NEWCASTLE RESOURCES LTD.

(A Development Stage Company)

INDEPENDENT AUDITOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2010, 2009 and 2008

(<u>Stated in Canadian Dollars</u>)

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of Newcastle Resources Ltd. (a development stage company)

We have audited the accompanying consolidated financial statements of Newcastle Resources Ltd. (a development stage company), which comprise the consolidated balance sheets as at December 31, 2010 and December 31, 2009 and the consolidated statements of operations and comprehensive loss, cash flows and changes in stockholders' equity (capital deficit) for each of the years in the three-year period ended December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting and Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Newcastle Resources Ltd. as at December 31, 2010 and 2009 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2010 in accordance with Canadian Generally Accepted Accounting Principles.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the accompanying financial statements; the Company is in the development stage and has incurred recurring operating losses since inception. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

"BDO Canada LLP"

Chartered Accountants
Vancouver, British Columbia

April 29, 2011

NEWCASTLE RESOURCES LTD.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS
December 31, 2010 and 2009
(Stated in Canadian Dollars)

	2010	2009
ASSETS		
Current		
Cash	$ 1,211,525	$ 603,907
Sales taxes recoverable	40,877	-
Prepaid expenses	23,592	21,320
	1,275,994	625,227
Equipment and website (Note 5)	32,748	19,239
	$ 1,308,742	$ 644,466
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9)	$ 548,280	$ 87,423
Advances payable (Note 6)	75,015	-
	623,295	87,423
Non-controlling interest (Note 4)	327,640	-
STOCKHOLDERS' EQUITY		
Common shares (Note 7)	2,312,152	1,154,800
Preferred shares (Note 7)	204	-
Share subscriptions (Note 7)	-	30,000
Share subscriptions receivable (Note 7)	-	(12,500)
Contributed surplus	129,635	-
Deficit accumulated during the development stage	(2,084,184)	(615,257)
	357,807	557,043
	$ 1,308,742	$ 644,466

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Commitments (Notes 7 and 10)
Subsequent Events (Notes 7 and 13)

Approved on behalf of the Board:

"David Hall" — Director

"Peter Jensen" — Director

The accompanying notes form an integral part of these consolidated financial statements.

NEWCASTLE RESOURCES LTD.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the Years Ended December 31, 2010, 2009 and 2008
(Stated in Canadian Dollars)

	2010	2009	2008
EXPENSES:			
CLINICAL DEVELOPMENT			
Clinical trials (Note 9)	$ 367,763	$ 275,925	$ -
RESEARCH AND DEVELOPMENT			
Consulting fees (Note 9)	132,100	49,000	-
Intellectual property costs	50,386	28,186	-
SALES AND MARKETING			
Consulting fees	57,353	30,750	5,814
GENERAL AND ADMINISTRATIVE			
Amortization	6,940	2,451	-
Accounting and audit fees	53,792	20,000	-
Computer and IT expenses	21,638	-	-
Legal fees (Note 9)	91,190	51,164	12,258
Consulting fees (Note 9)	198,196	78,553	-
Insurance	30,472	-	-
Office and telephone	29,556	7,088	-
Rent	26,916	-	-
Salaries	109,830	-	5,122
Stock-based compensation (Notes 4 and 7)	1,176,900	-	-
Travel and promotion	51,065	14,743	-
NET LOSS AND COMPREHENSIVE LOSS ATTRIBUTABLE TO PARENT	$ (2,404,097)	$ (557,860)	$ (23,194)
BASIC AND DILUTED LOSS PER SHARE	$ (0.11)	$ (0.03)	$ (0.00)
WEIGHTED AVERAGE SHARES OUTSTANDING	21,567,675	19,211,792	18,362,407

The accompanying notes form an integral part of these consolidated financial statements.

