

LIFESPAN, INC.

(A Development Stage Company)

FINANCIAL STATEMENTS

December 31, 2008 and December 31, 2007

C O N T E N T S

Management Certification.....	3
Balance Sheets.....	4
Statements of Operations.....	5
Statements of Stockholders' Equity (Deficit).....	6
Statements of Cash Flows.....	8
Notes to the Financial Statements.....	9

CONSOLIDATED FINANCIAL STATEMENTS

LIFESPAN, INC.
(A Development Stage Company)

CERTIFICATION

I, Ken Berscht, CEO and Director of LIFESPAN, INC., hereby certify that the unaudited consolidated financial statements filed herewith and the attached notes, fairly present, in all material respects, the financial position, results of operations and cash flows as at and for the twelve months ended December 31, 2008 and December 31, 2007, in conformity with accounting principles generally accepted in the United States, consistently applied.

Dated this 27th day of May, 2009

By: /s/ Ken Berscht
Chief Executive Officer, Director
LIFESPAN, INC.

LIFESPAN, INC.
Balance Sheets
(A Development Stage Company)

	December 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ -	\$ 234
Deposits on mining claims	-	2,200
	-	2,434
Total Current Assets		
Other assets:		
Mining leasehold	-	35,000
Held for sale investment in related party	20,000	280,000
	20,000	315,000
Total Other Assets		
	20,000	317,434
Total Assets		
	\$ 20,000	\$ 317,434

Liabilities and Stockholders' Equity (Deficit)

Current liabilities:		
Accounts payable	\$ 252,500	\$ -
Due to related party	172,755	170,105
	425,255	170,105
Total Current Liabilities		
Stockholders' Equity (Deficit)		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, 1,500,000 shares issued and outstanding	1,500	1,500
Common stock, \$0.001 par value, 500,000,000 shares authorized, 119,688,142 and 97,989,642 shares issued and outstanding, respectively	119,688	97,989
Additional paid-in capital	12,607,314	12,412,027
Other comprehensive income (loss)	(1,900,000)	(1,640,000)
Deficit accumulated during the development stage	(11,233,757)	(10,724,187)
	(405,255)	147,329
Total Stockholders' Equity (Deficit)		
	(405,255)	147,329
Total Liabilities and Stockholders' Equity (Deficit)		
	\$ 20,000	\$ 317,434

LIFESPAN, INC.
Statements of Operations
(A Development Stage Company)

	For the Year Ended		January 27, 1997 (Inception) through
	December 31 2008	December 31 2007	December 31 2008
Revenue	\$ -	\$ -	\$ 4,058
Operating Expenses			
General and administrative expenses	<u>509,570</u>	<u>830,936</u>	<u>2,256,255</u>
Total Operating Expenses	<u>509,570</u>	<u>830,936</u>	<u>2,256,255</u>
(Loss) from Operations	(509,570)	(830,936)	(2,252,197)
Other Income (Expense)			
Loss on extinguishment of debt	-	-	(17,181)
Gain on sale of mining leasehold	-	1,815,000	1,815,000
Interest expense	<u>-</u>	<u>-</u>	<u>(578,044)</u>
Total Other Income (Expense)	-	1,815,000	1,219,775
Income (Loss) before Income Taxes	(509,570)	984,064	(1,032,422)
Income Tax Expense (Benefit)	<u>-</u>	<u>-</u>	<u>-</u>
Income (Loss) from Continuing Operations	(509,570)	984,064	(1,032,422)
(Loss) from Discontinued Operations	<u>-</u>	<u>-</u>	<u>(10,201,335)</u>
Net Income (Loss)	<u>\$ (509,570)</u>	<u>\$ 984,064</u>	<u>\$ (11,233,757)</u>
Unrealized Gain (Loss) on Investment	<u>(260,000)</u>	<u>(1,640,000)</u>	<u>-</u>
Net Comprehensive Income (Loss)	<u>\$ (769,570)</u>	<u>\$ (655,936)</u>	<u>\$ (11,233,757)</u>
Net (loss) per share - basic and fully diluted	<u>\$ (0.01)</u>	<u>\$ 0.01</u>	
Weighted average number of common shares outstanding - basic and fully diluted	<u>97,989,642</u>	<u>91,628,820</u>	

LIFESPAN, INC.
(A Development Stage Company)
Statements of Stockholders' Equity (Deficit)

