

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

Fiscal Year Ended February 28, 2007

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-49685

## BI-OPTIC VENTURES INC.

(Name of small business issuer in its charter)

British Columbia, Canada  
(State or Incorporation or Organization)

N/A  
(IRS Employer ID No.)

1030 West Georgia Street, Suite #1518, Vancouver, British Columbia V6E 2Y3  
(Address of principal executive offices)

Issuer's Telephone Number, 604-689-2646

Securities to be registered pursuant to Section 12(b) of the Act: None

Securities to be registered pursuant to Section 12(g) of the Act:  
Common Shares without par value.  
(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 ☐ No

Check if there is no disclosure of delinquent filers in response 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. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes xxx No \_\_\_\_\_

The issuer's revenues for its most recent fiscal year: \$nil

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days (OTCBB). May 9, 2007 = US\$2,710,245

Common Shares outstanding at May 22, 2007: 10,012,235 shares

**Bi-Optic Ventures Inc.**  
**Form 10-KSB Annual Report**  
**Fiscal Year Ended February 28, 2007**

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## PART I

### ITEM 1. DESCRIPTION OF BUSINESS

#### Introduction

Bi-Optic Ventures Inc. (hereinafter is also referred to as the "Company" and/or the "Registrant") for during the last fiscal year had no material business activity. On 4/3/2007, the Company announced that it had entered into an agreement dated as of 3/22/2007 with Pacific Bio-Pharmaceuticals, Inc. ("Pacific"), PRB Pharmaceuticals, Inc. ("PRB"), and all of the shareholders of Pacific pursuant to which the Company has agreed to acquire all of the issued and outstanding shares and warrants of Pacific in exchange for one common share of the Company and one warrant of the Company, as applicable (the "Acquisition"). To acquire Pacific, the Company has agreed to issue a maximum of 20,000,000 common shares and 2,500,000 warrants, assuming the completion of Pacific's planned private placement financing prior to the closing of the Acquisition.

The Company's principal office is located at:

#1518 - 1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3  
Telephone: 604-689-2646  
Facsimile: 604-689-1289

The contact person is Harry Chew, President and Director.

The Company's authorized capital includes an unlimited number of common shares without par value. As of 2/28/2007, there were 10,012,235 common shares outstanding. As of 5/22/2007, there were 10,012,235 common shares outstanding.

The Company's common shares are listed on the NEX Board of the TSX Venture Exchange in Canada with the symbol "BOV.H". The Company's common shares are listed on the NASD Electronic Bulletin Board in the United States with the symbol "BOVKF.OB".

The Company's fiscal year ends on the last day of February.

The Company's financial statements are stated in Canadian Dollars (CDN\$) and are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Herein, all amounts are stated in Canadian Dollars, unless otherwise indicated.

### Historical Corporate Development

The Company was incorporated in British Columbia on 5/31/1984 under the name Golden Rock Resources Ltd. The name was changed to Bismimillah Ventures Inc. on 3/22/1993, to Royal Rock Ventures Inc. on 11/10/1997, and to Bi-Optic Ventures Inc. on 4/6/2001.

From incorporation through Fiscal 1997, the Company was involved in the exploration of mineral properties.

From July 1999 to February 2001, the Company was active in attempting to acquire Biopath Research Inc. ("Biopath"). Biopath is engaged in the business of research regarding and the design and development of innovative medical diagnostic products for use in homes, hospitals and in physicians' offices as well as other point of care locations. Pursuant to the 7/28/1999 purchase agreement, the Company agreed to: issue 2,625,000 performance common shares; issue 500,000 warrants at \$1.12 per share in four equal installments; and to advance \$300,000 to Biopath for demand promissory notes. The Company advanced \$248,600 and \$49,797 during Fiscal 2000/Fiscal 2001; the monies advanced by the Company to Biopath, being \$298,397 to date, are secured by a first fixed and floating charge upon all the assets of Biopath and an assignment of invention.

Effective February 2001, the Company ceased pursuing the acquisition of Biopath. The Company wrote off \$49,418 of deferred acquisition costs and \$298,397 in secured advances to Biopath during Fiscal 2001.

On 3/31/2005, the Company requested a trading halt on the TSX Venture Exchange pending an announcement. On 7/14/2005, the Company announced that negotiations regarding an acquisition during the prior four months were not successfully concluded; and the common stock resumed trading. The Company is evaluating and performing due diligence on various projects for a possible acquisition or on a joint-venture basis; but none are yet probable.

On 3/22/2007, the Company agreed to acquire Pacific Bio-Pharmaceuticals, Inc. through the issuance of a maximum of 20,000,000 common shares and 2,500,000 warrants. The Company also announced two planned private placements intended to raise up to \$2 million dollar through the issuance of 4,00,000 units. Also, the Company announced plans, pending completion of the acquisition, to name new officers/directors and to change the corporate name.

## Business

### Overview

During 2002-2004, the Company was in negotiations to acquire a 50-percent undivided interest in two diamond properties located in the Otish Mountain, Quebec area; the Company has abandoned this attempt. On 3/31/2005, the Company requested a trading halt on the TSX Venture Exchange pending an announcement regarding an acquisition; on 7/14/2005, the Company announced that negotiations during the prior four months were not successfully concluded; and the common stock resumed trading. During 2005-2007, the Company was examining various business ventures and properties.

On 3/22/2007, the Company agreed to acquire Pacific Bio-Pharmaceuticals, Inc. The Company also announced two planned private placements intended to raise up to \$2 million through the issuance of 4,000,000 units. Also, the Company announced plans, pending completion of the acquisition, to name new officers/directors and to change the corporate name.

Completion of the Acquisition is subject to a number of conditions, including but not limited to, Toronto Venture Exchange acceptance, disinterested shareholder approval, and successful due diligence by all parties. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. **At this time, completion cannot be considered "probable".**

### Acquisition of Pacific Bio-Pharmaceuticals Inc. ("Pacific")

The acquisition agreement is between the Company, Pacific, PRB Pharmaceuticals Inc. ("PRB") and the certain holders of securities issued by Pacific.

Upon and subject to the terms and conditions of the Agreement, each of the Pacific shareholders hereby agrees to sell their Pacific shares owned by the Pacific shareholder to the Company, and the Company agrees to purchase all of the Pacific shares from the Pacific shareholders, on the closing date, on the basis of one Company common share for every one Pacific share. The deemed value of each Company common share and Pacific share will be determined by the Company and the Toronto Venture Exchange pursuant to Toronto Venture Exchange policies and applicable laws. In addition to the foregoing, the Company will issue one warrant in exchange for every warrant of Pacific issued under the proposed Pacific private placement on similar terms as such warrants, subject to adjustment as may be required by the Toronto Venture Exchange or under applicable laws. Notwithstanding the foregoing, in no case will the Company issue more than 20,000,000 Company common shares in exchange for the Pacific shares, and no more than 2,500,000 warrants in exchange for any warrants issued and under the proposed Pacific private placement, and in the event that there are more than 20,000,000 Pacific shares or 2,500,000 such Pacific warrants outstanding on the closing date, the Pacific shareholders agree to take less than one Company common share or warrant in exchange for each of their Pacific shares or warrants, as the case may be, on a pro rata basis.

The Company common shares received by Pacific "Principals", as defined in the TSX Venture Exchange's policies, will also be subject to escrow conditions prescribed by the Toronto Venture Exchange pursuant to the terms of an agreement (the "Escrow Agreement") to be entered into among the Company, the Pacific Principals and Pacific Corporate Trust Company. The Company agrees to use its commercially reasonable efforts and to take all practical steps available to it to ensure that the TSX Venture Exchange does not impose any escrow conditions in excess of 18 months, in the case of a Tier 1 listing, or three years, in the case of a Tier 2 listing, on the Company common shares issued to the Pacific Principals on closing. The Company further agrees to take all practical steps to have the escrow restrictions changed as soon as possible following any change in its status from Tier 2 to Tier 1. Notwithstanding the foregoing, all parties hereto acknowledge and agree that escrow conditions may be imposed by the TSX Venture Exchange for as many as 72 months or such higher amount as the Exchange may deem acceptable.

