GENETRONICS BIOMEDICAL LTD
Form S-4/A
April 05, 2001

1

As filed with the Securities and Exchange Commission on April 5, 2001

Registration No. 333-56978

==========

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1

TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

GENETRONICS BIOMEDICAL LTD.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

BRITISH COLUMBIA, CANADA	3841	(I.R.S. EMP
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	NO. FOR

11199 SORRENTO VALLEY ROAD
SAN DIEGO, CA 92121-1334
(858) 597-6006
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

MARTIN NASH
PRESIDENT AND CHIEF EXECUTIVE OFFICER
GENETRONICS BIOMEDICAL LTD.
11199 SORRENTO VALLEY ROAD
SAN DIEGO, CA 92121-1334
(858) 597-6006
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES TO:

DOUGLAS J. REIN, ESQ.
GRAY CARY WARE & FREIDENRICH LLP
4365 EXECUTIVE DRIVE, SUITE 1600
SAN DIEGO, CA 92121
TELEPHONE: (858) 677-1400
FACSIMILE: (858) 677-1477

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [ ]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) of the Securities Act, please check the following box and list the Securities Act registration serial number of the earlier effective registration statement for the same offering. [ ] _____

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

==========

GENETRONICS BIOMEDICAL LTD.
PROXY STATEMENT

GENETRONICS BIOMEDICAL CORPORATION
(A TO-BE-FORMED DELAWARE CORPORATION)
38,450,279 SHARES OF COMMON STOCK
PROSPECTUS

We are furnishing this proxy statement/prospectus to stockholders of Genetronics Biomedical Ltd., a British Columbia corporation referred to as Genetronics Canada in this proxy statement/prospectus, in connection with our Board of Directors' solicitation of proxies for use at an extraordinary general meeting of the stockholders of Genetronics Canada. The meeting will be held at 1400 - 1055 West Hastings Street, Vancouver, B.C. V6E 2E9, Canada, on May 22, 2001, at 2 p.m., local time for the specific purpose of obtaining stockholder approval of our plan to reincorporate the legal existence of Genetronics Canada to the State of Delaware. The process necessary to accomplish this continuation of business from Canada to Delaware is described more fully in this proxy statement/prospectus and in the accompanying Notice of Extraordinary General Meeting of stockholders of Genetronics Canada. The specific items to be voted on to effect this continuation are detailed in the form of proxy attached to this proxy statement/prospectus.

This proxy statement/prospectus is also a prospectus of Genetronics Biomedical Corporation, a to-be-formed Delaware corporation referred to as Genetronics Delaware in this proxy statement/prospectus, relating to the offer and sale of its shares of common stock issuable upon the continuation of Genetronics Canada as a Delaware corporation. When we effect the continuation, we will continue our legal existence in Delaware as if we had been originally incorporated under the Delaware General Corporation Law, and each outstanding common share of Genetronics Canada will be converted into a common share of Genetronics Delaware.

Our common stock is currently traded under the symbol "GEB" on the Toronto Stock Exchange and the American Stock Exchange. The address of our principal executive offices is: 11199 Sorrento Valley Road, San Diego, California 92121-1334. Our telephone number is (858) 597-6006. Following the continuation, the shares of common stock of Genetronics Delaware will continue to trade on both stock exchanges.

In order to become effective, at least 75 percent of the votes cast by our stockholders in person or by proxy at the meeting must approve the proposed continuation. We plan to complete the proposed continuation as soon as we can, following approval by our stockholders, although our Board of Directors may decide to delay the continuation or not to proceed with the continuation if they determine that the continuation is no longer advisable.

SEE "RISK FACTORS" BEGINNING ON PAGE 4 FOR A DISCUSSION OF RISKS RELATING TO THE CONTINUATION AND THE OWNERSHIP OF THE SHARES OF COMMON STOCK OF GENETRONICS DELAWARE. SEE ALSO THE SECTION TITLED "TAX CONSEQUENCES OF THE CONTINUATION" FOR A DISCUSSION ON POSSIBLE TAX IMPACT UPON HOLDERS OF GENETRONICS CANADA AND GENETRONICS DELAWARE COMMON STOCK.

This proxy statement/prospectus and the accompanying form of proxy are first being mailed to our stockholders on or about April 18, 2001.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION IN THIS PROXY STATEMENT/PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROXY STATEMENT/PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR WILL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH THAT OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF THAT STATE.

THE DATE OF THIS PROXY STATEMENT/PROSPECTUS IS APRIL __, 2001.

TABLE OF CONTENTS

This document incorporates important business and financial information about us that is not included in or delivered with this document. We will provide without charge to each person to whom this prospectus is delivered, upon oral or written request, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into the information that this prospectus incorporates). Written or telephone requests should be directed to Shareholder Relations at Genetronics Biomedical Ltd., 11199 Sorrento Valley Road, San Diego, CA 92121-1334, telephone number (858) 597-6006. TO OBTAIN TIMELY DELIVERY OF THIS INFORMATION, REQUESTS FOR THESE DOCUMENTS MUST BE MADE NO LATER THAN MAY 11, 2001. These reports are also available on our web site, the address of which is http://www.genetronics.com.

SUMMARY

The following is a summary of information contained elsewhere in this proxy statement/prospectus. This document provides a summary of the significant aspects of the transactions described, but it should be reviewed together with

all the supplemental materials attached. We urge you to review carefully all of the information contained in this proxy statement/prospectus, the provisions of the Company Act of British Columbia attached as Appendix A and the other attached appendices.

GENETRONICS CANADA

We are a drug and gene delivery company specializing in developing technology and hardware focused on electroporation. Electroporation is the application of brief, controlled pulsed electric fields to cells, which cause tiny pores to temporarily open in the cell membrane. Immediately after electroporation, the cell membrane is more permeable to drugs and other agents. The use of electroporation along with these other agents is called electro-poration therapy.

We operate through two divisions: (i) the Drug and Gene Delivery Division, through which we are developing drug and gene delivery systems based on electroporation to be used in the treatment of disease and, (ii) the BTX Instrument Division, which develops, manufactures, and sells electroporation equipment to the research laboratory market.

Our principal executive offices are located at 11199 Sorrento Valley Road, San Diego, CA 92121-1334. Our telephone number is (858) 597-6006.

GENETRONICS DELAWARE

Genetronics Delaware is a yet to be formed Delaware entity which will continue the operations of Genetronics Canada once the continuation is complete. Our principal executive offices and phone number of Genetronics Delaware will be the same as those for Genetronics Canada.

THE CONTINUATION

BOARD OF DIRECTORS' RECOMMENDATION

Our board of directors is proposing that we change our jurisdiction of incorporation by means of a process called a "continuation" under Canadian law and a "domestication" under Delaware law. As a result of the continuation we will cease to be a British Columbia company governed by the provisions of the British Columbia Company Act (the "BC Act") and will become a Delaware company governed by the provisions of the Delaware General Corporation Law (the "Delaware Law"). Our wholly-owned subsidiary, Genetronics, Inc., a California company governed by the provisions of the General Corporation Law of California, will be a wholly-owned subsidiary of the Delaware company.

We believe that the continuation will provide us with a number of benefits including:

- Increasing our access to United States capital;

- Increasing our access to highly qualified candidates for our board of directors through the removal of the requirement that a majority of our directors must be residents of Canada and at least one director must be a resident of British Columbia;

- Integrating us more fully into the United States, the primary market for our eventual products; and

5

- Increasing our ability to effectively structure acquisitions, divestitures and mergers with other United States companies.

THE MEETING

The meeting of stockholders will be held at 1400 - 1055 West Hastings Street, Vancouver, B.C. V6E 2E9, Canada at 2 p.m. local time on May 22, 2001.

At the meeting of stockholders, our board of directors will ask you to approve the continuation by special resolution. A copy of the Special Resolution is attached as Appendix D. A special resolution requires the affirmative vote of at least 75% of the stockholders entitled to vote at the meeting. We will also seek your consent to delay or terminate the continuation in the event that we subsequently conclude that it would not be in our best interests to proceed immediately or at all.

EFFECTS OF CONTINUATION

The continuation will not result in any change in our business or assets, liabilities, net worth or management, nor will the continuation impair any of our creditors' rights. A particular stockholder's holding of our shares of common stock will not change. The continuation is not, in itself, a corporate reorganization, amalgamation or merger.

To accomplish the continuation, we will adopt and file a certificate of incorporation and bylaws with the Secretary of State of Delaware that will replace our current memorandum. We also adopt bylaws that will replace our current memorandum. Copies of our proposed certificate of incorporation and bylaws are attached as Appendices B and C, respectively.

We anticipate effecting the continuation as promptly as possible after receipt of stockholder approval. However, the Board of Directors of Genetronics Canada may elect to delay or terminate the continuation process if it determines that the continuation is not presently in the best interests of the stockholders at such time.

SHARE OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND AFFILIATES OF GENETRONICS CANADA

As of the date of this proxy statement/prospectus, directors and executive officers of Genetronics Canada owned and were entitled to vote 577,461 (about 1.71%) outstanding shares of our common stock. These directors and officers have expressed an intention to vote in favor of the continuation.

REGULATORY APPROVALS

We must obtain the approval of the Registrar of Companies of British Columbia to the continuation before we can proceed. We must file a Certificate of Domestication with the Secretary of the State of Delaware to complete the continuation.

RIGHTS OF DISSENTING STOCKHOLDERS

The continuation gives rise to a stockholder's right of dissent. A summary of the right of dissent is set out under "Rights of Dissenting Stockholders".

CONVERSION OF SHARES

The existing share certificates representing our shares of common stock will represent an equivalent number of shares of common stock of Genetronics Delaware without other action by our stockholders. You will not have to exchange any share certificates. We will issue new certificates to you representing shares of common stock of Genetronics Delaware upon transfers of shares of common stock or at your request.

CONVERSION OF WARRANTS AND OPTIONS

The current outstanding warrants and options to purchase shares of common stock of Genetronics Canada will represent warrants and options to purchase an equivalent number of shares of common stock of Genetronics Delaware for the equivalent purchase price per share without other action by our warrant or option holders. Warrant

or option holders will not have to exchange their warrants or options. Warrant or option holders who are not stockholders will not have a right to vote on the continuation proposal.

CONTINUING DISCLOSURE OBLIGATION

We are obligated to remain a "reporting issuer" in British Columbia and Ontario after the continuation, and, so long as we are required, will continue to prepare and issue news releases in British Columbia and Ontario; file material change reports with the British Columbia and Ontario Securities Commissions; prepare, file and provide to stockholders unaudited quarterly and audited annual financial statements; and otherwise comply with the British Columbia Securities Act and Ontario Securities Act. Our insiders will continue to be subject to the insider trading and reporting requirements of the British Columbia Securities Act and the Ontario Securities Act.

Upon the effective date of the continuation, Genetronics Delaware will be subject to the securities laws of the United States as those laws apply to the domestic issuers of securities. Genetronics Delaware will prepare its consolidated financial statements in accordance with accounting principles generally accepted in the United States. Genetronics Canada prepared its consolidated financial statements in accordance with accounting principles generally accepted in Canada.

INCOME TAX CONSEQUENCES

A summary of the principal Canadian and United States income tax consequences of the continuation is set out under "Tax Consequences of the Continuation".