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Other Comprehensive Income (Loss)	Deficit Accumulated During the Development Stage	Total
Balance as of January 27, 1997 (Date of Inception)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Stock issued for cash	-	-	3,250,000	3,250	404,030	-	-	407,280
Net (Loss) for the year ended December 31, 1997	-	-	-	-	-	-	(70,062)	(70,062)
Balance at December 31, 1997	-	-	3,250,000	3,250	404,030	-	(70,062)	337,218
Stock issued for cash	-	-	215,000	215	325,407	-	-	325,622
Contributed capital related to compensation	-	-	-	-	25,000	-	-	25,000
Net (Loss) for the year ended December 31, 1998	-	-	-	-	-	-	(293,786)	(293,786)
Balance at December 31, 1998	-	-	3,465,000	3,465	754,437	-	(363,848)	394,054
Stock issued for cash	-	-	6,174,125	6,174	109,251	-	-	115,425
Stock issued for services	-	-	71,495	71	41,431	-	-	41,502
Stock issued in satisfaction notes payable	-	-	2,305,520	2,306	484,209	-	-	486,515
Contributed capital related to compensation	-	-	-	-	25,000	-	-	25,000
Net (Loss) for the year ended December 31, 1999	-	-	-	-	-	-	(211,425)	(211,425)
Balance at December 31, 1999	-	-	12,016,140	12,016	1,414,328	-	(575,273)	851,071
Stock issued for cash	-	-	700,000	700	209,300	-	-	210,000
Stock issued for services	-	-	42,501	42	12,708	-	-	12,750
Net (Loss) for the year ended December 31, 2000	-	-	-	-	-	-	(148,148)	(148,148)
Balance at December 31, 2000	-	-	12,758,641	12,758	1,636,336	-	(723,421)	925,673
Stock issued for services	-	-	446,180	446	171,809	-	-	172,255
Stock issued for cash	-	-	167,000	167	49,833	-	-	50,000
Deemed interest expense related to conversion features of note payable	-	-	-	-	41,700	-	-	41,700
Stock issued for interest	-	-	600,000	600	71,400	-	-	72,000
Net (Loss) for the year ended December 31, 2001	-	-	-	-	-	-	(1,088,801)	(1,088,801)
Balance at December 31, 2001	-	-	13,971,821	13,971	1,971,078	-	(1,812,222)	172,827
Stock issued for debt	-	-	837,500	838	32,663	-	-	33,501
Stock issued for services	-	-	3,545,000	3,545	138,255	-	-	141,800
Net (Loss) for the year ended December 31, 2002	-	-	-	-	-	-	(4,168,432)	(4,168,432)
Balance at December 31, 2002	-	-	18,354,321	18,354	2,141,996	-	(5,980,654)	(3,820,304)
Preferred shares issued for marketing rights	3,000,000	3,000	-	-	2,337,000	-	-	2,340,000
Shares cancelled	-	-	(500,000)	(500)	500	-	-	-
Stock issued for debt	-	-	733,334	733	241,267	-	-	242,000
Stock issued for services	-	-	1,500,000	1,500	148,500	-	-	150,000
Stock issued for cash	-	-	1,266,666	1,267	150,733	-	-	152,000
Spin off of minority interest	-	-	-	-	3,709,575	-	-	3,709,575
Net (Loss) for the year ended December 31, 2003	-	-	-	-	-	-	(3,739,563)	(3,739,563)
Balance at December 31, 2003	3,000,000	3,000	21,354,321	21,354	8,729,571	-	(9,720,217)	(966,292)
Stock issued for cash	-	-	1,435,000	1,435	142,065	-	-	143,500
Stock issued for services	-	-	4,196,000	4,196	330,404	-	-	334,600
Stock issued for debt	-	-	6,006,000	6,006	594,594	-	-	600,600
Contributed capital	-	-	-	-	847,258	-	-	847,258