#### Proposed Change in Directors and Executive Officers

Effective as of the closing of the acquisition, the proposed Directors and Executive Officers of the Company would consist of:

Harry Chew: Chairman, Chief Executive Officer, and Director

Sonny Chew: Secretary and Director

Terrance G. Owen: President and Director

Theodore Y. Nitta: Chief Financial Officer and Director

#### Proposed Private Placements

Gateway Securities Inc. ("Gateway") has, subject to completion of satisfactory due diligence, agreed to act as sponsor to the Company in connection with the acquisition and reverse-takeover. An agreement to sponsor should not be construed as any assurance with respect to the merits of the Acquisition or the likelihood of completion of the reverse takeover.

In addition to acting as the sponsor for the Company, Gateway has also agreed to act as agent of the Company in connection with a brokered private placement offering (the "Brokered Offering") of 1,000,000 units (the "Brokered Units") at a price of \$0.50 per Brokered Unit for gross proceeds of \$500,000. In addition to the Brokered Offering, the Company will be conducting a non-brokered private placement of up to 3,000,000 units (the "NB Units") at a price of \$0.50 per NB Unit for gross proceeds of up to \$1.5 Million. Total gross proceeds from the Brokered Offering and the non-brokered private placement will be CDN\$2 Million, if fully subscribed. Each Brokered Unit and each NB Unit will consist of one common share and one-half of one transferable warrant. Each whole warrant will be exercisable into one common share for a period of one year from closing at a price of \$0.65.

Gateway will be paid a cash fee equal to 7% of the gross proceeds raised in the financing and agent's options (the "Agent's Options") equal to 7% of the units sold thereunder, as well as a corporate finance fee of \$25,000 plus GST. Each Agent's Option will be exercisable into a unit (an "Agent's Unit") at a price of \$0.50 per Agent's Unit for a period of one year from the closing. The Agent's Units shall have the same terms as the Brokered Units and the NB Units. Gateway will also be reimbursed for its reasonable out-of-pocket expenses and disbursements including the expenses of its legal counsel.

Proceeds from the financing will be used to acquire new lab and office equipment, inventory, sales and marketing and for general working capital purposes.

#### Pacific Proposed Private Placement

##### Securities Issued on Closing

##### Accounting Impact of Acquisition

Pacific currently has 17,500,000 common shares issued and is proposing to issue a further 2,500,000 common shares upon closing of a planned private placement financing that will occur prior to the closing of the Acquisition. This financing is expected to be completed at a price of USD\$0.40 per unit, each such unit consisting of a common share and one common share purchase warrant exercisable at USD\$0.45 for a period of two years from its issue date into a common share of Pacific. The subscribers to Pacific's private placement will be required to become parties to the agreement governing the Acquisition. The current shareholders of Pacific are: PRB, as to 10,500,000 common shares; Theodore Y. Nitta of Vancouver, British Columbia, as to 3,000,000 common shares; Charles B. Hensley of Redondo Beach, California, as to 3,000,000 common shares; Richard S. Pyo of Irvine, California, as to 500,000 common shares; and Shahriar Pourdanesh of Irvine, California, as to 500,000 common shares. The shareholders of PRB that beneficially hold, directly or indirectly, a controlling interest in PRB, or who otherwise control or direct PRB, are Charles B. Hensley and Ernesto Barron of Los Angeles, California.

On the closing of the acquisition and the private placements, the Company expects to be classified as a technology issuer and would have outstanding approximately 34,522,235 common shares, 4,500,000 million warrants and 3,000,000 stock options to acquire additional common shares. All common shares held by principals of the Company (as such term is defined in the Toronto Venture Exchange's policies) would be escrowed pursuant to the policies of the Toronto Venture Exchange.

Legally, the Company would be the parent of Pacific. However, as a result of the share exchange described above, control of the combined companies would pass to the former shareholders of Pacific, resulting in a reverse takeover for accounting purpose. The application of reverse takeover accounting to the above transaction would result in the following:

- a. The Company's consolidated financial statements would be issued under the name of Bi-Optic Ventures Inc. (prior to proposed name change) but would be presented as a continuation of the business of Pacific.
- b. As Pacific will be deemed to be the acquirer for accounting purpose, its assets and liabilities are included in the consolidated financial statements of the continuing entity at their historical value.
- c. The number and class of outstanding shares reported are those of the Company, adjusted for the acquisition while the dollar amounts relating to share capital, contributed surplus, and deficit are those of Pacific.
- d. The comparative figures reported will be those of Pacific, the continuing entity.
- e. As the Company is expected to have a net asset deficiency at the date of the reverse takeover, the excess of liabilities assumed over identifiable assets acquired, and the estimated value for the common shares issued and stock options granted in connection with the acquisition, would be treated as a capital transaction and charged to deficit.
- f. The operations of the Company would be included from the closing date.

#### Business of Pacific Bio-Pharmaceuticals Inc.

Pacific is a privately held Nevada corporation with offices in California that holds rights, directly and through a license from PRB, to certain biopharmaceutical technologies that have demonstrated potential effectiveness against several influenza strains. Provisional patent applications have been made in the United States for certain aspects of the technologies.

Testing conducted in Dr. John Tam's laboratory at the Chinese University of Hong Kong demonstrated that one of the platform technology's anti-viral fractions inhibit SARS CoV infections in vitro. This is the virus responsible for Severe Acute Respiratory Syndrome ("SARS") in humans. Further testing at Institute for Antiviral Research, Utah State University demonstrated this same fraction to be effective at inhibiting avian influenza (H5N1) viral infections in MDCK cells. The Central Laboratory for Evaluation of Veterinary Biologics (CLEVB) in Cairo has been conducting animal tests (poultry) on an agricultural product based on the platform technology in order to determine its effectiveness against a variety of viruses, including avian influenza (H5N1) and Exotic Newcastle's Disease (END); these experiments are ongoing. The foregoing tests are not definitive and final results may vary. The technologies will require additional testing before their efficacy can be definitively determined. In 2006, the Libyan Veterinary Central Pharmacy placed their first order of Pacific's agricultural anti-viral product for poultry.

Pacific is currently focused on developing markets outside of North America for its products for the poultry and livestock industry. The lead product is a drinking water additive designed to inhibit animal influenza on agricultural farms. Further extensive testing may be required in order meet regulatory requirements in the countries in which Pacific intends to sell its products.

#### Employees

As of 5/22/2007, the Company had two employees, its two executive officers have been responsible for the operations of the Company on a consulting basis.

#### Enforceability Of Civil Liabilities Against Foreign Persons

Because the Company is incorporated under the laws of British Columbia and is headquartered in Canada, our investors may have difficulty enforcing civil liabilities under the U.S. federal securities laws against its officers and directors, especially because all of its directors and officers reside in Canada.

Because all of the Company's assets are located outside the U.S., it may be difficult for an investor to sue, for any reason, the Company or any of its directors or officers through U.S. jurisdictions. If an investor was able to obtain a judgment against the Company or any of its directors or officers in a U.S. court based on U.S. securities laws or other reasons, it may be difficult to enforce such judgment in Canada. The Company is uncertain as to the enforceability, in original actions in Canadian courts, of liability based upon the U.S. federal securities laws and as to the enforceability in Canadian courts of judgments of U.S. courts obtained in actions based upon the civil liability provisions of the U.S. federal securities laws.

#### **ITEM 2. DESCRIPTION OF PROPERTY**

The Company's executive offices are located in rented premises of approximately 950 sq. ft. at 1030 West Georgia Street, Suite #1518, Vancouver, British Columbia, Canada V6E 2Y3. Monthly rent is \$2,500. The Company began occupying this facility in September 2006 and considers the facility adequate for current needs. The Company maintains no other offices or property.

#### **ITEM 3. LEGAL PROCEEDINGS**

The Company knows of no material, active or pending legal proceedings against them; nor is the Company involved as a plaintiff in any material proceeding or pending litigation. The Company knows of no active or pending proceedings against anyone that might materially adversely affect an interest of the Company.

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

--- No Disclosure Necessary ---



## PART II

### ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### Market Information

The Company's initial public offering of its common shares was effective on the Vancouver Stock Exchange under the auspices of the British Columbia Securities Commission on 12/23/1986 under a former name, "Golden Rock Resources Ltd.". The Vancouver Stock Exchange was absorbed by the Canadian Venture Exchange, which was absorbed by the TSX Venture Exchange. The current stock symbol on the TSX Venture Exchange NEX Board is "BOV.H".