U.S. DOLLAR AMOUNTS

All dollar amounts set forth in this proxy statement/prospectus are stated in U.S. dollars, except where otherwise indicated. See "Selected Financial Data" for exchange rates to Canadian dollars.

WE USE CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Except as otherwise noted, financial data in this proxy statement/prospectus are presented in accordance with Canadian generally accepted accounting principles.

RISK FACTORS

In addition to the other information in this prospectus or incorporated in this proxy statement/prospectus by reference, you should consider carefully the following factors in evaluating our business before voting on the prospectus presented. If any of the following risks actually occur, our business or results of operations could be seriously harmed. In that case, the trading price of our shares of common stock could decline, and you may lose part or all of your investment. The risks described below are not the only ones we face. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations.

OUR BUSINESS MODEL MAY CHANGE AS OUR PRIORITIES AND OPPORTUNITIES CHANGE AND OUR BUSINESS MAY NEVER DEVELOP TO BE PROFITABLE OR SUSTAINABLE.

There are many programs that to us seem promising and that we could pursue. However, with limited resources, we may decide to change priorities and shift programs away from those that we had been pursuing, for the purpose of exploiting other aspects of our core technology of electroporation. The choices we may make will be dependent upon numerous factors, which we cannot predict. We cannot assure you that our business model, as it currently exists or as it may evolve, will enable us to become profitable or to sustain operations.

IF WE DO NOT SUCCESSFULLY COMMERCIALIZE PRODUCTS FROM OUR DRUG AND GENE DELIVERY DIVISION, THEN OUR BUSINESS WILL SUFFER.

Our Drug and Gene Delivery Division is in the early development stage and our success depends on the success of the technology being developed by the Drug and Gene Delivery Division. Although we have received various regulatory approvals which apply to Europe for our equipment for use in treating solid tumors, the products related to such regulatory approval have not yet been commercialized. In addition, we have not yet received any regulatory approvals to sell our clinical products in the United States and further clinical trials are still necessary before we can seek regulatory approval to sell our product in the United States for treating solid tumors. We cannot assure you that we will successfully develop any products. If we fail to develop or successfully commercialize any products, then our business will suffer.

UNPREDICTABILITY OF CONDUCTING PRE-CLINICAL AND CLINICAL TRIALS OF OUR HUMAN-USE EQUIPMENT.

Before any of our human-use equipment can be sold, the Food and Drug Administration (FDA), or applicable foreign regulatory authorities, must determine that the equipment meets specified criteria for use in the indications for which approval is requested. The FDA will make this determination based on the results from our pre-clinical testing and clinical trials.

Clinical trials are unpredictable. Results achieved in early stage clinical trials may not be repeated in later stage trials, or in trials with more patients. When early, positive results are not repeated in later stage trials, pharmaceutical and biotechnology companies have suffered significant setbacks. Not only are commercialization timelines pushed back, but some

companies, particularly smaller biotechnology companies with limited cash reserves, have gone out of business after releasing news of unsuccessful clinical trial results.

If any of the following events arise during our clinical trials or data review, then we would expect this to have a serious negative effect on our company and your investment:

- The delivery of drugs or other agents by electroporation may be found to be ineffective or to cause harmful side effects, including death;

- Our clinical trials may take longer than anticipated, for any of a number of reasons including a scarcity of subjects that meet the physiological or pathological criteria for entry into the study, a scarcity of subjects that are willing to participate through to the end of the trial, or data and document review:

- The reporting clinical data may change over time as a result of the continuing evaluation of patients or the current assembly or review of existing clinical and pre-clinical information;

- Data from various sites participating in the clinical trials may be incomplete or unreliable, which could result in the need to repeat the trial or abandon the project; and

- The FDA and other regulatory authorities may interpret our data differently than we do, which may delay or deny approval.

Clinical trials are generally quite expensive. A delay in our trials, for whatever reason, will probably require us to spend additional funds to keep the product(s) moving through the regulatory process. If we do not have or cannot raise the needed funds, then the testing of our human-use products could be shelved. In the event the clinical trials are not successful, we will have to determine whether to put more money into the program to address its deficiencies or whether to abandon the clinical development programs for the products in the tested indications. Loss of the human-use product line would be a significant setback for our company.

Because there are so many variables inherent in clinical trials, we cannot predict whether any of our future regulatory applications to conduct clinical trials will be approved by the FDA or other regulatory authorities, whether our clinical trials will commence or proceed as planned, and whether the trials will ultimately be deemed to be successful.

OUR BUSINESS IS HIGHLY DEPENDENT ON RECEIVING APPROVALS FROM VARIOUS UNITED STATES AND INTERNATIONAL GOVERNMENT AGENCIES AND CAN BE DRAMATICALLY AFFECTED IF APPROVAL TO MANUFACTURE AND SELL OUR HUMAN-USE EQUIPMENT IS NOT GRANTED.

The production and marketing of our human-use equipment and the ongoing research, development, preclinical testing, and clinical trial activities are subject to extensive regulation. Numerous governmental agencies in the U.S. and internationally, including the FDA, must review our applications and decide whether to grant approval. All of our human-use equipment must go through an approval process, in some instances for each indication in which we want to label it for use (such as, use for dermatology, use for transfer of a certain gene to a certain tissue, or use for administering a certain drug to a certain tumor type in a patient having certain characteristics). These regulatory processes are extensive and involve substantial costs and time.

Our company has limited experience in, and limited resources available for regulatory activities. Failure to comply with applicable regulations can, among other things, result in non-approval, suspensions of regulatory approvals, fines, product seizures and recalls, operating restrictions, injunctions and criminal prosecution.

Any of the following events can occur and, if any did occur, any one could have a material adverse effect on us:

- There can be delays, sometimes long, in obtaining approval for our human-use devices;

- The rules and regulations governing human-use equipment such as ours can change during the review process, which can result in the need to spend time and money for further testing or review;

- If approval for commercialization is granted, it is possible the authorized use will be more limited than we believe is necessary for commercial success, or that approval may be conditioned on completion of further clinical trials or other activities; and

- Once granted, approval can be withdrawn, or limited, if previously unknown problems arise with our human-use product or data arising from its use.

9

WE RELY HEAVILY ON COLLABORATIVE AND LICENSING RELATIONSHIPS, AND WILL BE NEGATIVELY AFFECTED IF WE CANNOT MAINTAIN OR EXPAND EXISTING RELATIONSHIPS, AND INITIATE NEW ONES.

We rely and will continue to rely on partners and collaborators to fund some of our research and development expenses and to assist us in the research and development of our human-use equipment. Our largest partner had been Ethicon Endo-Surgery, Inc., a Johnson & Johnson company. On July 26, 2000, we received written notice from Ethicon Endo-Surgery, Inc. that it had elected to exercise its discretionary right to terminate, without cause, our License and Development Agreement and our Supply Agreement. If we are unable to enter into a relationship with a new partner for the Electroporation Drug Delivery System, our business could be adversely impacted. Moreover, loss of or any significant change in any of our material collaborative relationships could adversely impact our business.

Our clinical trials to date have used our equipment with the anti-cancer drug bleomycin. We do not currently intend to package bleomycin together with the equipment for sale, but if it should be necessary or desirable to do this, we would need a reliable source of the drug. In 1998, we signed a supply agreement with Abbott Laboratories under which Abbott would sell us bleomycin for inclusion in our package. If it becomes necessary or desirable to include bleomycin in our package, and this relationship with Abbott should be terminated, then we would have to form a relationship with another provider of this generic drug before any product could be launched.

We also rely on scientific collaborators at universities and companies to further our research and test our equipment. In most cases, we lend our equipment to a collaborator, teach him or her how to use it, and together design experiments to test the equipment in one of the collaborator's fields of expertise. We aim to secure agreements that restrict collaborators' rights to use the equipment outside of the agreed upon research, and outline the rights each of us will have in any results or inventions arising from the work.

Nevertheless, there is always risk that:

- Our equipment will be used in ways we did not authorize, which can lead to liability and unwanted competition;

- We may determine that our technology has been improperly assigned to us or a collaborator may claim rights to certain of our technology, which may require us to pay license fees or milestone payments and, if commercial sales of the underlying product is achieved, royalties;

- We may lose rights to inventions made by our collaborators in the field of our business, which can lead to expensive legal fights and unwanted competition;

- Our collaborators may not keep our confidential information to themselves, which can lead to loss of our right to seek patent protection and loss of trade secrets, and expensive legal fights; and

- Collaborative associations can damage a company's reputation if they go awry and, thus, by association or otherwise, the scientific or medical community may develop a negative view of us.

We cannot guarantee that any of the results from these collaborations will be fruitful. We also cannot tell you that we will be able to continue to collaborate with individuals and institutions that will further our work, or that we will be able to do so under terms that are not too restrictive. If we are not able to maintain or develop new collaborative relationships, then it is likely the research pace will slow down and it will take longer to identify and commercialize new products, or new indications for our existing products.

WE COULD BE SUBSTANTIALLY DAMAGED IF PHYSICIANS AND HOSPITALS PERFORMING OUR CLINICAL TRIALS DO NOT ADHERE TO PROTOCOLS OR PROMISES MADE IN CLINICAL TRIAL AGREEMENTS.

Our company also works and has worked with a number of hospitals to perform clinical trials, primarily in oncology. We depend on these hospitals to recruit patients for the trials, to perform the trials according to our protocols, and to report the results in a thorough, accurate and consistent fashion. Although we have agreements

with these hospitals, which govern what each party is to do with respect to the protocol, patient safety, and avoidance of conflict of interest, there are risks that the terms of the contracts will not be followed.

For instance:

- Risk of Deviations from Protocol. The hospitals or the physicians working at the hospitals may not perform the trial correctly. Deviations from protocol may make the clinical data not useful and the trial could be essentially worthless.

- Risk of Improper Conflict of Interest. Physicians working on protocols may have an improper economic interest in our company, or other conflict of interest. When a physician has a personal stake in the success of the trial, such as can be inferred if the physician owns stock, or rights to purchase stock, of the trial sponsor, it can create suspicion that the trial results were improperly influenced by the physician's interest in economic gain. Not only can this put the clinical trial results at risk, but it can also do serious damage to a company's reputation.

- Risks Involving Patient Safety and Consent. Physicians and hospitals may fail to secure formal written consent as instructed or report adverse effects that arise during the trial in the proper manner, which could put patients at unnecessary risk. This increases our liability, affects the data, and can damage our reputation.

If any of these events were to occur, then it could have a material adverse effect on our ability to receive regulatory authorization to sell our human-use equipment, not to mention on our reputation. Negative events that arise in the performance of clinical trials sponsored by biotechnology companies of our size and with limited cash reserves similar to ours have resulted in companies going out of business.

WE RELY HEAVILY ON OUR PATENTS AND PROPRIETARY RIGHTS TO ATTRACT PARTNERSHIPS AND MAINTAIN MARKET POSITION.

Another factor that will influence our success is the strength of our patent portfolio. Patents give the patent holder the right to keep others out of its patented territory. If someone practices within the patented territory of a patent holder, then the patent holder has the right to charge that person with infringement and begin legal proceedings, which can be lengthy and costly. We are in the process of performing an ongoing review of our patent portfolio to confirm that our key technologies are adequately protected. If necessary, we may ask that one or more of our patents be re-examined or reissued by the United States patent office.