Net (Loss) for the year ended December 31, 2004	-	-	-	-	-	-	(1,075,285)	(1,075,285)
Balance at December 31, 2004	3,000,000	3,000	34,691,321	34,691	10,727,192	-	(10,795,502)	(30,619)
Stock issued for services	-	-	1,450,000	1,450	85,050	-	-	86,500
Net (Loss) for the year ended December 31, 2005	-	-	-	-	-	-	(324,456)	(324,456)
Balance at December 31, 2005	3,000,000	3,000	36,141,321	36,141	10,812,242	-	(11,119,958)	(268,575)
Preferred shares converted to common shares	(1,500,000)	(1,500)	9,000,000	9,000	(7,500)	-	-	-
Stock issued for debt	-	-	25,127,456	25,127	515,422	-	-	540,549
Stock issued for services	-	-	-	-	-	-	-	-
Stock issued for cash	-	-	2,549,999	2,550	72,450	-	-	75,000
Net (Loss) for the year ended December 31, 2006	-	-	-	-	-	-	(588,293)	(588,293)
Balance at December 31, 2006	1,500,000	1,500	81,622,976	81,622	11,600,394	-	(11,708,251)	(24,735)
Stock issued for services	-	-	16,166,666	16,167	771,833	-	-	788,000
Stock issued for mining claims	-	-	200,000	200	39,800	-	-	40,000
Net (Loss) Income for the year ended December 31, 2007	-	-	-	-	-	(1,640,000)	984,064	(655,936)
Balance at December 31, 2007	1,500,000	1,500	97,989,642	97,989	12,412,027	(1,640,000)	(10,724,187)	147,329
Stock issued for services	-	-	21,698,500	21,699	195,287	-	-	216,986
Net (Loss) for the year ended December 31, 2008	-	-	-	-	-	(260,000)	(509,570)	(769,570)
Balance at December 31, 2008	<u>1,500,000</u>	<u>\$ 1,500</u>	<u>119,688,142</u>	<u>\$ 119,688</u>	<u>\$ 12,607,314</u>	<u>\$ (1,900,000)</u>	<u>\$ (11,233,757)</u>	<u>\$ (405,255)</u>

LIFESPAN, INC.
Statements of Cash Flows
(A Development Stage Company)

	For the Year Ended December 31 2008	December 31 2007	January 27, 1997 (Inception) through December 31 2007
Operating Activities			
Net income (loss)	\$ (509,570)	\$ 984,064	\$ (11,233,757)
Adjustments to reconcile net (loss) to cash provided (used) by operating activities:			
Depreciation and amortization expense	-	-	51,758
Common stock issued for services and expenses	216,986	788,000	3,480,454
Gain (Loss) on extinguishment of debt	-	-	17,181
Unrealized loss on investment	-	-	-
Preferred stock issued for marketing rights	-	-	2,340,000
Contributed services	-	-	50,000
Impairment of asset	35,000	5,000	40,000
Common stock issued for interest	-	-	149,730
Accounts payable converted to judgments payable	-	-	25,103
Common stock issued for payables	-	-	540,549
Changes in operating assets and liabilities:			
Increase (decrease) in due to related parties	2,650	170,105	172,755
Increase (decrease) in accounts payable	252,500	(25,103)	227,397
Net cash provided (used) by operating activities	<u>(2,434)</u>	<u>1,922,066</u>	<u>(4,138,830)</u>
Investing Activities			
Investment in related party	-	(1,900,000)	(1,900,000)
Mining Leasehold Improvements	-	(20,000)	(20,000)
Deposit on mining claims	2,200	(2,200)	-
Net cash used by investing activities	<u>2,200</u>	<u>(1,922,200)</u>	<u>(1,920,000)</u>
Financing Activities			
Proceeds from related party payable	-	-	112,500
Proceeds from issuance of common stock	-	-	1,535,270
Proceeds from notes payable	-	-	2,963,202
Common stock for debt	-	-	600,600
Contributed capital	-	-	847,258
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>6,058,830</u>
Net (decrease) in cash	(234)	(134)	-
Cash and equivalents - beginning	234	368	-
Cash and equivalents - ending	<u>\$ -</u>	<u>\$ 234</u>	<u>\$ -</u>
Supplemental Cash Flow Information			
Cash Paid For:			
Interest	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Income Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-Cash Activities:			
Common stock Issued for Services	<u>\$ 216,986</u>	<u>\$ 788,000</u>	<u>\$ 1,284,977</u>
Common stock Issued for Mining Properties	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ -</u>
Common stock Issued for Accounts Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 628,549</u>
Cancellation of common stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>
Common Stock Issued in Satisfaction of Promissory Note	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 442,286</u>
Deemed Interest Converted into Additional Paid in Capital Related to Note Payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,700</u>
Conversion of Preferred Stock into Common Stock	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,708,075</u>
Conversion of Due to Related Party and Notes Payable into Preferred Shares in Consolidated Entity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,709,575</u>