Table No. 1 lists the volume of trading and high, low and closing sales prices on the TSX Venture Exchange and NEX Board for actual trades of common shares of the Company for the last eight fiscal quarters. The trading of the Company's common shares on the TSX Venture Exchange is regulated by the policies of the exchange that include various numerical maintenance thresholds regarding assets, funds expended on operations, and minimum working capital. The Company's common shares were suspended on 10/2/2002 from trading effective 10/3/2002 for the failure to maintain Tier Maintenance Requirements in accordance with Policy 2.5 and being designated an Inactive Issuer for a period greater than 18-months. Effective the re-opening of trading on 8/13/2003, the Company's listing was transferred from the TSX Venture Exchange to the NEX Board of the TSX Venture Exchange, a new trading forum for listed companies that have fallen below ongoing listing standards.

The closing price was \$1.20 on 3/31/2005, when the Company voluntarily halted trading pending an announcement regarding an acquisition; on 7/14/2005, the Company announced that negotiations during the prior four months were not successfully concluded; and the common stock resumed trading. Again, on 8/3/2006, the Company voluntarily halted trading pending an announcement regarding an acquisition; on 8/2/2006, the closing price was CDN\$0.42.

Table No. 1  
TSX Venture Exchange - NEX Board  
Common Shares Trading Activity

Fiscal Quarter Ended	Volume	High	Low	Closing
2/28/2007	0	---	---	---
11/30/2006	0	---	---	---
8/31/2006	1,165,650	\$0.50	\$0.37	\$0.42
5/31/2006	1,066,750	0.80	0.28	0.40
2/28/2006	1,074,560	\$0.35	\$0.205	\$0.30
11/30/2005	767,566	0.37	0.20	0.30
8/31/2005	232,150	0.64	0.215	0.215
5/31/2005	1,160,000	1.29	0.84	1.20

The Company's common shares were listed on the NASD Electronic OTC Bulletin Board under the symbol "BOVKF.OB" in April 2003.

Table No. 2 lists the volume of trading and high, low and closing sales prices on the NASD Electronic OTC Bulletin Board for the Company's common shares for: the last seven fiscal quarters. Trading started on 6/19/2003. On 5/9/2007 (last traded), the closing price was US\$0.30.

Table No. 2  
NASD Electronic Bulletin Board  
Common Shares Trading Activity

Fiscal Quarter Ended	Volume	High	Low	Prices US Dollars Closing
2/28/2007	369,000	\$0.48	\$0.30	\$0.39
11/30/2006	505,125	0.40	0.23	0.40
8/31/2006	331,600	0.54	0.32	0.35
5/31/2006	96,800	0.63	0.38	0.49
2/28/2006	7,550	\$0.70	\$0.16	\$0.26
11/30/2005	7,200	0.32	0.16	0.32
8/31/2005	163,500	0.74	0.24	0.26
5/31/2005	127,684	1.13	0.60	0.75

#### Share Purchase Warrants

On 9/20/2005, the Company closed a non-brokered private placement of 929,000 units at a price of \$0.25 per unit, for gross proceeds of \$232,250. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common share in the capital of the Company at an exercise price of \$0.30 for a period of one year. A 7% finders' fee (\$11,550) was paid on a portion of this private placement. 919,000 warrants were exercised during Fiscal 2007, raising \$275,700.

#### Stock Options

The Company does not have a stock option plan in place currently; NEX companies are not allowed to grant stock options.

No stock options were granted or exercised during Fiscal 2007 or Fiscal 2006. As of 5/22/2007, no stock options are outstanding.

### **The TSX Venture Exchange**

The TSX Venture Exchange is a result of the acquisition by the Toronto Stock Exchange of the Canadian Venture Exchange ("CDNX") from its member firms on 8/1/2001. The CDNX resulted from the merger between the Vancouver Stock Exchange and the Alberta Stock Exchange that took place on 11/29/1999, to form the CDNX. The TSX Venture Exchange currently operates as a complementary but independent exchange from its parent, the Toronto Stock Exchange.

The initial roster of the CDNX was made up of venture companies previously listed on the Vancouver Stock Exchange or the Alberta Stock Exchange and later incorporated junior listings from the Montreal Stock Exchange, the Winnipeg Stock Exchange, and the CDN Over-The-Counter Market. The TSX Venture Exchange is a venture market as compared to the TSX Stock Exchange that is Canada's senior market and the Montreal Exchange that is Canada's market for derivatives products.

The TSX Venture Exchange currently has five service centers: Calgary, Toronto, Vancouver, Winnipeg and Montreal. These service centers provide corporate finance, surveillance and marketing expertise. The corporate office for the TSX Venture Exchange is located in Calgary and the operations office is located in Vancouver.

The TSX Venture Exchange is a self-regulating organization owned and operated by the Toronto Stock Exchange, which in turn is owned by its member brokerage firms. Representatives of member firms and the public govern it.

Organizationally, the TSX Venture Exchange is comprised of seven business areas: Corporate Finance Services, Trading and Market Information Services, Compliance, Marketing, Technology, Corporate Affairs and Human Resources.

The TSX Venture Exchange acts as a business link between TSX members, listed companies and investors. TSX Venture Exchange policies and procedures are designed to accommodate companies still in their formative stages and recognize those that are more established. Listings are predominately small and medium sized companies.

Investors in Canada are protected by the Canadian Investor Protection Fund ("CIPF"). The CIPF is a private trust fund established to protect customers in the event of the insolvency of a member of any of the following self-regulatory organizations: the TSX Venture Exchange; the Montreal Exchange; the Toronto Stock Exchange; the Toronto Futures Exchange; and the Investment Dealers Association of Canada. Post-trade monitoring of market activity occurs in the market surveillance department. Sophisticated software analyses trade data from TRADETSX to detect possible market improprieties. A variety of surveillance and investigative tools allow the TSX Venture Exchange to perform electronic market monitoring and trade reviews. The surveillance department is also responsible for monitoring and reviewing listed company activities and detecting breaches of the listing policies or the listing agreement. Market surveillance and listed company surveillance activities are closely coordinated.

Enforcement action taken by surveillance department may include the following:

- 1) forcing companies to correct misleading or inaccurate disclosure which includes new releases or internet postings;
- 2) requiring the resignation of unacceptable directors and officers;
- 3) requiring cancellation and return shares to treasury;
- 4) requiring undertakings from directors and officers that they will ensure compliance with the listing agreement and listings policies in the future;
- 5) requiring the termination of unacceptable investor relations services;
- 6) halting and suspending trading in the shares of companies;
- 7) de-listing companies that have contravened exchange by-laws/rules/policies.

The market surveillance department issues TSX notices to inform the public of halts, suspensions, de-lists and other enforcement actions. All TSX notices can be found on the TSX website or INFOTSX. In the public interest, trading halts or suspensions are maintained until the surveillance department is satisfied that there is adequate disclosure of the company's affairs and a level playing field for investors.

In addition to market surveillance, the TSX Venture Exchange's compliance department is comprised of an investigative services team that conducts investigations into alleged violations of securities trading. The TSX Venture Exchange Conduct Review Committee determines whether a case for discipline exists. Disciplinary cases either result in a settlement reached between TSX Venture Exchange and the respondent or they proceed to a disciplinary hearing. The public can attend disciplinary hearings, view the exhibits filed and obtain copies of the decisions issued by the panel. If the hearing panel's decision is not acceptable to either TSX Venture Exchange or the respondent, an appeal process may be initiated.

#### **Holders**

The Company's common shares are issued in registered form and the following information is taken from the records of Pacific Corporate Trust Company (located in Vancouver, British Columbia, Canada), the registrar and transfer agent for the common shares.

On 5/17/2007, the shareholders' list for the Company's common shares showed 45 registered shareholders and 10,012,235 common shares outstanding. 32 of these shareholders were Canadian residents, holding 9,583,364 shares representing about 96% of the issued and outstanding common shares. 10 of these shareholders were U.S. residents, holding 393,996 shares representing about 4% of the issued and outstanding common shares. Three other shareholders were residents of other countries, holding 34,875 shares representing less than 1% of the issued and outstanding common shares.

The Company has researched the indirect holding by depository institutions and the indirect holdings of other financial institutions and estimates that there are 300 "holders of record" and beneficial owners of its common stock.

#### **Dividends**

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain future earnings for use in its operations and expansion of its business. There are no restrictions that limit the ability of the Company to pay dividends on common equity or that are likely to do so in the future.