The patenting process, enforcement of issued patents, and defense against claims of infringement are inherently risky. Because our Drug and Gene Delivery Division relies heavily on patent protection, for us, the risks are significant and include the following:

- Risk of Inadequate Patent Protection for Product. The United States or foreign patent offices may not grant patents of meaningful scope based on the applications we have already filed and those we intend to file. If we do not have patents that adequately protect our human-use equipment and indications for its use, then we will not be competitive.

- Risk Important Patents Will Be Judged Invalid. Some of the issued patents we now own or license may be determined to be invalid. If we have to defend the validity of any of our patents, then it will require a lot of time and money to do so, and there is no guarantee of a successful outcome. In the event an important patent related to our drug delivery technology is found to be invalid, we may lose competitive position and may not be able to receive royalties for products covered in part or whole by that patent under license agreements.

- Risk of Being Charged With Infringement. Although we try to avoid infringement, there is the risk that we will use a patented technology owned by another person and/or be charged with infringement. Defending against a charge of infringement can involve lengthy and costly legal actions, with no guarantee of a successful outcome. Biotechnology companies of roughly our size and financial position have gone out of business after fighting and

losing an infringement battle. If we were prevented from using or selling our human-use equipment, then our business would be seriously affected.

- Freedom to Operate Risks. We are aware that patents related to electrically assisted drug delivery have been granted to, and patent applications filed

by, our potential competitors. We or our partners have taken licenses to some of these patents, and will consider taking additional licenses in the future. Nevertheless, the competitive nature of our field of business and the fact that others have sought patent protection for technologies similar to ours, makes these significant risks.

In addition to patents, we also rely on trade secrets and proprietary know-how. We try to protect this information with appropriate confidentiality and inventions agreements with our employees, scientific advisors, consultants, and collaborators. We cannot assure you that these agreements will not be breached, that we will be able to do much to protect ourselves if they are breached, or that our trade secrets will not otherwise become known or be independently discovered by competitors. If any of these events occurs, then we run the risk of losing control over valuable company information, which could negatively affect our competitive position.

WE RUN THE RISK THAT OUR TECHNOLOGY WILL BECOME OBSOLETE OR LOSE ITS COMPETITIVE ADVANTAGE.

The drug delivery business is very competitive, fast moving and intense, and expected to be increasingly so in the future. Other companies and research institutions are developing drug delivery systems that, if not similar in type to our systems, are designed to address the same patient or subject population. Therefore, we cannot promise you that our products will be the best, the safest, the first to market, or the most economical to make or use. If competitors' products are better than ours, for whatever reason, then we will make less money from sales and our products risk becoming obsolete.

There are many reasons why a potential competitor might be more successful than us, including:

- More Money. Some competitors have a lot more money than we do. They can afford more technical and development setbacks than we can.

- Greater Experience. Some competitors have been in the drug delivery business longer than we have. They have greater experience than us in critical areas like clinical testing, obtaining regulatory approval, and sales and marketing. This experience or their name recognition may give them a competitive advantage over us.

- Superior Patent Position. Some competitors may have a better patent position protecting their technology than we have or will have to protect our technology. If we cannot use our patents to prevent others from copying our technology or developing similar technology, or if we cannot obtain a critical license to another's patent that we need to make and use our equipment, then we would expect our competitive position to lessen.

- Faster to Market. Some companies with competitive technologies may move through stages of development, approval, and marketing faster than us. If a competitor receives FDA approval before us, then it will be authorized to sell its products before we can sell ours. Because the first company "to market" often has a significant advantage over late-comers, a second place position could result in less than anticipated sales.

- Reimbursement Allowed. In the United States, third party payers, such as Medicare, may reimburse physicians and hospitals for competitors' products but not for our human-use products. This would significantly affect our ability to sell our human-use products in the United States and would have a serious effect on revenues and our business as a whole. Outside of the United States, reimbursement and funding policies vary widely.

OUR ABILITY TO ACHIEVE SIGNIFICANT REVENUE FROM SALES OR LEASES OF HUMAN-USE

EQUIPMENT WILL DEPEND ON ESTABLISHING EFFECTIVE SALES, MARKETING AND DISTRIBUTION CAPABILITIES OR RELATIONSHIPS AND WE LACK SUBSTANTIAL EXPERIENCE IN THESE AREAS.

Our company has no experience in sales, marketing and distribution of clinical and human-use products. If we want to be direct distributors of the human-use products, then we must develop a marketing and sales force. This

would involve a lot of money, training, and time. Alternatively, we may decide to rely on a company with a large distribution system and a large direct sales force to undertake the majority of these activities on our behalf. This route could result in less profit for us, but may permit us to reach market faster. In any event, we may not be able to undertake this effort on our own, or contract with another to do this at a reasonable cost. Regardless of the route we take, we may not be able to successfully commercialize any product.

WE HAVE OPERATED AT A LOSS AND WE EXPECT TO CONTINUE TO ACCUMULATE A DEFICIT.

As of December 31, 2000, we had a deficit of $35,568,862. We have operated at a loss since 1994, and we expect this to continue for some time. The amount of the accumulated deficit will continue to grow, as it will be expensive to continue our clinical, research, and development efforts. If these activities are successful, and if we receive approval from the FDA to market human-use equipment, then even more money will be required to market and sell the equipment.

Most of the cash we received during the nine months ended December 31, 2000 was from sales of BTX research-use equipment and exercise of agent's warrants. Other funds came from interest income on our investments, Small Business Innovative Research (SBIR) grants, milestone payments and exercise of stock options. It is possible that we will lose our SBIR grants or that it will be determined that we are not or have not been in compliance with such program requirements, and the government may require us to pay back the original funding grants or even pay certain penalties if it determines that we have used the grant funds inappropriately. We do not expect to receive enough money from these sources to completely pay for future activities.

WE WILL HAVE A NEED FOR SIGNIFICANT AMOUNTS OF MONEY IN THE FUTURE AND THERE IS NO GUARANTEE THAT WE WILL BE ABLE TO OBTAIN THE AMOUNTS WE NEED.

As discussed, we have operated at a loss, and expect that to continue for some time in the future. Our plans for continuing clinical trials, conducting research, furthering development and, eventually, marketing our human-use equipment will cost a lot of money. The extent of these costs will depend on many factors, including some of the following:

- The progress and breadth of preclinical testing and the size of our drug delivery programs, all of which directly influence cost;

- The costs involved in complying with the regulatory process to get our human-use products approved, including the number, size, and timing of necessary clinical trials and costs associated with the current assembly and review of existing clinical and pre-clinical information;

- The costs involved in patenting our technologies and defending them;

- Changes in our existing research and development relationships and our ability to enter into new agreements;

- The cost of manufacturing our human-use and research-use equipment; and

- Competition for our products and our ability, and that of our partners, to commercialize our products.

We plan to fund operations by several means. We will attempt to enter into contracts with partners that will fund either general operating expenses or specific programs or projects. Some funding also may be received through government grants. We cannot promise that we will enter into any such contracts or receive such grants, or, if we do, that our partners and the grants will provide enough money to meet our needs.

In the past, we have raised funds by public and private sale of our stock, and we may do this in the future to raise needed funds. Sale of our stock to new private or public investors usually results in existing stockholders becoming "diluted". The greater the number of shares sold, the greater the dilution. A high degree of dilution can make it difficult for the price of our stock to rise rapidly, among other things. Dilution also lessens a stockholder's voting power.

We cannot assure you that we will be able to raise money needed to fund operations, or that we will be able to raise money under terms that are favorable to us.

IF WE DO NOT HAVE ENOUGH MONEY TO FUND OPERATIONS, THEN WE WILL HAVE TO CUT COSTS.

If we are not able to raise needed money under acceptable terms, then we will have to take measures to cut costs, such as:

- Delay, scale back or discontinue one or more of our drug or gene delivery programs or other aspects of operations, including laying off some personnel or stopping or delaying clinical trials;

- Sell or license some of our technologies that we would not otherwise give up if we were in a better financial position;

- Sell or license some of our technologies under terms that are a lot less favorable than they otherwise might have been if we were in a better financial position; and

- Consider merging with another company or positioning ourselves to be acquired by another company.

If it became necessary to take one or more of the above-listed actions, then we may have a lower valuation, which probably would be reflected in our stock price.

THE MARKET FOR OUR STOCK IS VOLATILE, WHICH COULD ADVERSELY AFFECT AN INVESTMENT IN OUR STOCK.

Our share price and volume are highly volatile. This is not unusual for biomedical companies of our size, age, and with a discrete market niche. It also is common for the trading volume and price of biotechnology stocks to be unrelated to a company's operations, i.e., to go up or down on positive news and to go up or down on no news. Our stock has exhibited this type of behavior in the past, and may well exhibit it in the future. The historically low trading volume of our stock, in relation to many other biomedical companies of about our size, makes it more likely that a severe fluctuation in volume, either up or down, will affect the stock price.

Some factors that we would expect to depress the price of our stock include:

- Adverse clinical trial results;

- Announcement that the FDA denied our request to approve our human-use product for commercialization in the United States, or similar denial by other regulatory bodies which make independent decisions outside the United States. To date, Europe is the only foreign jurisdiction in which we have sought approval for commercialization;

- Announcement of legal actions brought by or filed against us for patent or other matters, especially if we do not win such actions;

- Cancellation of important corporate partnerships or agreements;

- Public concern as to the safety or efficacy of our human-use products including public perceptions regarding gene therapy in general;

- Stockholders' decisions, for whatever reasons, to sell large amounts of our stock;

- A decreasing cash-on-hand balance to fund operations, or other signs of apparent financial uncertainty; and

- Significant advances made by competitors that are perceived to limit our market position.

OUR DEPENDENCE UPON NON-MARKETED PRODUCTS, LACK OF EXPERIENCE IN MANUFACTURING AND MARKETING HUMAN-USE PRODUCTS, AND OUR CONTINUING DEFICIT MAY RESULT IN EVEN FURTHER FLUCTUATIONS IN OUR TRADING VOLUME AND SHARE PRICE.

Successful approval, marketing, and sales of our human-use equipment are critical to the financial future of our company. Our products are not yet approved for sale in the United States and some other jurisdictions and we may never obtain those approvals. Even if we do obtain approvals to sell our products, those sales may not be as large or timely as we expect. These uncertainties may cause our operating results to fluctuate dramatically in the next several years. We believe that quarter-to-quarter or annual comparisons of our operating results are not a good indication of our future performance. Nevertheless, these fluctuations may cause us to perform below the expectations of the public market analysts and investors. If this happens, the price of our shares of common stock would likely fall.

OUR BTX INSTRUMENT DIVISION MARKETS ONLY TO THE ELECTROPORATION PRODUCT NICHE MARKETS AND RELIES ON DISTRIBUTION RELATIONSHIPS FOR SALES.

The BTX Instrument Division currently markets only electroporation equipment to the research market. If our research-use equipment loses its competitive position, because the BTX Instrument Division does not have any other product line on which to rely, our sales would likely decline. Therefore, if we do not develop and introduce new products directed to research-use electroporation, at a reasonable price, then we will lose pace with our competitors. We may not have the necessary funds for our BTX Instrument Division to stay competitive and that division may not ultimately succeed.