NEWCASTLE RESOURCES LTD.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2010, 2009 and 2008
(Stated in Canadian Dollars)

	2010	2009	2008
OPERATING ACTIVITIES			
Net loss	$ (2,404,097)	$ (557,860)	$ (23,194)
Add items not involving cash:			
Amortization	6,940	2,451	-
Stock-based compensation	1,176,900	-	-
Changes in non-cash working capital balances:			
Sales taxes recoverable	(21,558)	-	-
Prepaid expenses	11,121	(21,320)	-
Accounts payable and accrued liabilities	389,822	70,026	(16,806)
NET CASH USED IN OPERATING ACTIVITIES	(840,872)	(506,703)	(40,000)
INVESTING ACTIVITIES			
Purchase of equipment	(20,449)	(21,690)	-
Cash acquired on acquisition of Newcastle	1,109,664	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,089,215	(21,690)	-
FINANCING ACTIVITIES			
Share subscriptions received	-	10,000	40,000
Share subscriptions cancelled	-	(20,000)	-
Acquisition costs	(53,429)	-	-
Issuance of preferred shares	204	-	-
Issuance of common shares	412,500	1,142,300	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	359,275	1,132,300	40,000
Increase in cash during the year	607,618	603,907	-
Cash, beginning of the year	603,907	-	-
Cash, end of the year	$ 1,211,525	$ 603,907	$ -
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	$ Nil	$ Nil	$ Nil
Cash paid for interest	$ Nil	$ Nil	$ Nil

Non cash Transactions (Note 14)

The accompanying notes form an integral part of these consolidated financial statements

NEWCASTLE RESOURCES LTD.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)
For the Years Ended December 31, 2010, 2009 and 2008
(Stated in Canadian Dollars)

	Common Stock				Series B Preferred Shares		Series C Preferred Shares			Deficit Accumulated During the Development Stage	
	Shares	Amount	Share Subscriptions	Share Subscriptions Receivable	Shares	Amount	Shares	Amount	Contributed Surplus	Stage	Total
Balance, December 31, 2007	10,000,000	$ -	$ -	$ -	-	$ -	$ -	$ -	$ -	$ (34,203)	$ (34,203)
Reduction pursuant to share consolidation	(2,000,000)	-	-	-	-	-	-	-	-	-	-
Shares subscribed – at $1.00	-	-	40,000	-	-	-	-	-	-	-	40,000
Net loss for the year	-	-	-	-	-	-	-	-	-	(23,194)	(23,194)
Balance, December 31, 2008	8,000,000	-	40,000	-	-	-	-	-	-	(57,397)	(17,397)
Capital stock issued for cash – at $1.00	1,142,300	1,142,300	-	-	-	-	-	-	-	-	1,142,300
Cancellation of subscription agreements – at $1.00	-	-	(20,000)	-	-	-	-	-	-	-	(20,000)
Shares issued for which cash was received in 2010 – at $1.00	12,500	12,500	-	(12,500)	-	-	-	-	-	-	-
Shares subscribed – at $1.00	-	-	10,000	-	-	-	-	-	-	-	10,000
Net loss for the year	-	-	-	-	-	-	-	-	-	(557,860)	(557,860)
Balance, December 31, 2009	9,154,800	1,154,800	30,000	(12,500)	-	-	-	-	-	(615,257)	557,043

NEWCASTLE RESOURCES LTD.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)
For the Years Ended December 31, 2010, 2009 and 2008
(Stated in Canadian Dollars)

	Common Stock				Series B Preferred Shares		Series C Preferred Shares				
	Shares	Amount	Share Subscriptions	Share Subscriptions Receivable	Shares	Amount	Shares	Amount	Contributed Surplus	Deficit Accumulated During the Development Stage	Total
Balance, December 31, 2009	9,154,800	1,154,800	30,000	(12,500)	-	-	-	-	-	(615,257)	557,043
Shares issued for cash – at $1.00	430,000	430,000	(30,000)	-	-	-	-	-	-	-	400,000
Cash received for shares issued in 2009 – at $1.00	-	-	-	12,500	-	-	-	-	-	-	12,500
Recapitalization transactions											
Pursuant to the acquisition of Trichoscience – Note 4	(9,584,800)	-	-	-	-	-	-	-	-	-	-
Exchange of shares – Note 4	22,653,960	1,073,226	-	-	5,577,580	-	5,577,580	-	-	-	1,073,226
Non-controlling interest – Note 4	-	(1,156,740)	-	-	-	-	-	-	(106,070)	935,170	(327,640)
Acquisition transaction costs – Note 4	-	(130,329)	-	-	-	-	-	-	-	-	(130,329)
Acquisition of 583885 – Note 4	4,400,000	941,195	-	-	-	-	-	-	-	-	941,195
Preferred shares issued for cash – at US$0.0001 – Note 7	-	-	-	-	-	-	2,000,000	204	-	-	204
Stock based compensation – Note 7	-	-	-	-	-	-	-	-	235,705	-	235,705
Net loss for the year	-	-	-	-	-	-	-	-	-	(2,404,097)	(2,404,097)
Balance, December 31, 2010	27,053,960	$ 2,312,152	$ -	$ -	5,577,580	$ -	7,577,580	$ 204	$ 129,635	$ (2,084,184)	$ 357,807