#### **Securities Authorized For Issuance Under Equity Compensation Plans.**

-- No Disclosure Necessary ---

#### **Use of Proceeds From Registered Securities is for working capital** **Recent Sales of Unregistered Securities;**

The Company relied on the exemptions from registration under Regulation S for the following private placements of securities to only Canadian residents:

Fiscal 2003:	400,000 Shares at \$0.10 upon warrant exercises
Fiscal 2004:	800,000 Shares at \$0.10 upon warrant exercises
Fiscal 2005:	1,500,000 Units at \$0.16 per unit, private placement (finder's fee of \$2,912 was paid)
	350,000 Warrants exercised at \$0.215
Fiscal 2006:	1,150,000 warrants exercised at \$0.215
	929,000 Units at \$0.25 per unit
Fiscal 2007:	919,000 warrants exercised at \$0.30
Fiscal 2008-to-date:	none

**ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION****Selected Financial Data**

Selected financial data as shown in Table No. 4 for the Company for Fiscal 2007/2006 Ended February 28th was derived from the financial statements of the Company that have been audited by Manning Elliott LLP, Chartered Accountants, as indicated in their report included elsewhere in this Annual Report. The selected financial data set forth for the Fiscal 2005/2004/2003 are derived from the Company's audited financial statements, not included herein.

The selected financial data should be read in conjunction with the financial statements and other financial data included elsewhere in this Annual Report.

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the near future.

Table No. 4  
Selected Financial Data  
(\$ in 000's, except per share data)

	Year Ended 2/28/2007	Year Ended 2/28/2006	Year Ended 2/29/2005	Year Ended 2/28/2004	Year Ended 2/28/2003
Revenue	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$408)	(\$249)	(\$293)	(\$121)	(\$132)
Net Loss	(\$408)	(\$200)	(\$293)	(\$121)	(\$132)
Loss per Share	(\$0.04)	(\$0.02)	(\$0.04)	(\$0.02)	(\$0.03)
Dividends per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wtg. Avg. Shares (000's)	9,546	8,556	6,726	4,864	4,166
Period-end Shares O/S	10,012	9,093	7,014	5,164	4,364
Working Capital (Deficit)	(\$60)	\$81	(\$186)	(\$149)	(\$157)
Long-Term Debt/Loans Payable	0	0	0	0	0
Common Stock	3,768	3,492	3,025	2,719	2,639
Stockholders' Equity (Deficit)	(46)	86	(182)	(146)	(153)
Total Assets	27	89	8	28	8

## Plan Of Operations

### Source of Funds for Fiscal 2008

The Company's primary source of funds since incorporation has been through the issuance of common stock and loans. The Company has had no revenue from operations to date and does not anticipate revenues in the foreseeable future.

The Company had a working capital deficit of \$60,429 at 2/28/2007. The Company has had discussions with third parties about an additional equity offering and/or loans; but the talks as of 5/22/2007 were preliminary.

### Use of Funds for Fiscal 2008

During Fiscal 2008, the Company estimates that it might expend \$360,000 on general/administrative expenses; although, this figure is subject to uncertainties including the closing of the proposed acquisitions. It is impossible to precisely estimate the probable expenditures associated with any possible acquisitions that might be consummated during Fiscal 2008.

### Anticipated Changes to Facilities/Employees

The Company has no plans to acquire any new facilities. The Company has no plans to add any additional personnel; however, if a business acquisition is consummated, additional personnel might be required.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Private Placement Financings

Fiscal 2003:	400,000 Warrants Exercised at \$0.10
Fiscal 2004:	800,000 Shares at \$0.10 upon warrant exercises
Fiscal 2005:	1,500,000 Units at \$0.16 per unit, private placement
	350,000 Warrants Exercised at \$0.215
Fiscal 2006:	1,150,000 Warrants Exercised at \$0.215
	929,000 Units at \$0.25 per unit
Fiscal 2007:	919,000 Warrants Exercised at \$0.30
Fiscal 2008-to-date:	none

### Overview

During 2002-2004, the Company had been in negotiations to acquire a 50-percent undivided interest in two diamond properties located in the Otish Mountain, Quebec area; the Company has abandoned this attempt. On 3/31/2005, the Company requested a trading halt on the TSX Venture Exchange pending an announcement regarding an acquisition; on 7/14/2005, the Company announced that negotiations during the prior four months were not successfully concluded; and the common stock resumed trading. During 2005-2007, the Company was examining various business ventures and properties.

On 3/22/2007, the Company agreed to acquire Pacific Bio-Pharmaceuticals, Inc. The Company also announced two planned private placements intended to raise up to \$2 million through the issuance of 4,00,000 units. Also, the Company announced plans, pending completion of the acquisition, to name new officers/directors and to change the corporate name. Completion of the Acquisition is subject to a number of conditions, including but not limited to, Toronto Venture Exchange acceptance, disinterested shareholder approval, and successful due diligence by all parties. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all. **At this time, completion cannot be considered "probable".**

### Liquidity and Capital Resources

In March 2004, the Company issued 1,500,000 units at \$0.16 per unit, each unit consisting of one common share and one warrant. Each warrant entitled the holder to purchase one additional common share of the Company at a price of \$0.215 per share, until 3/9/2005. 350,000 warrants were exercised during Fiscal 2005, with the remaining 1,150,000 warrants being exercised during Fiscal 2006.

On 9/20/2005, the Company closed a non-brokered private placement of 929,000 units at a price of \$0.25 per unit, for gross proceeds of \$232,250. Each unit consisted of one common share and one non-transferable share purchase warrant. Each warrant entitles the holder thereof to purchase an additional common share in the capital of the Company at an exercise price of \$0.30 for a period of one year. A 7% finders' fee (\$11,550) was paid on a portion of this private placement. 919,000 warrants were exercised, raising \$275,700.

#### Fiscal 2007 Ended 2/28/2007

Working Capital deficit was (\$60,249) at 2/28/2007  
Working Capital was \$81,278 at 2/28/2006.  
Working Capital deficit was (\$186,030) at 2/28/2005.  
Working Capital deficit was (\$148,876) at 2/29/2004.  
Working Capital deficit was (\$156,632) at 2/28/2003.

Cash used in Fiscal 2007 Operating Activities totaled (\$339,130), including the (\$407,597) Net Loss; the only significant adjusting item was a \$64,920 net change in operating assets and liabilities. Cash used in Investing Activities was \$12,526. Cash provided by Financing Activities was \$275,700 for shares issued, pursuant to the exercise of warrants.

#### Fiscal 2006 Ended 2/28/2006

Working Capital was \$81,278 at 2/28/2006.

Cash used in Fiscal 2006 Operating Activities totaled (\$391,188), including the (\$199,802) Net Loss; the only significant adjusting item was a (\$192,452) net change in operating assets and liabilities. Cash used in Investing Activities was \$1,906. Cash provided by Financing Activities was \$467,950 for shares issued, net of issuance costs.

## **Results of Operations**

### **Fiscal 2006 Ended 2/28/2007**

The Company is evaluating and performing due diligence on various projects for a possible acquisition or on a joint-venture basis; but none are yet probable.

Operating Expenses for Fiscal 2006 ended 2/28/2007 were \$407,597 compared to \$249,143 for last year. "Consulting/management fees" were higher (\$96,413 vs. \$91,610): (\$30,000 vs. \$30,000) paid/accrued to Myntek Management Services Inc.; and (\$66,413 vs. \$61,610) paid to third parties, the increase relating to payments made to consultants for project investigation costs. Professional fees" were higher (\$155,842 vs. \$48,805): (\$24,000 vs. \$24,000) paid/accrued to Wynson Management Services Ltd.; and (\$131,842 vs. \$24,805) paid to third parties, the increase was due to additional legal fees relating to due diligence costs for project investigation. Travel/Promotion rose significantly (\$81,261 vs. \$48,168) as a result of increased travel to investigate possible projects for acquisition.

Net Loss for Fiscal 2007 was (\$407,597). Loss Per Share was (\$0.04).

### **Fiscal 2006 Ended 2/28/2006**

The Company is evaluating and performing due diligence on various projects for a possible acquisition or on a joint-venture basis; but none are yet probable.