The research-use equipment is sold through United States and international distributors. Approximately 44% of BTX instrument sales during the fiscal nine

months ended December 31, 2000 were through our distribution relationships with the Merck Group, which includes Merck Eurolab Holding GmbH and VWR Scientific Products Corporation. This accounted for about 35% of our total revenue. We rely heavily on our relationships with VWR and Fisher Scientific Company to sell our product in the United States and on Merck Eurolab Holding GmbH to sell our product in Europe. We may not be able to maintain or replace our current distribution relationship with the Merck Group, Fisher, or other distributors, or establish sales, marketing and distribution capabilities of our own. If we cannot develop or maintain distribution relationships for major markets such as the United States and Europe, then the BTX Instrument Division may suffer declining sales, which would have an effect on our financial performance.

THERE IS A RISK OF PRODUCT LIABILITY WITH HUMAN-USE EQUIPMENT AND RESEARCH-USE EQUIPMENT.

The testing, marketing and sale of human-use products expose us to significant and unpredictable risks of equipment product liability claims. These claims may arise from patients, clinical trial volunteers, consumers, physicians, hospitals, companies, institutions, researchers or others using, selling, or buying our equipment. Product liability risks are inherent in our business and will exist even after the products are approved for sale. If and when our human-use equipment is commercialized, and with respect to the research-use equipment that is currently marketed by our BTX Instrument Division, we run the risk that use (or misuse) of the equipment will result in personal injury. The chance of such an occurrence will increase after a product type is on the market.

We purchased liability insurance in connection with the ongoing oncology clinical trials, and we would expect to purchase additional policies for any additional clinical trial. The insurance we purchase may not provide adequate coverage in the event a claim is made, and we may be required to pay claims directly. If we did have to make payment against a claim, then it would impact our financial ability to perform the research, development, and sales activities we have planned.

With respect to our research-use equipment, there is always the risk of product defects. Product defects can lead to loss of future sales, decrease in market acceptance, damage to our brand or reputation, and product returns and warranty costs. These events can occur whether the defect resides in a component we purchased from a third party or whether it was due to our design and/or manufacture. Our sales agreements typically contain provisions designed to limit our exposure to product liability claims. However, we do not know whether these limitations are enforceable in the countries in which the sale is made. Any product liability or other claim brought against us, if

successful and of sufficient magnitude, could negatively impact our financial performance, even if we have insurance.

WE CANNOT BE CERTAIN THAT WE WILL BE ABLE TO MANUFACTURE OUR HUMAN-USE AND RESEARCH-USE EQUIPMENT IN SUFFICIENT VOLUMES AT COMMERCIALLY REASONABLE RATES.

Our products must be manufactured in sufficient commercial quantities, in compliance with regulatory requirements, and at an acceptable cost to be attractive to purchasers. We rely on third parties to manufacture and assemble most aspects of our equipment.

Disruption of the manufacture of our products, for whatever reason, could delay or interrupt our ability to manufacture or deliver our products to customers on a timely basis. This would be expected to affect revenues and may

affect our long-term reputation, as well. In the event we provide product of inferior quality, we run the risk of product liability claims and warranty obligations, which will negatively affect our financial performance.

Our manufacturing facilities for human-use products will be subject to quality systems regulations, international quality standards and other regulatory requirements, including pre-approval inspection for the human-use equipment and periodic post-approval inspections for all human-use products. While we have undergone and passed a quality systems review from an international body, we have never undergone a quality systems inspection by the FDA. We may not be able to pass an FDA inspection when it occurs. If our facilities are not up to the FDA standards in sufficient time, prior to United States launch of product, then it will result in a delay or termination of our ability to produce the human-use equipment in our facility. Any delay in production will have a negative effect on our business.

OUR BTX INSTRUMENT DIVISION MUST MANAGE THE RISKS OF INTERNATIONAL OPERATIONS.

Our BTX Instrument Division sells a significant amount of its research-use equipment to customers outside of the United States. In the nine months ended December 31, 2000, 31% of BTX's revenues were from BTX sales into foreign countries. Like any company having foreign sales, BTX's sales are influenced by many factors outside of our control.

For instance, the following factors can negatively influence BTX's sales or profitability in foreign markets:

- We are subject to foreign regulatory requirements, foreign tariffs and other trade barriers that may change without sufficient notice;

- Our expenses related to international sales and marketing, including money spent to control and manage distributors, may increase to a significant extent due to political and/or economic factors out of our control;

- We are subject to various export restrictions and may not be able to obtain export licenses when needed;

- Some of the foreign countries in which we do business suffer from political and economic instability;

- Some of the foreign currencies in which we do business fluctuate significantly;

- We may have difficulty collecting accounts receivables or enforcing other legal rights; and

- We are subject to the Foreign Corrupt Practices Act, which may place us at a competitive disadvantage to foreign companies that do not have to adhere to this statute.

WE DEPEND ON THE CONTINUED EMPLOYMENT OF QUALIFIED PERSONNEL.

Our success is highly dependent on the people who work for us. If we cannot attract and retain top talent to work in our company, then our business will suffer. Our staff may not decide to stay with our company, and we may not be able to replace departing employees or build departments with qualified individuals.

We have an employment agreement in place for Martin Nash, our President

and Chief Executive Officer. If Mr. Nash leaves us, that might pose significant risks to our continued development and progress. Our progress may also be curtailed if Dietmar Rabussay, Ph.D., our Vice President of Research and Development, or George M. Gill, M.D., our Vice President of Clinical Research and Regulatory Affairs, were to leave us.

WE MAY NOT MEET ENVIRONMENTAL GUIDELINES, AND AS A RESULT COULD BE SUBJECT TO CIVIL AND CRIMINAL PENALTIES.

Like all companies in our line of work, we are subject to a variety of governmental regulations relating to the use, storage, discharge and disposal of hazardous substances. Our safety procedures for handling, storage and disposal of such materials are designed to comply with applicable laws and regulations. Nevertheless, if we are found to not comply with environmental regulations, or if we are involved with contamination or injury from these materials, then we may be subject to civil and criminal penalties. This would have a negative impact on our reputation, our finances, and could result in a slowdown, or even complete cessation of our business.

MOST OF OUR DIRECTORS ARE CANADIAN CITIZENS AND SERVICE AND ENFORCEMENT OF LEGAL PROCESS UPON THEM MAY BE DIFFICULT.

Most of our directors are residents of Canada and most, if not all, of these persons' assets are located outside of the United States. It may be difficult for a stockholder in the United States to effect service or realize anything from a judgment against these Canadian residents as a result of any possible civil liability resulting from the violation of United States federal securities laws.

OUR ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN OUR FORWARD-LOOKING STATEMENTS.

Any statements in this proxy statement/prospectus about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "should," "intend," "plan," "will," "expects," "estimates," "projects," "positioned," "strategy," "outlook" and similar expressions. Accordingly, these statements involve estimates, assumptions and uncertainties which could cause actual results to differ materially from the results expressed in the statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this proxy statement/prospectus. The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made in this proxy statement/prospectus. Among the key factors that have a direct impact on our results of operations are:

- the risks and other factors described under the caption "Risk Factors" in this proxy statement/prospectus;

- general economic and business conditions;

- industry trends;

- our assumptions about customer acceptance, overall market penetration and competition from providers of alternative products and services;

- our actual funding requirements; and

- availability, terms and deployment of capital.

Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us, you should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we

cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

CAUTIONARY NOTICE REGARDING FORWARD LOOKING STATEMENTS

Some statements contained in this proxy statement/prospectus are forward-looking within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 that involve risks and uncertainties, including those related to development plans, intentions to seek licensing partners and additional sources of capital, intended inventory levels, expectations concerning the adequacy of existing cash resources, and other financial, clinical, business environment and trend projections. These statements relate to future events or our future financial performance. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms and other comparable terminology. These statements are only predictions. Our actual results may differ significantly from those projected in the forward-looking statements as a result of certain factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this proxy statement/prospectus. Although we believe that our expectations are based on reasonable assumptions, we can give no assurance that our goals will be achieved. The important factors that could cause actual results to differ materially from those in the forward-looking statements herein include, without limitation, potential changes in strategy and focus of potential collaborative partners, competitive conditions and demand for our products, the current stage of development of both our company and our products, the timing and uncertainty of results of both research and regulatory processes, the extensive government regulation applicable to our business, the unproven safety and efficacy of our device products, our significant additional financing requirements, the volatility of our stock price, the uncertainty of future capital funding, our potential exposure to product liability or recall uncertainties relating to patents and other intellectual property, including whether we will obtain sufficient protection or competitive advantage therefrom, our dependence upon a limited number of key personnel and consultants and our significant reliance upon our collaborative partners for achieving our goals.

WHERE YOU CAN FIND MORE INFORMATION

This proxy statement/prospectus constitutes a part of a registration statement on Form S-4 that we filed with the Securities and Exchange Commission under the Securities Act. This proxy statement/prospectus does not contain all of the information set forth in the registration statement and its exhibits. For further information about our company and the shares of common stock offered by this proxy statement/prospectus, please refer to the registration statement. We urge you to further refer to the copy of the documents filed as exhibits to the registration statement filed with the SEC.

We file annual, quarterly and special reports, along with other information with the SEC. You may read and copy any document we file at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Regional Offices of the SEC at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and at 75 Park Place, New York, New York 10007. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. Our common stock is traded on The American Stock Exchange and the Toronto Stock Exchange. You may inspect reports and other information concerning us at the offices of the American Stock Exchange, Inc., 86 Trinity Place, New York, New York 10006. These filings and other information may also be inspected without charge at a Web site maintained by the SEC. The address of the site is http://www.sec.gov.

THE EXTRAORDINARY GENERAL MEETING

This proxy statement/prospectus is being furnished to our stockholders in connection with the solicitation by our Board of Directors of proxies for the extraordinary general meeting to be held at 1400 - 1055 West Hastings Street, Vancouver, B.C., V6E, 2E9, Canada, at 2 p.m. local time on May 22, 2001. The approximate date of mailing this proxy statement/prospectus and the accompanying proxy card to our stockholders is April 18, 2001.

18

MANAGEMENT SOLICITATION AND APPOINTMENT OF PROXIES

The people named in the accompanying form of proxy are nominees of our management. A stockholder has the right to appoint a person (who need not be a stockholder) to attend and act for and on the stockholder's behalf at the meeting other than the people designated as proxyholders in the accompanying form of proxy. To exercise this right, the stockholder must either:

(a) on the accompanying form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the stockholder's nominee in the blank space provided; or

(b) complete another proper form of proxy.

To be valid, a proxy must be dated and signed by the stockholder or by the stockholder's attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, at least 48 hours before the meeting, excluding Saturdays, Sundays and Canadian holidays.

REVOCATION OF PROXIES

A stockholder who has given a proxy may revoke it at any time before the proxy is exercised. To revoke a proxy, a letter of revocation must be delivered to Computershare Trust Company of Canada of 510 Burrard Street, Vancouver,

British Columbia V6C 3B9 or to the registered office of Genetronics Canada at Suite 1400 - 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9, at any time up to and including the last business day preceding the day of the meeting or any adjournment of the meeting or be delivered to the chairperson of the meeting on the day of the meeting or any adjournment of the meeting before any vote has been taken on a matter for which the proxy is to be used. To be effective, the letter must be signed by the stockholder, the stockholder's attorney authorized in writing or, where the stockholder is a corporation, a duly authorized officer or attorney of the corporation.

In addition, a proxy may be revoked by operation of law if, for example, the stockholder dies, becomes incompetent, or, if the stockholder is a corporation, partnership or other entity, the stockholder is dissolved.