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

Note 1. GENERAL ORGANIZATION AND BUSINESS

Nature of Business

Lifespan, Inc. (formerly Nations RX, Inc.) (Hereinafter referred to as the "Company") was incorporated in the state of Nevada in January 1997 to engage in the business of developing, producing and marketing films for worldwide distribution. The filmmaking subsidiary was spun-off in 2003 and the Company acquired the license to market a telephony based internet access device. The Company changed its name to Nations RX, Inc. when the Company acquired marketing rights and a licensing agreement to engage in the business of prescription benefit management. Such business never materialized and the Company changed its name to Lifespan, Inc. The Company then pursued various health and wellness information systems but was unable to successfully develop them. Additionally, the Company acquired an interest in a mineral property which was the subject of a joint venture. Recently the Company has been actively pursuing the development of the medical applications of its formerly acquired internet telephony technology and the more recently acquired home based medical testing peripheral technology.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The basis is accounting principles generally accepted in the United States of America. The Company has adopted a December 31 fiscal year end.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenues as required by Staff Accounting Bulletin No. 101 "Revenue Recognition in Financial Statements". Revenue is only recognized on product sales once the product has been shipped to the customers (FOB Origin), and all other obligations have been met.

Dividends

The Company has not adopted any policy regarding payment of dividends. No dividends have been paid during any of the periods shown.

Stock Based Compensation

The Company has adopted the fair value based method of accounting for stock-based employee compensation in accordance with Statement of Financial Accounting Standards Number 123 (REVISED 2004), "Share-Based Payment" (SFAS 123[R]). The expense will be calculated using the Black-Scholes valuation model.

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic (Loss) per Common Share

Basic (loss) per share is calculated by dividing the Company's net loss applicable to common shareholders by the weighted average number of common shares during the period. Diluted earnings per share is calculated by dividing the Company's net income available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. There are no such common stock equivalents outstanding as of December 31, 2008 and 2007.

		For the Year Ended December 31, 2008		For the Year Ended December 31, 2007
Income (loss) (numerator)	\$	(509,570)	\$	984,064
Shares (denominator)		97,989,642		91,628,820
Per share amount	\$	(0.01)	\$	0.01

Comprehensive Income

The Company has a component of other comprehensive income. For the years ended December 31, 2008 and 2007, the Company had an unrealized loss from securities held for sale in the amount of \$260,000 and \$1,640,000, respectively.

Advertising Costs

The Company's policy regarding advertising is to expense advertising when incurred. The Company did not incur any advertising expense during the years ended of December 31, 2008 and 2007.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Income Taxes

The Company has adopted FASB 109 to account for income taxes. The Company currently has no issue that creates timing differences that would mandate deferred tax expense. Net operating losses would create possible tax assets in future years. Due to the uncertainty as to the utilization of net operating loss carry forwards, an evaluation allowance has been made to the extent of any tax benefit that net operating losses may generate. No provision for income taxes has been recorded due to the net operating loss carry forward of \$5,411,685 of December 31,

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

2008 that will be offset against further taxable income.

Net deferred tax assets consist of the following components as of:

	December 31, 2008	December 31, 2007
Net operating loss carry forward	\$ 2,110,557	\$ 1,996,449
Valuation allowance	(2,110,557)	(1,996,449)
Net Deferred Tax Asset	<u>\$ -</u>	<u>\$ -</u>

The components of income tax expense computed at the Company's statutory tax rate of 39% are as follows:

	December 31, 2008	December 31, 2007
Current Federal and State Tax	\$ (114,108)	\$ 691,105
Change in valuation allowance	114,108	(691,105)
Income Tax Expense	<u>\$ -</u>	<u>\$ -</u>

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards of approximately \$5,410,00 for federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur net operating loss carry forwards may be limited as to use in future years.

Impairment of Long-Lived Assets

The Company continually monitors events and changes in circumstances that could indicate carrying amounts of long-lived assets may not be recoverable. When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In June 2008, the FASB issued FASB Staff Position EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*, (“FSP EITF 03-6-1”). FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the computation of earnings per share under the two-class method as described in FASB Statement of Financial Accounting Standards No. 128, “Earnings per Share.” FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 and earlier adoption is prohibited. We are not required to adopt FSP EITF 03-6-1; neither do we believe that FSP EITF 03-6-1 would have material effect on our consolidated financial position and results of operations if adopted.