Operating Expenses for Fiscal 2006 ended 2/28/2006 were \$249,143 compared to \$293,380 for last year. "Consulting/management fees" were higher (\$91,610 vs. \$53,425): (\$30,000 vs. \$30,000) paid/accrued to Myntek Management Services Inc.; and (\$61,610 vs. \$23,245) paid to third parties, the increase relating to payments made to consultants for project investigation costs. Professional fees" were lower (\$48,805 vs. \$60,521): (\$24,000 vs. \$26,000) paid/accrued to Wynson Management Services Ltd.; and (\$24,805 vs. \$34,521) paid to third parties, the decrease was due to a reduction in legal fees. Travel/Promotion decreased significantly (\$48,168 vs. \$90,427) as a result of lower search/negotiations related to potential acquisitions.

Net Loss for Fiscal 2006 was (\$199,802). Loss Per Share was (\$0.02).

## **Off-Balance Sheet Arrangements**

No Disclosure Necessary



**ITEM 7. FINANCIAL STATEMENTS**

Audited Financial Statements: Fiscal 2007/2006

Report of Independent Registered Public Accounting Firm, dated 5/11/2007

Balance Sheets

Statements of Operations

Statements of Cash Flows

Statement of Stockholders' Equity (Deficit)

Notes to the Financial Statements

**BI-OPTIC VENTURES INC.  
FINANCIAL STATEMENTS  
YEARS ENDED  
FEBRUARY 20, 2007 AND 2006**



MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

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### **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of  
Bi-Optic Ventures Inc.  
(A Development Stage Company)

We have audited the accompanying balance sheets of Bi-Optic Ventures Inc. as of February 28, 2007 and 2006, and the related statements of operations, cash flows and stockholders' equity (deficit) for the years then ended and accumulated for the period from May 31, 1984 (Date of Inception) to February 28, 2007. 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 audits.

We conducted our audits 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. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bi-Optic Ventures Inc. as of February 28, 2007 and 2006, and the results of its operations and its cash flows for the years then ended and accumulated for the period from May 31, 1984 (Date of Inception) to February 28 2007, in conformity with accounting principles generally accepted in the United States.

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

/s/ MANNING ELLIOTT LLP

CHARTERED ACCOUNTANTS

Vancouver, Canada

May 11, 2007

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
**Balance Sheets**  
(expressed in Canadian dollars)

	February 28, 2007 \$	February 28, 2006 \$
Assets		
Current Assets		
Cash	—	75,956
Amounts receivable	6,642	1,774
Prepaid expenses	5,921	7,417
Total Current Assets	12,563	85,147
Property and Equipment (Note 3)	14,138	4,328
Total Assets	26,701	89,475
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Cheques issued in excess of funds on deposit	830	—
Accounts payable	49,376	869
Accrued liabilities	1,600	3,000
Due to related parties (Note 4)	21,186	—
Total Liabilities	72,992	3,869
Contingencies (Note 1)		
Subsequent Event (Note 8)		
Stockholders' Equity (Deficit)		
Common Stock: Unlimited common shares authorized without par value; 10,012,235 and 9,093,235 shares issued and outstanding, respectively	3,768,180	3,492,480
Deficit Accumulated During the Development Stage	(3,814,471)	(3,406,874)
Total Stockholders' Equity (Deficit)	(46,291)	85,606
Total Liabilities and Stockholders' Equity (Deficit)	26,701	89,475

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
**Statements of Operations**  
(expressed in Canadian dollars)

	Accumulated from May 31, 1984 (Date of Inception) to February 28, 2007 \$	For the Years Ended February 28, 2007 \$	February 28, 2006 \$
Revenue	-		
Expenses			
Acquisition costs written-off	347,815	-	-
Amortization	9,683	2,717	1,066
Bad debts	20,658	-	-
Consulting and management fees (Note 4(a))	538,054	96,413	91,610
Investor and public relations	83,639	5,200	6,891
Office, rent and telephone (Note 4(b))	312,037	50,659	39,773
Professional fees (Note 4(c))	461,315	155,842	48,805
Transfer agent and regulatory fees	90,979	15,505	12,830
Travel and promotion	279,082	81,261	48,168
Total Expenses	2,143,262	407,597	249,143
Loss from Operations	(2,143,262)	(407,597)	(249,143)
Other Income			
Accounts payable written-off	49,341	-	49,341
Interest and other income	13,729	-	-
Total Other Income	63,070	-	49,341
Net Loss Before Discontinued Operations	(2,080,192)	(407,597)	(199,802)
Loss from Discontinued Operations	(1,734,279)	-	-
Net Loss for the Period	(3,814,471)	(407,597)	(199,802)
Net Loss Per Share – Basic and Diluted		(0.04)	(0.02)
Weighted Average Shares Outstanding		9,546,000	8,556,000

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
**Statements of Cash Flows**  
(expressed in Canadian dollars)  
(unaudited)

	Accumulated from May 31, 1984 (Date of Inception) to February 28, 2007 \$	For the Years Ended February 28, 2007 \$	February 28, 2006 \$
Operating Activities			
Net loss for the period	(3,814,471)	(407,597)	(199,802)
Adjustments to reconcile net loss to net cash used in operating activities			
Acquisition costs written-off	347,815	—	—
Amortization	11,285	2,717	1,066
Assets written-off	388,226	—	—
Bad debts	20,658	—	—
Changes in operating assets and liabilities			
Amounts receivable	(27,300)	(4,868)	1,481
Prepaid expenses	(5,921)	1,496	(7,417)
Cheques issued in excess of funds on deposit	830	830	—
Accounts payable and accrued liabilities	298,766	47,106	(136,437)
Due to related parties	21,186	21,186	(50,079)
<b>Net Cash Used in Operating Activities</b>	<b>(2,758,926)</b>	<b>(339,130)</b>	<b>(391,188)</b>
Investing Activities			
Net cash used in discontinued operations	(362,241)	—	—
Acquisition of property and equipment	(25,422)	(12,526)	(1,906)
<b>Net Cash Used in Investing Activities</b>	<b>(387,663)</b>	<b>(12,526)</b>	<b>(1,906)</b>
Financing Activities			
Issuance of common shares	3,168,051	275,700	479,500
Share issuance costs	(21,462)	—	(11,550)
<b>Net Cash Provided by Financing Activities</b>	<b>3,146,589</b>	<b>275,700</b>	<b>467,950</b>
Change in Cash	—	(75,956)	74,856
Cash - Beginning of Period	—	75,956	1,100
Cash - End of Period	—	—	75,956
Non-cash Investing and Financing Activities			
Shares issued to settle debt	247,791	—	—
Shares issued for finders' fees	50,400	—	—
Shares issued to acquire mineral properties	275,000	—	—
Supplemental Disclosures			
Interest paid	—	—	—
Income tax paid	—	—	—

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
Statement of Stockholders' Equity (Deficit)  
From February 28, 2002 to February 28, 2007  
(expressed in Canadian dollars)

	Common Shares #	Stock Amount \$	Common Stock Subscribed \$	Deficit Accumulate d During the Developmen t Stage \$	Total \$
Balance – February 28, 2002	3,964,235	2,599,192	–	(2,659,990)	(60,798)
Shares issued pursuant to the exercise of warrants at \$0.10 per share	400,000	40,000	–	–	40,000
Net loss for the year	–	–	–	(132,362)	(132,362)
Balance – February 28, 2003	4,364,235	2,639,192	–	(2,792,352)	(153,160)
Shares issued pursuant to the exercise of warrants at \$0.10 per share	800,000	80,000	–	–	80,000
Share subscriptions received	–	–	48,400	–	48,400
Net loss for the year	–	–	–	(121,340)	(121,340)
Balance – February 29, 2004	5,164,235	2,719,192	48,400	(2,913,692)	(146,100)
Shares issued pursuant to a private placement at \$0.16 per share	1,500,000	240,000	(48,400)	–	191,600
Shares issued pursuant to the exercise of warrants at \$0.215 per share	350,000	75,250	–	–	75,250
Share issuance costs	–	(9,912)	–	–	(9,912)
Net loss for the year	–	–	–	(293,380)	(293,380)
Balance – February 28, 2005	7,014,235	3,024,530	–	(3,207,072)	(182,542)
Shares issued pursuant to a private placement at \$0.25 per share	929,000	232,250	–	–	232,250
Shares issued pursuant to the exercise of warrants at \$0.215 per share	1,150,000	247,250	–	–	247,250
Share issuance costs	–	(11,550)	–	–	(11,550)
Net loss for the year	–	–	–	(199,802)	(199,802)
Balance – February 28, 2006	9,093,235	3,492,480	–	(3,406,874)	85,606
Shares issued pursuant to the exercise of warrants at \$0.30 per share	919,000	275,700	–	–	275,700
Net loss for the year	–	–	–	(407,597)	(407,597)
Balance – February 28, 2007	10,012,235	3,768,180	–	(3,814,471)	(46,291)