RECORD DATE; STOCKHOLDERS ENTITLED TO VOTE AT THE MEETING

Holders of our shares of common stock of record on the close of business on April 14, 2001, the record date, will be entitled to vote at the meeting. As of April 4, 2000, there were 33,756,718 of our shares of common stock outstanding. At the meeting, on a show of hands, every stockholder present in person and entitled to vote shall have one vote, and on a poll, every stockholder present in person or represented by proxy and entitled to vote shall have one vote for each common share held on the record date.

Stockholders should not forward any stock certificates with their proxy cards. If the continuation is consummated, certificates representing existing shares of Genetronics Canada will represent shares of Genetronics Delaware common stock.

Except as set forth in the section entitled "Principal Stockholders" our directors and senior officers are not aware of any person who beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of Genetronics Canada.

VOTING OF SHARES AND PROXIES AND EXERCISE OF DISCRETION BY PROXYHOLDERS

To approve the continuation, the special resolution must be approved by at least 75% of the votes cast at the meeting in person or by proxy. A copy of the Special Resolution is attached as Appendix D.

A stockholder may indicate the manner in which the persons named in the proxy are to vote regarding a matter to be acted upon at the meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are clear, the shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy.

If no choice is specified in the proxy regarding a matter to be acted upon, the proxy confers discretionary authority regarding that matter upon the person named in the proxy. We intend that the proxyholder named by our management in the accompanying form of proxy will vote the shares represented by the proxy in favor of each matter identified in the proxy.

The proxy also confers discretionary authority upon the named proxyholder regarding amendments or variations to the matters identified in the attached notice of meeting and regarding any other matters which may properly be raised at the meeting. As of the date of this proxy statement/prospectus, we are not aware of any amendments or variations, or any other matters, that will be presented for action at the meeting other than those referred to in the accompanying notice of meeting. If, however, other matters that are not now known to us are properly raised at the meeting then the persons named in the accompanying form of proxy intend to vote on these matters in accordance with their best judgement.

RIGHTS OF DISSENTING STOCKHOLDERS

The British Columbia Company Act (the "BC Act") provides that our stockholders are entitled to exercise dissenter's rights in connection with the continuation. A stockholder validly exercising its right of dissent is entitled to be paid the fair value of the dissenter's shares as determined by agreement between the dissenter and us. If we cannot agree on the fair value of the shares, the value will be determined by a court order. In determining the fair value of the dissenter's shares, the court will consider the value of the shares as of the day before the date the continuation resolution is passed, including any appreciation or depreciation in anticipation of the vote. The court may set the price and terms of the payment and sale or order that they be set by arbitration. The court is not bound by any single set of evidentiary standards, although the quoted stock market price is used as an indication of the fair value of the shares.

DISSENT PROCEEDINGS

A dissenting stockholder must follow the appropriate procedures under the BC Act or suffer the termination or waiver of the dissenter's rights.

A stockholder electing to exercise dissenter's rights must, at least two days prior to the meeting, perfect its dissenter's rights by demanding in writing from Genetronics Canada the appraisal of its shares of common stock of Genetronics Canada, as provided in Section 37 of the BC Act. A holder who elects to exercise dissenter's rights should mail or deliver its written demand to Genetronics Canada at 1400 -- 1055 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2E9. The demand should specify the holder's name and mailing address, the number of shares of common stock of Genetronics Canada owned and that the holder is demanding appraisal of its shares. Only a holder of record of shares of common stock of Genetronics Canada, or its representative, is entitled to assert dissenter's rights for the shares registered in the dissenter's name.

Section 207 of the BC Act applies after a holder of Genetronics Canada shares of common stock has given its notice of dissent. If a holder exercises and perfects dissenter's rights in connection with the continuation under Section 207, any shares of common stock of Genetronics Canada affected by those rights will not be converted into shares of common stock of Genetronics Delaware but instead will be converted into the right to receive the consideration as may be determined in accordance with Section 207.

If any dissenting stockholder withdraws or loses its right to appraisal, its shares will be converted into shares of common stock of Genetronics Delaware in the continuance. A stockholder will lose its right to appraisal if it votes in favor of the continuation. A copy of Section 207 of the BC Act is attached as Appendix A.

INTEREST OF MANAGEMENT IN THE CONTINUATION

No director or senior officer of Genetronics Canada at any time since the beginning of our most recently completed financial year and no associate or affiliate of any such person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the continuation, except for any interest arising from the ownership of shares of Genetronics Canada where the stockholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of Genetronics Canada.

SOLICITATION OF PROXIES

We intend to solicit proxies primarily by mail and possibly supplemented by telephone or other personal contact by our directors, officers and employees, without special compensation. We may reimburse stockholders' nominees or agents for the costs incurred in obtaining authorization to execute forms of proxy from their principals. We will bear any costs of solicitation of proxies.

DESCRIPTION OF CAPITAL STOCK

SHARES OF COMMON STOCK

Upon the completion of the continuation and the adoption of the proposed new articles of continuance, the authorized share capital of Genetronics Delaware will consist of two classes of shares: 100,000,000 shares of common stock, par value $0.001 per share, and 10,000,000 shares of preferred stock, par value $0.001 per share. Genetronics Delaware will initially have only one class of shares outstanding and there will be no pre-emptive rights or restrictions attached to that class. All of the currently issued shares of common stock of Genetronics Canada will be converted into shares of common stock Genetronics Delaware automatically without any further action by the stockholders.

All of the shares of common stock of Genetronics Delaware in this new class will rank equally as to voting rights, participation in a distribution of the assets of Genetronics Delaware on a liquidation, dissolution or winding-up of Genetronics Delaware and the entitlement to dividends. The holders of the shares of common stock will be entitled to receive notice of all meetings of stockholders and to attend and vote the shares at the meetings. Each share of common stock will carry with it the right to one vote.

In the event of the liquidation, dissolution or winding-up of Genetronics Delaware or other distribution of its assets, the holders of the shares of common stock will be entitled to receive, on a pro rata basis, all of the assets remaining after Genetronics Delaware has paid out its liabilities, subject to prior payments of any preferences. Distribution in the form of dividends, if any, will be set by the Board of Directors.

Provision as to the modification, amendment or variation of the rights attached to the shares of common stock of Genetronics Delaware will be contained in Genetronics Delaware's certificate of incorporation, bylaws and the Delaware Law. Generally speaking, substantive changes to the share capital require the approval of the stockholders by majority resolution.

There are no restrictions on the repurchase or redemption by us of shares of common stock. There are no indentures or agreements limiting the payment of dividends. There are no conversion rights, special liquidation rights, pre-emptive rights or subscription rights attached to any shares of common stock.

SHARES OF PREFERRED STOCK

The certificate of incorporation for Genetronics Delaware allows the directors, where class rights permit them to do so, to alter the certificate of incorporation to create a new series of Preferred Stock and provide for special rights and restrictions attached to such stock. The directors may determine all rights, preferences, restrictions and conditions of such series of Preferred Stock including voting rights, dividend rights, liquidation preference, conversion rights and redemption rights.

WARRANTS

In September 2000, our company and our subsidiary, Genetronics, Inc. entered into an exclusive license agreement with the University of South Florida Research Foundation, Inc. ("U.S.F"), where U.S.F granted us an exclusive world-wide license to U.S.F's rights in patents and patent applications generally related to needle electrodes (the "U.S.F License Agreement"). These electrodes were jointly developed by our company and U.S.F. The terms of the U.S.F License Agreement include a royalty to be paid to U.S.F based on net sales of products under the U.S.F License Agreement. We also issued to U.S.F and its designees, Drs. Heller, Jaroszeski and Gilbert, a total of 150,000 shares of common stock and warrants exercisable to acquire an additional 600,000 shares of common stock at U.S.$2.25 per common share until September 14, 2010. A portion of the warrants vested upon granting and the remainder will vest upon the occurrence of certain future events.

On January 17, 2001, we completed a public offering of 6,267,500 shares of our common stock at a price of CDN$1.35 per share, for gross proceeds of CDN$8,461,125 (U.S.$5,688,950), less estimated expenses of CDN$1,059,584 (U.S.$709,921). In addition, we issued to the agent 50,000 shares of our common stock and warrants to purchase 500,000 shares at a price of CDN$1.35 per share exercisable until January 16, 2002.

We entered into a "finders" agreement with Thompson & Flowers, whereby we agreed that, in the event that firm satisfies several business development conditions with respect to use of our technology in the field of dermatology, we will issue the firm a warrant to purchase a total of 120,000 shares of our common stock. If the conditions are satisfied, and the warrant is issued, the exercise price will be set as the 10 days trailing closing average price per share on the AMEX from the signing date of this agreement.

DIVIDEND POLICY

We have not declared or paid any dividends on our shares of common stock since our inception. Our directors expect that while we are in the development stage, earnings will not be distributed to stockholders by way of dividend.

COMPARISON OF THE BC COMPANY ACT AND THE DELAWARE LAW

The following is a summary of several differences between the BC Act, the statute that currently governs the corporate affairs of Genetronics Canada, and the Delaware Law, the statute which will govern the corporate actions of Genetronics Delaware, if the continuation is effected. The summary does not purport to provide a comprehensive statement of all the differences. Our

management is of the view that the Delaware Law provides to our stockholders substantively equivalent rights as are available to stockholders under the BC Act. A copy of our proposed Certificate of Incorporation and Bylaws are attached to this proxy statement as Appendices B and C, respectively. NOTHING THAT FOLLOWS SHOULD BE CONSTRUED AS LEGAL ADVICE TO ANY PARTICULAR STOCKHOLDER AND SUBSEQUENTLY STOCKHOLDERS SHOULD CONSULT THEIR OWN LEGAL ADVISORS RESPECTING THE IMPLICATIONS OF THE CONTINUATION.

SALE OF COMPANY'S UNDERTAKING

Under the BC Act, the board of directors of a company may dispose of all or substantially all of the business or undertaking of the company only with the approval of not less than 75% of the votes cast by those stockholders voting in person or by proxy at a general meeting.

Under the Delaware Law, the board of directors may sell, lease or exchange all or substantially all of a corporation's assets only with the approval of not less than 50% of the votes cast by those stockholders voting in person or by proxy at a stockholder meeting.

AMENDMENTS TO OUR CHARTER DOCUMENTS

Any substantive change to the charter documents of a company under the BC Act, such as a change in the name of the company or an increase or reduction of the authorized capital of the company requires a special resolution passed by not less than 75% of the votes cast by stockholders voting in person or by proxy at a general meeting of the company. Other fundamental changes such as an alteration of the special rights and restrictions attached to issued shares or a proposed amalgamation or continuation of a company out of the jurisdiction require a special resolution passed by not less than 75% of the votes cast by the holders of shares of each class entitled to vote at a general meeting of the company and the holders of all classes of shares adversely affected by an alteration of special rights and restrictions. As well, the holders of not less than 10% of the voting shares of the company who voted against certain special resolutions or the holders of not less than 10% of a class of shares affected by a change in the special rights and restrictions attached to a class of shares may apply to the court to have the resolutions approving the change set aside.