In May 2008, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 163, “*Accounting for Financial Guarantee Insurance Contracts—and interpretation of FASB Statement No. 60*”. SFAS No. 163 clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement of premium revenue and claims liabilities. This statement also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those years. SFAS No. 163 has no effect on the Company’s financial position, statements of operations, or cash flows at this time.

In May 2008, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 162, “*The Hierarchy of Generally Accepted Accounting Principles*”. SFAS No. 162 sets forth the level of authority to a given accounting pronouncement or document by category. Where there might be conflicting guidance between two categories, the more authoritative category will prevail. SFAS No. 162 will become effective 60 days after the SEC approves the PCAOB’s amendments to AU Section 411 of the AICPA Professional Standards. SFAS No. 162 has no effect on the Company’s financial position, statements of operations, or cash flows at this time.

In March 2008, the Financial Accounting Standards Board, or FASB, issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133*. This standard requires companies to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity’s financial

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

Position, financial performance, and cash flows. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company has not yet adopted the provisions of SFAS No. 161, but does not expect it to have a material impact on its financial position, results of operations or cash flows.

In December 2007, the SEC issued Staff Accounting Bulletin (SAB) No. 110 regarding the use of a "simplified" method, as discussed in SAB No. 107 (SAB 107), in developing an estimate of expected term of "plain vanilla" share options in accordance with SFAS No. 123 (R), *Share-Based Payment*. In particular, the staff indicated in SAB 107 that it will accept a company's election to use the simplified method, regardless of whether the company has sufficient information to make more refined estimates of expected term. At the time SAB 107 was issued, the staff believed that more detailed external information about employee exercise behavior (e.g., employee exercise patterns by industry and/or other categories of companies) would, over time, become readily available to companies. Therefore, the staff stated in SAB 107 that it would not expect a company to use the simplified method for share option grants after December 31, 2007. The staff understands that such detailed information about employee exercise behavior may not be widely available by December 31, 2007. Accordingly, the staff will continue to accept, under certain circumstances, the use of the simplified method beyond December 31, 2007. The Company currently uses the simplified method for "plain vanilla" share options and warrants, and will assess the impact of SAB 110 for fiscal year 2009. It is not believed that this will have an impact on the Company's financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements*—an amendment of ARB No. 51. This statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Before this statement was issued, limited guidance existed for reporting noncontrolling interests. As a result, considerable diversity in practice existed. So-called minority interests were reported in the consolidated statement of financial position as liabilities or in the mezzanine section between liabilities and equity. This statement improves comparability by eliminating that diversity. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008 (that is, January 1, 2009, for entities with calendar year-ends). Earlier adoption is prohibited. The effective date of this statement is the same as that of the related Statement 141

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

(revised 2007). The Company will adopt this Statement beginning March 1, 2009. It is not believed that this will have an impact on the Company's financial position, results of operations or cash flows.

In December 2007, the FASB, issued FAS No. 141 (revised 2007), *Business Combinations*. This Statement replaces FASB Statement No. 141, *Business Combinations*, but retains the fundamental requirements in Statement 141. This Statement establishes principles and requirements for how the acquirer: (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The effective date of this statement is the same as that of the related FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements*. The Company will adopt this statement beginning March 1, 2009. It is not believed that this will have an impact on the Company's financial position, results of operations or cash flows.

In February 2007, the FASB, issued SFAS No. 159, *The Fair Value Option for Financial Assets and Liabilities—Including an Amendment of FASB Statement No. 115*. This standard permits an entity to choose to measure many financial instruments and certain other items at fair value. This option is available to all entities. Most of the provisions in FAS 159 are elective; however, an amendment to FAS 115 *Accounting for Certain Investments in Debt and Equity Securities* applies to all entities with available for sale or trading securities. Some requirements apply differently to entities that do not report net income. SFAS No. 159 is effective as of the beginning of an entities first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of the previous fiscal year provided that the entity makes that choice in the first 120 days of that fiscal year and also elects to apply the provisions of SFAS No. 157 *Fair Value Measurements*. The Company adopted SFAS No. 159 beginning March 1, 2008. The adoption of this pronouncement did not have an impact on the Company's financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This statement applies under

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (Continued)

other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this statement will change current practice. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. Earlier application is encouraged, provided that the reporting entity has not yet issued financial statements for that fiscal year, including financial statements for an interim period within that fiscal year. The Company adopted this statement March 1, 2008. The adoption of this pronouncement did not have an impact on the Company's financial position, results of operations or cash flows.