(The accompanying notes are an integral part of the financial statements)

1. Nature of Operations and Continuance of Business

The Company was incorporated in the Province of British Columbia, Canada on May 31, 1984. The Company filed a 10-SB Registration Statement with the U.S. Securities Exchange Commission in 2003. The Company is a development Stage Company, as defined by Statement of Financial Accounting Standard ("SFAS") No.7 "*Accounting and Reporting by Development Stage Enterprises*". The Company is currently evaluating various business opportunities.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has never generated revenues since inception and has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. As at February 28, 2007, the Company has a working capital deficit of \$60,429 and has accumulated losses of \$3,814,471 since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

During the year ended February 28, 2007, proceeds of \$275,700 were received pursuant to the exercise of 919,000 share purchase warrants at \$0.30 per share. The Company will require approximately \$180,000 to continue operations for the next 12 months. Management anticipates the necessary funding to continue operations will either come by way of additional equity financing or continued advances from related parties.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States and are expressed in Canadian dollars. The Company has not produced any revenue and is a development stage company as defined by SFAS No. 7. There are no financial statements using Canadian generally accepted accounting principles, however, there would be no material reconciling items other than presentation items.

(b) Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses in the reporting period. The Company regularly evaluates estimates and assumptions related to the recoverability of long-lived assets and deferred income tax asset valuations. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

2. Summary of Significant Accounting Policies (continued)

(d) Property and Equipment

Property and equipment is recorded at cost. Amortization is computed at the following rates:

Computer equipment	30% declining balance
Furniture and equipment	20% declining balance
Leasehold improvements	5 years straight-line

(e) Long-lived Assets

In accordance with Financial Accounting Standards Board ("FASB") SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets", the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes an impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

(f) Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109, "Accounting for Income Taxes", as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

(g) Financial Instruments

The fair values of cash, amounts receivable, accounts payable, accrued liabilities and due to related parties approximate their carrying values due to the relatively short maturity of these instruments.

(h) Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at February 28, 2007 and 2006, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

(i) Basic and Diluted Net Income (Loss) per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "Earnings per Share" SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti dilutive.



2. Summary of Significant Accounting Policies (continued)

(j) Stock-based Compensation

Prior to March 1, 2006, the Company accounted for stock based awards under SFAS No. 123, "*Accounting for Stock-Based Compensation*". All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. Equity instruments issued to employees and the cost of the services received as consideration are measured and recognized based on the fair value of the equity instruments issued. Effective March 1, 2006, the Company adopted the fair value recognition provisions of SFAS No. 123R "*Share Based Payments*", using the modified retrospective transition method. The Company does not currently have a stock option plan. Accordingly, there was no effect on the Company's reported loss from operations, cash flows or loss per share as a result of adopting SFAS No 123R.

Common shares issued to third parties for non-cash consideration are valued based on the fair market value of the services provided or the fair market value of the common stock on the measurement date, whichever is more readily determinable.

(k) Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115". This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115 "Accounting for Certain Investments in Debt and Equity Securities" applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, "Fair Value Measurements". The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106, and 132(R)". This statement requires employers to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. The provisions of SFAS No. 158 are effective for employers with publicly traded equity securities as of the end of the fiscal year ending after December 15, 2006. The adoption of this statement did not have a material effect on the Company's reported financial position or results of operations.

In September 2006, the SEC issued Staff Accounting Bulletin ("SAB") No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." SAB No. 108 addresses how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires companies to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. SAB No. 108 is effective for periods ending after November 15, 2006. The adoption of this statement did not have a material effect on the Company's reported financial position or results of operations.

2. Summary of Significant Accounting Policies (continued)

(k) Recent Accounting Pronouncements (continued)

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In June 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statements No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on derecognition, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". This statement requires all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable, and permits for subsequent measurement using either fair value measurement with changes in fair value reflected in earnings or the amortization and impairment requirements of Statement No. 140. The subsequent measurement of separately recognized servicing assets and servicing liabilities at fair value eliminates the necessity for entities that manage the risks inherent in servicing assets and servicing liabilities with derivatives to qualify for hedge accounting treatment and eliminates the characterization of declines in fair value as impairments or direct write-downs. SFAS No. 156 is effective for an entity's first fiscal year beginning after September 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments-an amendment of FASB Statements No. 133 and 140", to simplify and make more consistent the accounting for certain financial instruments. SFAS No. 155 amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", to permit fair value re-measurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 amends SFAS No. 140, "Accounting for the Impairment or Disposal of Long-Lived Assets", to allow a qualifying special-purpose entity to hold a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 applies to all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006, with earlier application allowed. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

(l) Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation.

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
**Notes to the Financial Statements**  
(expressed in Canadian dollars)

3. Property and Equipment

	Cost \$	Accumulated Amortization \$	February 28, 2007 Net Carrying Value \$	February 28, 2006 Net Carrying Value \$
Computer equipment	12,333	4,960	7,373	2,803
Furniture and equipment	6,932	5,709	1,223	1,525
Leasehold improvements	6,157	616	5,541	-
	25,422	11,285	14,137	4,328

4. Related Party Transactions

- (a) The Company incurred \$30,000 (2006 - \$30,000) in management fees to a company controlled by the President of the Company.
- (b) The Company incurred \$30,000 (2006 - \$30,000) in rent to a company controlled by the President of the Company.
- (c) The Company incurred \$24,000 (2006 - \$24,000) in professional fees to a company controlled by a director of the Company.
- (d) As at February 28, 2007, an amount of \$8,186 (2006 - \$Nil) is owed to the President of the Company and is without interest, unsecured and due on demand.
- (e) As at February 28, 2007, an amount of \$13,000 (2006 - \$Nil) is owed to a company controlled by the President of the Company and is without interest, unsecured and due on demand.

5. Common Stock

- (a) During the year ended February 28, 2007, the Company issued 919,000 common shares for total proceeds of \$275,700 pursuant to the exercise of share purchase warrants.
- (b) During the year ended February 28, 2006, the Company issued 1,150,000 common shares for total proceeds of \$247,250 pursuant to the exercise of share purchase warrants.
- (c) On September 16, 2005, the Company closed a private placement totalling 929,000 units at \$0.25 per unit for gross proceeds of \$232,250. Each unit consisted of one share and one warrant to purchase an additional share at \$0.30 per share expiring on September 16, 2006. The Company paid a finder's fee of \$11,550 in connection with this private placement.

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
**Notes to the Financial Statements**  
(expressed in Canadian dollars)

6. Share Purchase Warrants

The following table summarizes the continuity of the Company's warrants:

	Number of shares	Weighted average exercise price \$
Balance, February 28, 2005	1,150,000	0.215
Issued	929,000	0.30
Exercised	(1,150,000)	0.215
Balance, February 28, 2006	929,000	0.30
Exercised	(919,000)	0.30
Expired	(10,000)	0.30
Balance, February 28, 2007	—	—

7. Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109 as of its inception. The Company has incurred Canadian non-capital losses of \$1,421,000 which expire starting in 2008. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. The potential benefits of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

The components of the net deferred tax asset at February 28, 2007 and 2006, and the statutory tax rate, the effective tax rate and the elected amount of the valuation allowance are scheduled below:

	2007 \$	2006 \$
Property and Equipment	6,000	9,000
Net Operating Losses Carried Forward	1,421,000	1,283,000
	1,427,000	1,292,000
Statutory Tax Rate	34.12%	35.62%
Effective Tax Rate	—	—
Deferred Tax Asset	487,000	460,000
Valuation Allowance	(487,000)	(460,000)
Net Deferred Tax Asset	—	—

For the years ended February 28, 2007 and 2006, the valuation allowance established against the deferred tax assets increased by \$27,000 and \$25,000, respectively.