Under the Delaware Law, our Certificate of Incorporation may be amended by a resolution of the directors, followed by the approval of a majority of the outstanding voting shares at an annual general meeting or a special meeting called by the board of directors for the purpose of voting on the proposed amendment. In addition, the approval of the majority of a class vote is required where any proposed amendment would adversely alter or change preferences, special rights or powers of one or more classes of stock or series of stock. The Delaware Law empowers the stockholders to adopt, amend or repeal bylaws; however the certificate of incorporation also authorizes the directors to adopt, amend or repeal by-laws. The bylaws may contain any provision, not inconsistent with the Delaware Law and the certificate of incorporation, relating to the business of corporation, the conduct of its affairs, its rights or powers, or the rights or powers of stockholders, directors, officers or employees.

RIGHTS OF DISSENT AND APPRAISAL

The BC Act provides that stockholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to

purchase the shares held by such stockholder at the fair value of such shares. The dissent right is applicable where the company proposes to:

- continue out of the jurisdiction (as is presently being considered);
- provide financial assistance to a person for the purchase of the company's shares;
- sell the whole or substantially the whole of the company's undertaking;
- enter into a statutory merger; or
- sell the whole or part of its business or property on liquidation.

The Delaware Law provides stockholders an appraisal right for certain merger or consolidation transactions; however, a corporation may provide in its charter documents for appraisal rights in other transactions as well.

The appraisal right is not available to holders of any class of securities which are registered on a national securities exchange or designated as a national market system security on an inter-dealer quotation system by the National Association of Securities Dealers, Inc. or are held of record by more than 2,000 stockholders or to any stockholders of a corporation surviving a merger if the merger did not a require vote of the stockholders of the surviving corporation, unless such stockholders were required to accept in exchange for such securities something other than: (a) securities of the corporation surviving or resulting from the merger or consolidation, (b) securities of any other corporation which at the record date were either registered on a national securities exchange or designated as a national market system security on an inter-dealer quotation system by the National Association of Securities Dealers, Inc. or held of record by more than 2,000 stockholders, (c) cash in lieu of fractional shares of the corporation described in (a) and (b), or (d) a combination of securities and cash in lieu of fractional shares as set forth in (a), (b), and (c).

OPPRESSION REMEDIES

Under the BC Act a stockholder of a company has the right to apply to court on the grounds that the company is acting or proposes to act in a way that is prejudicial to the stockholders. On such an application, the court may make such order as it sees fit including an order to prohibit any act proposed by the company.

The Delaware Law provides no oppression remedy.

STOCKHOLDER DERIVATIVE ACTIONS

Under the BC Act, a member or director of a company may, with judicial leave, bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation.

Under the Delaware Law, a person may institute a derivative action on behalf of a corporation if the person was a stockholder of the corporation at the time of the transaction that is the subject of the derivative action.

REQUISITION OF MEETINGS

The BC Act provides that one or more stockholders of a company holding not

less than 5% of the issued voting shares of the company may give notice to the Directors requiring them to call and hold a general meeting.

The Delaware Law provides that special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws. Stockholders will not be able to requisition meetings under our Certificate of Incorporation or Bylaws.

FORM OF PROXY AND INFORMATION CIRCULAR

The BC Act requires a reporting company to provide stockholders with notice of a general meeting and a form of proxy for use by every member entitled to vote at such meeting, as well as an information circular containing prescribed information regarding the matter to be dealt with at and conduct of the general meeting. In addition, Canadian Securities laws impose additional requirements respecting the soliciting of proxies and shareholder meetings.

The Delaware Law permits stockholders to vote by proxy, but does not require that proxies be sent to stockholders or that any information circular be sent to the stockholders. However, the SEC will require us to meet its requirements respecting the solicitation of proxies and preparation of proxy statements.

PLACE OF MEETINGS

The BC Act requires all meetings of members to be held in British Columbia, unless the consent of the Registrar of Companies is otherwise obtained.

The Delaware Law provides that meetings of stockholders may be held any place designated by the Bylaws, whether or not that place is within Delaware.

DIRECTORS

The BC Act provides that a reporting company must have a minimum of three directors, a majority of whom must be ordinarily resident in Canada and at least one of whom must be resident in British Columbia. Directors can be removed prior to the end of their term by a special resolution of stockholders under the BC Act, in the absence of a provision to the contrary in the Memorandum or Articles of the company.

The Delaware Law requires that a corporation have a minimum of one director. Any director or the entire board of directors may be removed, with or without cause, by an ordinary resolution of stockholders under the Delaware Law. The Delaware Law permits, if set forth in the certificate of incorporation, for different classes of directors; each class of director may have different qualifications, different election processes, and different terms of incumbency. The voting procedure for electing directors can include cumulative voting if such is provided in the certificate of incorporation. Our Certificate of Incorporation does not provide for different classes of directors or cumulative voting.

The BC Act requires court approval before a company can indemnify a director. The Delaware Law includes no such requirement.

SHORT-FORM MERGERS

The BC Act does not contain a "short-form" merger provision, with the result that such a merger would involve the expense of a stockholders' meeting and a court application.

The Delaware Law permits "short-form" mergers between a parent corporation and its wholly-owned or at least 90%-owned subsidiary, with the approval of the directors of each merging corporation.

ISSUANCE OF SHARES

The BC Act prohibits the company from issuing shares to a person until he has made full payment to the company for the shares. The Delaware Law has no such prohibition.

ACCOUNTING TREATMENT OF CONTINUATION

The continuation of Genetronics Canada and its domestication as a Delaware company will be accounted for in a manner similar to a pooling of interests. Accordingly, the assets and liabilities of Genetronics Delaware, the continuing entity, will be reflected at their historic cost to Genetronics Canada under U.S. generally accepted accounting principles.

Total stockholder's equity of Genetronics Delaware will reflect that of Genetronics Canada, under U.S. generally accepted accounting principles, except share capital will be decreased to reflect the par value shares of Genetronics Delaware, with an offsetting increase to contributed surplus.

Genetronics Delaware will prepare its consolidated financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Genetronics Canada prepared its consolidated financial statements in accordance with accounting principles accepted in Canada ("Canadian GAAP"). In the notes to the consolidated financial statements for the fiscal year ended March 31, 2000, a supplementary description of significant differences between Canadian GAAP and U.S. GAAP are set forth.

The U.S. Securities and Exchange Commission has issued Staff Accounting Bulletin No. 101 (SAB 101), as amended by SAB 101(A) and (B), which are effective for the Company's fourth quarter ending March 31, 2001.

We believe that the adoption of SAB 101 will have an impact on our future operating results as it relates to up-front non-refundable payments received in connection with collaborative research arrangements.

The historical consolidated financial statements reflect payments of approximately $4,000,000 received through December 31, 2000. We expect that we will be required to record these fees over the life of the arrangement, which was terminated in the year ended March 31, 2001. As a result of this change, revenues in the year ended March 31, 2001 will increase by approximately $3,647,000 and the cumulative effect of this change in accounting principle will be a charge of approximately $3,647,000 to net income in the quarter ended June 30, 2000.

TAX CONSEQUENCES OF THE CONTINUATION

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following sections summarize certain provisions of Canadian and United States' federal income tax laws that may affect us and our stockholders.

Although this summary discusses the principal tax considerations which we deem to be material to a stockholder, it does not purport to discuss all of the United States' and Canadian tax consequences that may be relevant to its stockholders, nor will it apply to the same extent or in the same way to all stockholders. No information is provided herein with respect to the effect of any state, local, or provincial tax law, rule or regulation nor is any information provided as to the effect of any foreign tax law, other than the federal law of the United States and Canada to the extent specifically set forth herein.

The tax discussion set forth below is based upon the facts set out in this proxy statement/prospectus and upon additional information possessed by our management and upon representations of our management. The tax discussion is included for general information purposes only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. OUR STOCKHOLDERS ARE STRONGLY ADVISED AND ARE EXPECTED TO CONSULT WITH THEIR OWN LEGAL AND TAX ADVISORS REGARDING THE U.S. AND CANADIAN INCOME TAX CONSEQUENCES OF THE CONTINUATION IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

This portion of the summary applies to U.S. holders who own common shares of Genetronics Canada as capital assets on the date of this proxy statement/prospectus. U.S. holders include U.S. citizens and residents, corporations and partnerships organized under the laws of any state of the United States. U.S. holders who own interests in Genetronics Canada indirectly through one or more non-U.S. entities or carry on business outside the United States through a permanent establishment or fixed place of business, or U.S. holders who hold an interest in Genetronics Canada other than as a common shareholder, should consult with their tax advisors regarding their particular tax consequences.

This summary also describes the U.S. federal income tax consequences of the continuation to Canadian holders who are, specifically, those persons resident in Canada who own common shares of Genetronics Canada as capital assets on the date of this proxy statement/prospectus. The discussion is limited to the U.S. federal income tax consequences to Canadian holders of their ownership and disposition of the common shares of Genetronics Canada as a result of the continuation and assumes the Canadian holders have no other U.S. assets or activities.

This discussion is based on laws, regulations, rulings and decisions in effect as of the date of this proxy statement/prospectus. No ruling from the Internal Revenue Service ("IRS") will be requested concerning the U.S. federal income tax consequences of the continuation. The tax consequences set forth in the following discussion are not binding on the IRS or the courts and no assurance can be given that contrary positions will not be successfully asserted by the IRS or adopted by a court. Furthermore, this discussion does not consider the potential effects, adverse or beneficial, of any recently proposed legislation which, if enacted, could possibly be applied on a retroactive basis at any time.

As indicated above, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular U.S. holders in light of their personal circumstances or to U.S. holders subject to special treatment under the U.S. Internal Revenue Code, including, without limitation, banks, tax-exempt organizations, insurance companies, dealers or brokers in securities or foreign currency, individual retirement and other deferred accounts, persons subject to alternative minimum tax, and U.S. holders who hold

their Genetronics Canada capital stock as part of an integrated investment (including a "straddle") comprised of shares of Genetronics and one or more other positions.

This summary does not address the U.S. federal income tax consequences to a U.S. holder of the ownership, exercise or disposition of any warrants or compensatory options. This discussion also does not address certain U.S. federal income tax consequences applicable to U.S. holders who own or owned (directly or indirectly) 10% or more of the voting power of Genetronics Canada at the time of the Delaware continuation.

GENETRONICS

The Delaware continuation of Genetronics Canada should be treated as an exchange of Genetronics Canada's assets and liabilities for stock of Genetronics Delaware. Note, however, there may be adverse tax consequences to Genetronics under Canadian law as discussed below under "Canadian Federal Income Tax Considerations - Company Consequences."

U.S. HOLDERS

A U.S. holder must generally recognize gain (but not loss) with respect to the stock of Genetronics Delaware received in the exchange. A U.S. holder, however, as an alternative to recognizing gain, may elect to include in income the "all earnings and profits amount" attributable to his or her stock in Genetronics Canada, as the term is defined in Treasury Regulation Section 1.367(b)-2(d). There are, however, strict conditions to making this election. The notice/election must include, among other things: (i) a statement from Genetronics reflecting the U.S. holders' share of Genetronics Canada's "all earnings and profits amount," if any, (ii) a statement that the exchange is an Internal Revenue Code Section 367(b) exchange, (iii) a complete description of the exchange, (iv) a description of any stock, securities or other consideration received in the exchange, and (v) a representation that the U.S. holder has notified Genetronics it is making the election. Additionally, the notice/election must be timely filed by the U.S. holder with his or her U.S. federal income tax return for the year of exchange. U.S. HOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE APPROPRIATE FILING REQUIREMENT WITH RESPECT TO THIS NOTICE/ELECTION.