NOTE 3. COMMON STOCK

During 2008, the Company issued 21,698,500 common shares for services valued at \$0.01 per share for an aggregate of \$216,986 accounts payable.

During 2007, the Company issued 16,166,666 shares of its common stock for prepaid services valued at \$788,000. The Company also issued 200,000 shares of its common stock for payment for mining leasehold valued at \$40,000.

During 2006, the Company converted 1,500,000 issued preferred shares to 9,000,000 issued common stock shares valued at \$0.001 par value. The Company also issued 33,931,656 shares of its common stock for services and debt valued at \$757,133. Further, the Company issued 2,083,332 common shares for cash at \$0.03 per share and 466,666 common shares for cash at \$0.0268 per share for a combined total of \$75,000.

During 2005, the Company issued 1,450,000 shares of its \$0.001 par value common stock for services and expenses valued at \$86,500.

During 2004, the Company issued 5,896,000 shares of its \$0.001 par value common stock for services valued at \$419,600. The Company issued 6,006,000 common shares for \$600,600 in debt and 1,435,000 shares for cash of \$143,500.

During 2003, the Company cancelled 500,000 shares of its \$0.001 par value common stock. Further, the Company issued 733,334 common shares for debt of \$242,000 and 1,500,000 common shares for services at \$0.04 per shares.

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 3. COMMON STOCK (CONTINUED)

Additionally, the Company issued 1,266,666 common shares for \$152,000 in cash.

During 2002, the Company issued 837,500 shares of its \$0.001 par value common stock for interest and default penalties in the amount of \$33,501 and the Company issued another 3,545,000 \$0.001 par value common shares for services at \$0.04 per share.

In October 2001, the Company issued 10,000 shares of common stock in error to an individual. The Company has since placed a stop on the 10,000 shares issued. Accordingly, the 13,971,821 shares of common stock issued and outstanding as of December 31, 2001 does not reflect the 10,000 shares since these shares were issued in error and a stop has been placed

In August 2001, the Company issued 40,000 shares of common stock in error to an individual. The Company has since placed a stop on the 40,000 shares issued. Accordingly, the 13,971,821 shares of common stock issued and outstanding as of December 31, 2001 do not reflect the 40,000 shares since the shares were issued in error and a stop has been placed.

In October 1999, the Company issued 125,000 shares of common stock in error to an unrelated company. The Company has since placed a stop on the 125,000 shares issued. Accordingly, the 13,971,821 shares of common stock issued and outstanding as of December 31, 2001 do not reflect the 125,000 shares since these shares were issued in error and a stop has been placed.

In April 1999, the Company's Board of Directors adopted a resolution whereby it approved a 1 for 4 reverse stock split of the issued and outstanding shares of common stock. Accordingly, the accompanying financial statements have been retroactively restated to reflect the 1 for 4 reverse stock split as if such reverse stock split occurred as of the Company's date of inception.

NOTE 4. PREFERRED STOCK

The Company has 10,000,000 shares of \$0.001 par value preferred shares authorized which may be issued in different series. During 2003, the Company issued 3,000,000 preferred shares for marketing rights for an internet telephony device. In 2006, 1,500,000 preferred shares were converted to common stock on a six to one basis. The shares are convertible into common shares but the shares have voting rights at the rate of six votes per preferred share that may be voted at any meeting of stockholders.

LIFESPAN, INC.
(A Development Stage Company)
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 5. GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principle, which contemplate continuation of the Company as a going concern. However, the Company has accumulated deficit of \$11,233,757 as of December 31, 2008. The Company currently has limited liquidity, and has not completed its efforts to establish a stabilized source of revenues sufficient to cover operating costs over an extended period of time.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern.

NOTE 6. HELD FOR SALE INVESTMENT IN RELATED PARTY

On September 7, 2007 the Company acquired 4,000,000 shares of USA Uranium Corp. in exchange for 111 unpatented lode mining claims in San Juan County, Utah held by the Company. The Company received 4,000,000 common shares re-valued at \$1,920,000. The shares are classified as held for investment and the Company has recorded a decline in the value of the shares of \$1,900,000 as a comprehensive loss.

NOTE 7. DUE TO RELATED PARTY

As of December 31, 2008 a former director and shareholder in the Company is owed an outstanding balance of \$109,485 on demand cash advances to the Company. The balance of a demand loan USA Uranium the Company's Joint Venture partner made during 2007 of \$63,270 is still outstanding. The advances are non interest bearing, unsecured and due upon demand.