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
**Notes to the Financial Statements**  
(expressed in Canadian dollars)

7. Income Taxes (continued)

As at February 28, 2007, the Company has non-capital losses carried forward of approximately \$1,421,000 which are available to offset future years' taxable income. These losses expire as follows:

2008	\$ 136,000
2009	143,000
2010	129,000
2011	119,000
2015	287,000
2016	199,000
2027	408,000
	<hr/>
	\$ 1,421,000

8. Subsequent Event

On March 22, 2007 the Company entered into an agreement with Pacific Bio-Pharmaceuticals, Inc. ("Pacific"), PRB Pharmaceuticals, Inc. ("PRB"), and all of the shareholders of Pacific pursuant to which the Company has agreed to acquire all of the issued and outstanding shares and warrants of Pacific in exchange for one common share of the Company and one warrant of the Company, as applicable (the "Acquisition"). The Company has agreed to issue a maximum of 20,000,000 common shares and 2,500,000 warrants to acquire Pacific, assuming the completion of Pacific's planned private placement financing prior to the closing of the Acquisition. Pacific is a privately held Nevada corporation with offices in California that holds rights, directly and through a license from PRB, to certain biopharmaceutical technologies that have demonstrated potential effectiveness against several influenza strains. Provisional patent applications have been made in the United States for certain aspects of the technologies.

Gateway Securities Inc. ("Gateway") has, subject to completion of satisfactory due diligence, agreed to act as sponsor to the Company in connection with the Acquisition. In addition to acting as the sponsor for the Company, Gateway has also agreed to act as agent of the Company in connection with a Brokered private placement offering (the "Brokered Offering") of 1,000,000 units (the "Brokered Units") at a price of \$0.50 per Brokered Unit for gross proceeds of \$500,000. In addition to the Brokered Offering, the Company will be conducting a non-brokered private placement of up to 3,000,000 units (the "NB Units") at a price of \$0.50 per NB Unit for gross proceeds of up to \$1,500,000. Each Brokered Unit and each NB Unit will consist of one common share and one-half of one transferable warrant. Each whole warrant will be exercisable into one common share for a period of one year from closing at a price of \$0.65 per share.

Gateway will be paid a cash fee equal to 7% of the gross proceeds raised in the financing and agent's options (the "Agent's Options") equal to 7% of the units sold thereunder, as well as a corporate finance fee of \$25,000 plus GST. Each Agent's Option will be exercisable into a unit (an "Agent's Unit") at a price of \$0.50 per Agent's Unit for a period of 12 months from closing. The Agent's Units shall have the same terms as the Brokered Units and the NB Units. Gateway will also be reimbursed for its reasonable out-of-pocket expenses and disbursements including the expenses of its legal counsel.

Concurrently with the closing, the Company will change its name to "Pacific Bio-Pharmaceuticals International Inc.", or such other name as may be determined by the directors, subject to Exchange and shareholder approval.

A finder's fee of 500,000 common shares will be payable by the Company on closing of the Acquisition subject to Exchange approval.

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

--- No Disclosure Necessary ---

**ITEM 8A. CONTROLS AND PROCEDURES**

At the end of the fiscal year ended February 28, 2007 (the "Evaluation Date"), under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, the Company evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15e under the Exchange Act). Based upon that evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that, as of the Evaluation Date, concluded that the Company's disclosure controls and procedures were effective to ensure that information the Company is required to disclose in the reports that it files or submits with the Securities and Exchange Commission under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Chief Executive Officer and Chief Financial Officer, identified no change in the Company's internal control over financial reporting that occurred during the Company's fiscal year ended February 28, 2007 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**ITEM 8B. OTHER INFORMATION:** No Disclosure Necessary

PART III

**ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS;**  
**COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.**

Table No. 5 lists as of 5/22/2007 the names of the Directors of the Company. The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual Shareholders' Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company.

Table No. 5  
Directors

Name	Age	Date First Elected or Appointed
Harry Chew (1)	46	February 1999
Sonny Chew (1)	38	July 2000
David J.L. Williams (1)	53	July 2000
Terrance G. Owen	61	September 2006

(1) Members of the Audit Committee.

Table No. 6 lists as of 5/22/2007 the names of the Executive Officers of the Company. The Executive Officers serve at the pleasure of the Board of Directors.

Table No. 6  
Executive Officers

Name	Position	Age	Date of Board Approval
Harry Chew (1)	President/Chief Executive Officer	46	February 1999
Terrance G. Owen (2)	Corporate Secretary	61	August 2002

(1) He spends about a third of his time on the affairs of the Company.

(2) He spends about 10% of his time on the affairs of the Company.

**Board of Director Committees**

The Company has an Audit Committee, which recommends to the Board of Directors the engagement of the independent auditors of the Company and reviews with the independent auditors the scope and results of the Company's audits, the Company's internal accounting controls, and the professional services furnished by the independent auditors to the Company. The current members of the Audit Committee are: Harry Chew, Sonny Chew, and David J.L. Williams. The Audit Committee met three times during Fiscal 2007.

## **Business Experience**

*Harry Chew*, President and a Director of the Company, is a graduate of Simon Fraser University in Burnaby, British Columbia and has been a Certified General Accountant since 1986. He also is: President of Myntek Management Services Inc., since 1986, a private company providing management services; and President of the Pacific Paragon Group of Companies, since 1993, private companies providing management consulting services. Mr. Chew currently is a director and/or officer of the following public Canadian companies: Paradym Ventures Inc.; Avantec Technologies Inc.; and Taipan Capital Corp. and Weststar Resources Corp. He devotes about one-third of his time to the affairs of the Company. He lives in Vancouver, British Columbia, Canada.

*Sonny Chew*, Director of the Company, is a graduate of Simon Fraser University in Burnaby, British Columbia. He also is: President of Wynson Management Services Ltd., since 1992, a private management and bookkeeping consulting company; and Director of Finance and Administration of the Pacific Paragon Group of Companies, since 1993, a private company providing management consulting services. Mr. Chew is a director and/or officer of these public Canadian companies: Pacific Roder Energy Inc., Taipan Capital Corp., and Paradym Ventures Inc. He devotes about one-fourth of his time to the affairs of the Company. He lives in Vancouver, British Columbia, Canada.

*Terrance G. Owen*, Corporate Secretary and Director of the Company, obtained a Bachelor of Science (with honors) in Biology from the University of Victoria in 1968, a Masters degree in Biology from the University of New Brunswick in 1970, a Ph.D. in Zoology from the University of British Columbia in 1974 and a Masters in Business Administration from Simon Fraser University in British Columbia in 1991. Mr. Owen is President and CEO of Alda Pharmaceuticals Corp., a British Columbia pharmaceutical corporation engaged in the development and commercialization of innovative infection control products based on its proprietary technology, Alda is listed on the TSX Venture Exchange. He lives in New Westminster, British Columbia, Canada.

*David J.L. Williams*, a Director of the Company, a former professional hockey player, has been employed since March 1983 by TWE Enterprises Ltd., a private company providing management consulting services. Mr. Williams is a director and officer of Pacific Roder Energy Inc., a public Canadian company. He lives in West Vancouver, British Columbia, Canada.



#### Involvement in certain legal proceedings

There have been no events during the last five years that are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, promoter or control person including:

- a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities or banking activities;
- d) being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

#### Family Relationships

Sonny Chew is the brother of Harry Chew. Other than this, there are no family relationships between any of the officers or directors of the Company.

#### Other Relationships/Arrangements

There are no arrangements or understandings between any two or more Directors or Executive Officers, pursuant to which he/she was selected as a Director or Executive Officer. There are no material arrangements or understandings between any two or more Directors or Executive Officers.

#### Compliance with Section 16(a) of the Exchange Act.

The Company is not subject to Section 16(a) of the Exchange Act.

#### Material Changes To The Procedures By Which Security Holders May Recommend Nominees. No Disclosure Necessary

#### Audit Committee Financial Expert

The Company does not have an "audit committee financial expert" serving on its audit committee. The Company's Audit Committee consists of one related directors, the President/CEO of the Company, and the brother of the President/CEO; all of whom are both financially literate and very knowledgeable about the Company's affairs. Because the Company's structure and operations are straightforward and the Company's President/CEO has substantial financial and auditing expertise, the Company does not find it necessary to augment its Board with a formal financial expert.