Management does not believe that it has had any "all earnings and profits amounts" for any of its years of existence, as the term is defined in Treasury Regulation Section 1.367(b)-2(d).

AGAIN, YOU WILL RECOGNIZE GAIN (BUT NOT LOSS) WITH RESPECT TO YOUR STOCK IN GENETRONICS DELAWARE UNLESS YOU TIMELY FILE THE REQUIRED NOTICE/ELECTION WITH YOUR INDIVIDUAL INCOME TAX RETURN FOR THE YEAR OF THE TRANSACTION.

In addition, there is a de minimis rule that provides that if the fair market value of a U.S. holder's interest is less than $50,000 on the date of the exchange, no gain or "all earnings and profits" inclusion is required.

A U.S. holder's adjusted basis and holding period in the shares of Genetronics Delaware received in the exchange will be equal to the U.S. holder's adjusted basis and holding period in the shares of Genetronics Canada surrendered in the exchange. If gain is recognized, however, the basis in the U.S. holder shares will be increased and, therefore, not be equal to the "rollover" basis in the Genetronics Canada shares.

DISSENTING HOLDERS

Cash received as a result of the exercise of dissenters' rights by a

U.S. holder who dissents from the continuation and who is subject to U.S. federal income tax will generally recognize capital gain or loss, measured by the difference between the cash received in exchange for the shares and the adjusted basis of the shares surrendered.

CONTROLLED FOREIGN CORPORATION CONSIDERATIONS

If more than 50% of the voting power of all classes of shares or of the total value of the shares of Genetronics Canada is owned, directly, indirectly, or constructively, by citizens or residents of the United States, U.S. domestic partnerships and corporations or estates or trusts other than foreign estates or trusts, each of whom owns 10% or more of the total combined voting power of all classes of shares of Genetronics Canada ("U.S. Shareholders"), Genetronics Canada will be treated as a controlled foreign corporation under Subpart F of the Internal Revenue Code. This classification would have many complex results, including the required inclusion in income of their pro rata shares of the "Subpart F income," of Genetronics Canada by U.S. Stockholders, as specifically defined by the Internal Revenue Code. Further, if Genetronics Canada is deemed to be a controlled foreign corporation, U.S. Stockholders may be subject to U.S. income tax on their pro rata shares of any increase in the average amounts of U.S. property held by Genetronics Canada.

In addition, under Section 1248 of the Internal Revenue Code, gain from the sale or exchange of shares of Genetronics Canada by a holder who is or was a U.S. Stockholder at any time during the five-year period ending with such sale or exchange would be treated as dividend income and taxed at ordinary income rates to the extent of earnings and profits of Genetronics Canada attributable to the stock sold or exchanged.

If Genetronics Canada is both a passive foreign investment company (as defined below) and a controlled foreign corporation, Genetronics Canada will not be treated as a passive foreign investment company with respect to the U.S. Stockholders.

Management does not believe that Genetronics Canada is a controlled foreign corporation.

PASSIVE FOREIGN INVESTMENT COMPANY CONSIDERATIONS

Genetronics Canada will be classified as a passive foreign investment company for any taxable year during which either 75 % or more of our gross income is passive income or the average fair market value of Genetronics Canada's assets which produce or are held for the production of passive income for such taxable year equals or exceeds 50% of the average quarterly value of our total assets for the year. Classification of Genetronics Canada as a passive foreign investment company at any time during a particular U.S. holder's holding period may result in a number of unfavorable U.S. income tax consequences including recognition of gain on the disposition of Genetronics Canada shares, recognition of gain on the continuation of Genetronics Canada to the United States, taxation of that gain at rates applicable to ordinary income and an imposition of an interest charge on taxes apportioned to prior years in the U.S. holder's holding period for his Genetronics Canada shares.

Management does not believe that Genetronics Canada satisfies either of the tests for passive foreign investment company status in this year or that it has satisfied either test in any previous year.

FOREIGN PERSONAL HOLDING COMPANY CONSIDERATIONS

Genetronics Canada will be classified as a foreign personal holding company for U.S. federal income tax purposes if both of the following tests are satisfied: (i) at any time during Genetronics Canada's taxable year, five or fewer individuals who are U.S. citizens or residents own or are deemed to own (directly or indirectly) more than 50% of all classes of Genetronics Canada's shares measured by voting power or value and (ii) Genetronics Canada receives at least 60% (50% after the first tax year) of its gross income (regardless of source), as specifically adjusted, from passive sources.

If Genetronics Canada were to be classified as a foreign personal holding company, a portion of our "undistributed foreign personal holding company income" (as defined for U.S. federal income tax purposes) would be allocated to all of our U.S. Stockholders who are U.S. holders on the last day on which Genetronics Canada is classified as a foreign personal holding company or the last day of Genetronics Canada's taxable year if earlier. This income would be includable in a U.S. holder's gross income as a dividend for U.S. federal income tax purposes. U.S. holders who dispose of their common shares prior to that date would not be subject to tax under these rules.

28

Management does not believe that Genetronics Canada satisfies either the foreign personal holding company ownership test or the foreign personal holding company income test.

POST-CONTINUATION UNITED STATES TAXATION OF INCOME, GAINS, AND LOSSES

After the continuation/domestication, distributions made by Genetronics Delaware to U.S. holders of Genetronics Delaware shares may be treated as dividends to the extent of Genetronics Delaware's current or accumulated earnings and profits. Dividend income is treated as ordinary income. The maximum U.S. federal income tax rate on ordinary income of individuals is currently 39.6%.

A corporate U.S. holder who receives a dividend from Genetronics Delaware will generally be allowed a dividends received deduction from its taxable income in an amount equal to 70% of the dividend received if the corporate U.S. holder owns less than 20% of the voting power and the value of the shares of Genetronics Delaware. A corporate U.S. holder who has an ownership percentage of at least 20% but less than 80% of the voting power and value of shares of Genetronics Delaware will generally receive a dividends received deduction in the amount of 80% of the dividends received. A corporate U.S. holder that owns 80% or more of the voting power and value of the shares of Genetronics Delaware will generally be allowed a dividends received deduction equal to 100% of the dividend received from Genetronics Delaware.

Distributions in excess of Genetronics Delaware's current and accumulated earnings and profits will be tax-free to the extent of the U.S. holder's adjusted basis in their Genetronics Delaware shares, but will reduce the adjusted basis by the same amount.

U.S. holders who hold their Genetronics Delaware shares as a capital asset and who either dispose of their Genetronics Delaware shares at a gain or who receive distributions in excess of Genetronics Delaware's earnings and profits and adjusted basis will recognize a capital gain. Under current U.S. law, the net long term capital gains (assets held in excess of 12 months) of individuals are currently subject to a maximum federal income tax rate of 20%. Net short-term capital gains are taxed at the marginal tax rates for ordinary income. (For individuals the maximum marginal rate is 39.6% and for corporations the effective maximum marginal rate is 35%.)

In order to determine the appropriate capital gains tax rate, U.S. holders who are individuals will need to determine the holding period of their Genetronics Delaware shares (i.e., the period of time that the U.S. holder has owned the Genetronics Delaware shares). In determining the holding period of the Genetronics Delaware shares, the U.S. holder will include the period during which the shares of Genetronics Canada were held by the U.S. holder.

For corporations, capital gains and ordinary income are taxed at the maximum effective federal income tax rate of 35%.

POST-CONTINUATION SALE OF GENETRONICS DELAWARE SHARES

A Canadian holder will not be subject to United States federal income tax on gain recognized on a subsequent sale or other disposition of Genetronics Delaware shares, unless the Genetronics Delaware shares constitutes a United States real property interest at the time of disposition and the Canadian holder is a "5% shareholder." A Canadian holder who beneficially owns or owned more than 5% of the total fair market value of Genetronics Delaware's regularly traded shares, either at the time of disposition or at any time in the five-year period ending on the disposition date, will be a 5% shareholder. Gain recognized by a 5% shareholder will be subject to United States tax unless the Canadian 5% shareholder establishes in a prescribed manner that his or her stock in Genetronics Delaware is not a United States real property interest. Specifically, the Canadian 5% shareholder must establish that the fair market value of Genetronics Delaware's United States real property interests is and was less than 50% of the fair market value of the sum of all of its trade or business assets, its real properties located outside the United States and its United States real property interests, both at the time of disposition and at any time in the five year period ending on the disposition date.

Management believes that the Canadian holders' stock in Genetronics Delaware will not be a U.S. real property interest.

POST-CONTINUATION DIVIDENDS ON GENETRONICS DELAWARE SHARES

Distributions made by Genetronics Delaware to Canadian holders of Genetronics Delaware shares will be treated as U.S. source dividends to the extent of Genetronics Delaware's current and accumulated earnings and profits. Canadian holders will generally be subject to 15% U.S. non-resident withholding tax, with no allowance for deductions, except in the case of a Canadian corporation that owns at least 10% of the Genetronics Delaware voting shares, in which case the U.S. non-resident withholding tax rate is reduced to 5% pursuant to the Canadian-United States Income Tax Convention.

Distributions in excess of Genetronics Delaware's current or accumulated earnings and profits will be tax-free to the extent of the Canadian holder's adjusted basis in their Genetronics Delaware shares, but will reduce the adjusted basis in the shares by the same amount. Distributions in excess of Genetronics Delaware's earnings and profits and adjusted basis will give rise to a capital gain, treated in the manner described in, "Post-Continuation Sale of Genetronics Delaware Shares," above.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Thorsteinssons, Canadian Tax counsel to Genetronics Canada, have advised that the following general summary fairly describes the principal Canadian federal income tax consequences of the proposed continuation of Genetronics Canada to Delaware to Canadian holders who are, specifically, those stockholders and warrantholders of Genetronics Canada who are resident in Canada

who own, either alone or together with related persons, less than 10% of the shares of Genetronics Canada, and to whom shares and warrants of Genetronics Canada constitute "capital property" for the purposes of the Income Tax Act (Canada) (the "ITA"). This summary also describes the principal Canadian federal income tax consequences of the proposed continuation of Genetronics Canada to Delaware to non-resident holders who, specifically, are non-residents of Canada, and do not carry on business in Canada. Other holders of shares or warrants of Genetronics Canada should consult their own tax advisors as the tax consequences to them of the proposed continuation are beyond the scope of this summary.

This summary is based upon the current provisions of the ITA, the regulations thereunder in force on the date hereof (the "Regulations"), any proposed amendments (the "Proposed Amendments") to the ITA or Regulations previously announced by the Federal Minister of Finance and counsel's understanding of the current administrative and assessing policies of the Canada Customs and Revenue Agency. This description is not exhaustive of all possible Canadian federal income tax consequences and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action other than the Proposed Amendments, nor does it take into account provincial or foreign tax considerations which may differ significantly from those discussed herein.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR ADVICE WITH RESPECT TO THE CANADIAN INCOME TAX CONSEQUENCES TO THEM OF THE PROPOSED CONTINUATION.

