in 2025.

Management Team
The management team includes Dr. Sri Madhyastha, Ph.D. (Co-Founder & President) and Dr. Ron Marquardt, Ph.D. and Professor Emeritus at the University of Manitoba (Co-Founder & Vice President). They are uniquely qualified with their expertise in mycotoxins, experience in industrial research & management, and their network of contacts in the animal feed industry. They also have the knowledge and experience in developing, patenting and out-licensing technologies because of their prior involvement in several Winnipeg (Canada)-based Biotech Companies such as Nutrateau Inc., Kane Biotech Inc., Zyme Fast Inc. and All-Natural Nutritional Products Inc. Recently, Dr. Gregory Penner (President & CEO of NeoVentures Biotechnology, London, ON)) who is one of the world experts in aptamer technology, joined the management team as an expert consultant.

Start-Up Funding
MSI's pre-revenue valuation of $0.5million CAD is based on the intellectual property value and projected revenues by the end of 2020. It is also based on 0.025% of market size, i.e. about 2 billion. MSI is looking for a seed investment of $100,000 CAD (in two instalments of $50K CAD) in exchange for 20% equity in the company. The seed money will be used for expenses involved in a validating animal feeding study, for filing patent applications in selected EU and Asia Pacific countries and for obtaining matching funding from provincial and federal grant agencies.

Exit Strategy: Please contact us if you like to have a look at our business plan, which includes the exit strategies for shareholders.