#### Code of Ethics

The Company has not adopted a written "code of ethics" that meets the new United States' Sarbanes-Oxley standards; the Board of Directors believes that existing Canadian standards and procedures is adequate for its purposes. The Company has not seen any need to adopt a written code of ethics on the basis that its corporate culture effectively deters wrongdoing and promotes honest and ethical conduct, full, fair and accurate, timely, and understandable disclosure in reports and documents, the compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the code; and accountability for adherence to the code.

#### **ITEM 10. EXECUTIVE COMPENSATION**

The Company has no formal plan for compensating its Directors for their service in their capacity as Directors. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board of Directors. The Board of Directors may award special remuneration to any Director undertaking any special services on behalf of the Company other than services ordinarily required of a Director. During Fiscal 2007, no Director received and/or accrued any compensation for his services as a Director, including committee participation and/or special assignments.

Total compensation paid/accrued (directly/indirectly) to all Officers/Directors for Fiscal 2007 was \$54,000, including \$30,000 paid to Myntek Management Services Inc. and \$24,000 paid to Wynson Management Services Ltd.; refer to ITEM 12. No stock options/SARS were granted or exercised during the most recent fiscal year. No other compensation was granted.

Management functions of the Company are not to any substantial degree performed by a person other than the directors or senior officers of the Company. The Company has a management contract dated 5/1/2000 with Myntek Management Services Inc., a private British Columbia company owned as to 50% by Harry Chew, President/CEO/Director of the Company and 50% by his spouse. Under the agreement, Myntek Management Services Inc. is paid a management fee of \$2,500 per month, plus reasonable expenses related to the performance of its duties. For the year ended 2/28/2007, management fees in the amount of \$30,000 were paid or accrued to Myntek Management Services Inc.

During Fiscal 2007, no funds were set aside or accrued by the Company to provide pension, retirement or similar benefits for Directors or Executive Officers. The Company has no plans or arrangements in respect of remuneration received or that may be received by Executive Officers of the Company in Fiscal 2008 to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control, where the value of such compensation exceeds US\$100,000 per Executive Officer.

**ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The Company is a publicly-owned corporation, the shares of which are owned by residents of the United States, Canada, and other countries. The Company is not controlled directly/indirectly by another corporation/any foreign government.

Table No. 7 lists as of 5/22/2007 all persons/companies the Registrant is aware of as being the beneficial owner of 5% or more of the common stock of the Registrant. It also lists all Directors and Executive Officers who beneficially own the Registrant's voting securities and the amount of the Registrant's voting securities owned by the Directors and Executive Officers as a group. All Officer/Director addresses c/o Bi-Optic Ventures Inc.: 1030 West Georgia Street, Suite #1518, Vancouver, British Columbia V6E 2Y3.

Table No. 7  
Shareholdings of 5% Shareholders, Officers and Directors

Title of Class	Name/Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class #
Common	Harry Chew (2)	691,084	6.9%
Common	Sonny Chew	102,000	1.0%
Common	David J.L. Williams	145,000	1.4%
<b>Total Directors and Officers</b>		<b>839,084</b>	<b>9.3%</b>
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(1) All addresses are c/o Bi-Optic Ventures Inc. 1030 West Georgia Street, Suite #1518 Vancouver, British Columbia V6E 2Y3			
(2) 315,834 shares are held indirectly by Pacific Paragon Investment Fund Ltd a private company controlled 50% by the spouse of Mr. Harry Chew and 50% by Mrs. Jodie Nitta.			
(3) 40,000 shares are held indirectly 503213 BC LTD, controlled by Mr. Owen. # Based on 10,012,235 shares outstanding as of 5/22/2007			
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Securities authorized for issuance under equity compensation plans.  
--- No Disclosure Necessary ---

## ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Management functions of the Company are not to any substantial degree performed by a person other than the directors or senior officers of the Company. The Company has a management contract dated 5/1/2000 with Myntek Management Services Inc., a private British Columbia company owned as to 50% by Harry Chew, President & Director of the Company and 50% by his spouse. Under the agreement, Myntek Management Services Inc. is paid a management fee of \$2,500 per month, plus reasonable expenses related to the performance of its duties. For the fiscal years ended 2/28/2007 and 2/28/2006, management fees in the amount of \$30,000 were paid or accrued in each year to Myntek Management Services Inc.

During Fiscal 2007, the Company paid rent of \$30,000 (FY2006 = \$30,000) to Pacific Paragon Investment Fund Ltd., a private company controlled 50% by the spouse of Harry Chew and 50% by Mrs. Jodie Nitta.

During Fiscal 2007, the Company paid \$24,000 (FY2006 = \$24,000) to Wynson Management Services Ltd., a private company controlled by Sonny Chew, a Director of the Company, and his spouse, for bookkeeping and accounting services.

Other than described above, there have been no transactions since 2/28/2005, or proposed transactions, which have materially affected or will materially affect the Company in which any Director, Executive Officer, or beneficial holder of more than 10% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest.

### Director Independence

Of the three members of the Board of Directors, David Williams is independent. Harry Chew is not independent by virtue of his position as President/CEO; and Sonny Chew is not independent by virtue of his being the brother of Harry Chew.

**ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K**

2. Plan of acquisition, reorganization, arrangement, liquidation, or succession:  
Incorporated by reference to Form 8-K filed 4/10/2007  
No Disclosure Necessary
3. Articles of Incorporation/By-Laws:  
Incorporated by reference to Form 10-SB Registration Statement  
Filed 3/13/2002, as amended.
4. Instruments defining the rights of holders, incl. indentures  
--- Refer to Exhibit #3 ---
9. Voting Trust Agreements: No Disclosure Necessary.
10. Material Contracts:  
Incorporated by reference to Form 10-SB Registration Statement  
Filed 3/13/2002, as amended;  
Incorporated by reference to Form 8-K filed 4/10/2007
11. Statement re Computation of Per Share Earnings: No Disclosure Necessary
13. Annual or quarterly reports, Form 10-Q: No Disclosure Necessary
14. Code of Ethics: No Disclosure Necessary
16. Letter on Change of Certifying Accountant:
18. Letter on change in accounting principles: No Disclosure Necessary
20. Other documents or statements to security holders: No Disclosure Necessary
21. Subsidiaries of the Registrant: No Disclosure Necessary
22. Published report regarding matters submitted to vote: No Disclosure Necessary
23. Consent of Experts and Counsel: No Disclosure Necessary
24. Power of Attorney: No Disclosure Necessary
31. Rule 13a/15d-14(a) Certifications attached
32. Section 1350 Certifications attached
99. Additional Exhibits: No Disclosure Necessary

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Professional accounting services were rendered by Manning Elliott LLP for Fiscal 2007 and Fiscal 2006.

Audit Fees

The aggregate fees billed for professional services rendered by the Company's principal accountant for the audit of the Company's annual financial statements for the fiscal years ended 2/28/2007 and 2/28/2006 were \$10,000 and \$9,300, respectively.

Audit Related Fees

The Company incurred no fees during the last two fiscal years for assurance and related services by the Company's principal accountant that were reasonably related to the performance of the audit of the Company's financial statements.

Tax Fees

The Company incurred fees totaling \$500 and \$500 during the fiscal years ended 2/28/2007 and 2/28/2006, respectively, for professional services rendered by the Company's principal accountant for tax compliance.

All Other Fees

The Company incurred no fees during the last two fiscal years for services rendered by the Company's principal accountant relating to the preparation of quarterly financial statements for inclusion in the Company's quarterly reports on Form 10QSB.

**SIGNATURE PAGE**

Pursuant to the requirements of Section 12g of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 10-KSB and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bi-Optic Ventures Inc. --- SEC File # 0-49685  
Registrant

Dated: May 29, 2007 By /s/ Harry  
Chew  
Harry Chew, President/CEO/CFO/Director

Dated: May 29, 2007 By /s/ Sonny  
Chew  
Sonny Chew, Director

SARBANES-OXLEY SECTION 302 CERTIFICATION

I, Harry Chew, certify that:

1. I have reviewed this annual report on Form 10-KSB of Bi-Optic Ventures Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that

material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Harry Chew

Harry Chew

Chief Executive Officer and Chief Financial Officer

May 29, 2007

**EXHIBIT 32.1**

**SARBANES-OXLEY SECTION 906 CERTIFICATION**

In connection with the Annual Report of Bi-Optic Ventures Inc. (the "Company") on Form 10-KSB for the period ended February 28, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Harry Chew, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Harry Chew

Harry Chew

Chief Executive Officer and Chief Financial Officer

May 29, 2007