NATURE OF SHARES AND WARRANTS OF GENETRONICS CANADA HELD BY CANADIAN HOLDERS

The shares and warrants of Genetronics Canada will generally constitute "capital property" to a Canadian holder, unless the Canadian holder is a trader or dealer in securities or is engaged in an adventure in the nature of trade with respect to the shares and warrants. Certain individual Canadian holders whose shares of Genetronics Canada might not otherwise qualify as "capital property" may be entitled to obtain such qualification by disposing of their shares before the continuation of the company and by making an irrevocable election under subsection 39(4) of the ITA. After the continuation, the shares of Genetronics Delaware will no longer qualify for the subsection 39(4) election. ANY INDIVIDUALS CONTEMPLATING MAKING AN ELECTION UNDER SUBSECTION 39(4) OF THE ITA SHOULD CONSULT THEIR TAX ADVISORS AS THE ELECTION WILL AFFECT THE CANADIAN INCOME TAX TREATMENT OF THE DISPOSITION OF THE STOCKHOLDER'S OTHER CANADIAN SECURITIES.

CONSEQUENCES OF CONTINUATION TO CANADIAN HOLDERS

The continuation of Genetronics Canada into Delaware will not constitute a taxable event for our Canadian holders. Canadian holders will continue to hold their shares and warrants at the same adjusted cost base as before the continuation.

Following the continuance, dividends paid by Genetronics Delaware to Canadian holders will be treated differently under the ITA than dividends those holders might have previously received from Genetronics Canada. By way of summary, a Canadian holder will be required to include the gross amount of any dividend received from Genetronics Delaware in the holder's income for the year of receipt. The Canadian holder who is an individual, will not be entitled to claim the federal dividend tax credit in respect of such dividend. A foreign tax credit will be available under the ITA to the Canadian holder to the extent of

the lesser of:

(a) the withholding taxes paid and not deducted by the holder when computing income (under the Canada-U.S. Income Tax Convention (the "Canada/U.S. Treaty") U.S. withholding tax on dividends paid to a Canadian holder will be limited to a maximum rate of 15%), and

(b) the Canadian taxes otherwise payable in respect of that foreign income.

Alternatively, the individual Canadian holder can claim the foreign withholding taxes paid as a deduction when computing his income for tax purposes. If the withholding taxes paid exceed 15% of the foreign income from property, such excess may be deducted in computing net income.

FOREIGN REPORTING

A Canadian resident is required under the ITA to report his or her foreign property holdings if the aggregate cost amount of such holdings exceeds $100,000. Following the continuation, the shares and warrants of Genetronics Delaware will constitute foreign property for the purposes of this rule and their "cost amount" will be included in the $100,000 threshold.

FOREIGN INVESTMENT ENTITY

The Federal Minister of Finance has announced proposed amendments to the ITA which, generally, propose to annually include the growth in value of a "foreign investment entity" (an "FIE") in the income of its Canadian resident stockholders on an accrual or mark-to-market basis. The proposed amendments are expected to be replaced with draft legislation in early 2001 to apply to taxation years beginning after 2001. An FIE includes a non-resident corporation in which the carrying value (generally calculated under GAAP) of its "investment properties" exceeds 50% of the carrying value of all of its property at the end of its taxation year. "Investment properties" include capital stock of corporations, partnership interests, certain non-trade receivables and other similar assets. Generally, stock of a corporation that is widely held and actively traded on a prescribed stock exchange (including the TSE and ASE) is exempt from the FIE rules if the principal purpose of the corporation's business is not to derive income from property (interest, dividends, rents, royalties, etc.).

While there can be no assurances that Genetronics Delaware will not constitute an FIE of its Canadian holders in the future, in view of the assets of Genetronics Canada, the nature of its business and the trading of its shares on prescribed stock exchanges, management of Genetronics Canada does not believe that Genetronics Delaware will be an FIE of its Canadian holders on continuation.

DISSENT PROCEEDINGS

Should a stockholder initiate formal dissent proceedings in respect of the proposed continuation, and if Genetronics Canada carries out the continuation, Genetronics Canada will be required to purchase the dissenting stockholder's shares for a cash payment (the "redemption proceeds") equal to the fair value of the purchased shares. The dissenting stockholder's receipt of the redemption proceeds will be treated as a dividend to the extent that such proceeds exceed the paid-up capital of the purchased shares. The balance of the redemption proceeds (i.e., the

amount equal to the paid-up capital of the purchased shares) will be treated as proceeds of disposition of the shares for the purpose of computing the stockholder's capital gain or loss. Consequently, the dissenting stockholder will realize a capital gain or loss to the extent that the paid-up capital of the purchased shares exceeds or is exceeded by the stockholder's adjusted cost base of the shares. If the dissenting stockholder is a corporation resident in Canada, the full amount of the redemption proceeds may be treated as proceeds of disposition with the result that no dividend will be deemed to have been paid to the stockholder and any gain or loss realized by the dissenting stockholder will be determined by reference to the full amount of the redemption proceeds.

Any capital loss arising on the exercise of dissent rights by a corporate shareholder of Genetronics Canada will be reduced by the amount of dividends received or deemed to have been received, including any deemed dividend arising from the exercise of dissent rights, on the purchased shares where the period of ownership of such shares was less than 365 days or where the corporate holder (together with persons with whom it did not deal at arm's length) held more than 5% of the issued shares of any class of Genetronics Canada at the time the dividends were received or deemed to have been received.

IN THE EVENT THE CANADIAN HOLDER'S DISPOSITION OF SHARES ON DISSENT IS, FOR CANADIAN TAX PURPOSES, DEEMED TO OCCUR AFTER GENETRONICS CANADA CONTINUES INTO GENETRONICS DELAWARE AND CONSEQUENTLY CEASES TO BE A CORPORATION RESIDENT IN CANADA, THE CANADIAN HOLDER WILL REALIZE A CAPITAL GAIN OR LOSS ON THAT DISPOSITION TO THE EXTENT THAT THE REDEMPTION PROCEEDS EXCEED OR ARE EXCEEDED BY THE HOLDER'S ADJUSTED COST BASE IN THE PURCHASED SHARES.

A dissenting stockholder that is a private corporation or a subject corporation, as those expressions are defined in the ITA, will be liable to pay a 33 1/3% refundable tax under Part IV of the ITA on the redemption proceeds to the extent that they are treated as a dividend. Generally, a private corporation is one that is not public and is not controlled by one or more public companies and a subject corporation is one that is not private and is controlled by or for the benefit of one individual or a related group of individuals.

INTEREST EXPENSE

Genetronics Canada's continuation to Delaware will not affect the deductibility of interest incurred on money borrowed to purchase shares of Genetronics Canada. Generally, interest that is currently deductible will continue to be deductible by the stockholder after the continuation to Delaware, as long as the stockholder continues to own the shares of Genetronics Delaware or uses the borrowed funds to earn income from a business or property.

COMPANY CONSEQUENCES

Once we file our Certificate of Domestication with the Delaware Secretary of State, Genetronics Canada will be deemed to have been incorporated in Delaware at that time for purposes of the ITA and will cease to be a resident of Canada.

The "corporate emigration" rules under the ITA will apply upon the continuation of Genetronics Canada to Delaware. Accordingly, Genetronics Canada will be deemed to have its taxation year end immediately before being granted a Certificate of Continuation in Delaware. Each property owned by Genetronics Canada immediately before the deemed year end will be deemed to have been disposed of for proceeds of disposition equal to that property's fair market value. Any gains or losses derived from this deemed disposition of property will be taken into account when determining the amount of Genetronics Canada's taxable income for the fiscal period which ends immediately before its continuation into Delaware. Any available non-capital loss carry-forwards of Genetronics Canada from previous years can be used to offset this taxable

income. Any balance of taxable income so determined will be subject to tax in accordance with the provisions of the ITA.

In view of the fair market value and tax cost of each property owned by Genetronics Canada, as of the date of this proxy statement/prospectus, management of Genetronics Canada does not believe that Canadian income tax will be payable as a result of the deemed disposition of each of its properties.

Genetronics Canada will also be required to pay a special branch tax equal to 5% of the amount by which the fair market value of its assets (calculated immediately before continuance) exceeds the aggregate of its liabilities,

including any liabilities under the ITA, and the paid-up capital of its issued and outstanding shares at the time of continuation into Delaware.

In view of the fair market value of our assets, liabilities and the paid-up capital of its issued and outstanding shares, as of the date of this proxy statement/prospectus, management of Genetronics Canada does not believe that it will be liable to pay the special branch tax.

After continuation into Delaware, Genetronics Delaware will only be taxable in Canada to the extent it carries on business through a permanent establishment located in Canada, as that expression is defined in the Canada/U.S. Treaty or realizes a gain from the sale of taxable Canadian property which is not otherwise exempt from Canadian tax by virtue of certain relieving provisions in the Canada/U.S. Treaty. We have no current plans to maintain a permanent establishment located in Canada.

TAX-EXEMPT HOLDERS

Following the continuation, the shares of Genetronics Delaware will remain listed on the Toronto Stock Exchange which is a prescribed stock exchange for purposes of the ITA. Consequently, the shares and warrants will continue to be qualified investments for a trust governed by a registered retirement savings plan, deferred profit sharing plan, registered retirement income fund or registered pension plan, and certain other entities. However, the shares and warrants would constitute "foreign property" to these trusts and entities for the purposes of the ITA.

The above-mentioned trusts and other entities must pay a monthly tax under the ITA equal to 1% of the amount by which the cost amount of all their foreign property (excepting foreign property that is not a qualified investment and property that was not foreign property when acquired but became foreign property within the preceding two years) as determined at the end of each month exceeds the aggregate of:

(a) 30% of the cost amount of all the trust's property; and,

(b) in certain circumstances, an additional amount in respect of the trust's "small business investment amount."

As long as the Genetronics shares remain qualified investments, the result of this rule is that the cost of the shares and warrants of Genetronics Delaware will not be subject to the above-calculated monthly tax until two years after the date of the continuation.

HOLDERS THAT ARE ONE OF THE TYPES OF ENTITIES DESCRIBED ABOVE SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE CONSEQUENCES OF HOLDING SHARES AND

WARRANTS OF GENETRONICS DELAWARE.

NON-RESIDENT HOLDERS

The continuation of Genetronics Canada into Delaware will not constitute a taxable event for federal Canadian income tax purposes for holders who are not resident of Canada for Canadian income tax purposes.

Dividends paid by Genetronics Delaware to these non-resident holders after the continuation into Delaware will no longer be subject to Canadian withholding tax.

BUSINESS

OVERVIEW

We were incorporated in British Columbia, Canada on August 8, 1979 under the name of Concord Energy Corp. We changed our name to United Safety Technology Inc. on February 17, 1988, to Consolidated United Safety Technology Inc. on January 3, 1990, and then to Genetronics Biomedical Ltd., on September 29, 1994. We carry on our business through our operating subsidiary Genetronics, Inc., a California corporation. Genetronics, Inc. was incorporated in California on June 29, 1983. Genetronics, Inc. had a subsidiary called Genetronics S.A., which was

incorporated in France on January 30, 1998. Genetronics S.A. was formed primarily to manage clinical trials that were being conducted in France, and was sold in May 2000. All our business activities are conducted through Genetronics, Inc.

We are a San Diego-based drug and gene delivery company specializing in developing technology and hardware focused on electroporation. Electroporation is the application of brief, controlled pulsed electric fields to cells, which cause tiny pores to temporarily open in the cell membrane. Immediately after electroporation, the cell membrane is more permeable to drugs and other agents. In the lab, researchers use electroporation to introduce genes, drugs, and other compounds into cells and experimental animals. This is a common and well known procedure and more than 4,000 scientific papers have been published describing results achieved using electroporation.

While widely used in the researc