The accompanying notes form an integral part of these consolidated financial statements

1. Nature of Operations and Ability to Continue as a Going Concern

Newcastle Resources Ltd. ("the Company" or "Newcastle") was incorporated under the Ontario Business Corporations Act on April 24, 1967. Its common shares are listed for trading in the United States. Through December 2010, Newcastle was engaged in the business of mineral exploration. On December 22, 2010, Newcastle closed a Share Exchange Agreement with Trichoscience Innovations Inc. ("Trichoscience") and with certain accepting shareholders of Trichoscience, whereby Newcastle acquired 55% of the issued and outstanding common shares of Trichoscience. Pursuant to the share exchange agreement, the exchanging shareholders received 2.2953 common shares, 1.14765 Class B preferred shares and 1.14765 Class C convertible preferred shares of Newcastle for each common share Trichoscience tendered.

Trichoscience was incorporated under the Canada Business Corporations Act on September 7, 2006 and is in the development stage having not yet realized any revenues from its planned operations. Trichoscience is engaged in the development of a non-surgical hair cell replication technology to cure pattern baldness and general hair loss in both men and women.

On December 13, 2010, in contemplation of a share exchange agreement with Trichoscience, Newcastle entered into an agreement to dispose of its remaining mineral property interest to an unrelated company for cash proceeds of $150,000.

Following the acquisition of the shares of Trichoscience, Newcastle's business became the development of hair cell replication technology. As the former shareholders of Trichoscience control more than 50% of the issued voting shares of Newcastle after the closing of the transaction, the transaction was accounted for as a recapitalization of Trichoscience. Following accounting rules applicable to a reverse acquisition, Trichoscience is considered the acquirer and the resulting consolidated financial statements will be presented as a continuation of Trichoscience.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. At December 31, 2010, the Company is still in the development stage, has accumulated losses of $2,084,184 since its inception and expects to incur further losses in the development of its business, which casts substantial doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. Management has a plan in place to address this concern and intends to obtain additional funds by equity financing to the extent there is a shortfall from operations. While the Company is continuing its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds for operations.

If the going concern assumptions were not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported net loss and the balance sheet classifications used.

2. Significant Accounting Policies

Principles of Consolidation and Basis of Accounting

These consolidated financial statements were prepared in accordance with generally accepted accounting principles ("GAAP") in Canada and include the accounts of the Company and its subsidiaries, Trichoscience Innovations Inc. and 583885 B.C. Ltd. All inter-company transactions and balances were eliminated.

(Stated in Canadian Dollars)

2. Significant Accounting Policies - *Continued*

Principles of Consolidation and Basis of Accounting - *Continued*

The comparative figures are those of Trichoscience (Note 4). As the acquisition of shares in Trichoscience was a capital transaction, the transaction was accounted for as a reverse takeover with Trichoscience as the acquirer.

Application of reverse takeover accounting results in the following:

- The consolidated financial statements of the combined entity are issued under the name of the legal parent, the Company, but are considered a continuation of the financial statements of the legal subsidiary, Trichoscience, for accounting purposes. Comparative amounts are those of Trichoscience.

- As Trichoscience is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated balance sheets for the continuing entity at their historical carrying values. The Company's assets and liabilities at the date of the transaction are also included in the consolidated balance sheets at their historical carrying values.

The Company provides a reconciliation of accounting principles from Canadian GAAP to US GAAP in Note 15.

Non-Controlling Interest

Non-controlling interest represents the non-controlling stockholders' interest in the carrying values of Trichoscience, as described in Note 4. As a result, the portion of the net assets of Trichoscience that were fully consolidated but not wholly-owned by the Company at the date of acquisition were eliminated as part of the purchase equation, while the portion of net income attributable to such non-controlling interest to the date of acquisition is shown separately on the consolidated statement of operations. Since the reverse takeover occurred on December 22, 2010, the amount of the 2010 loss attributable to the non-controlling interest for the period from December 22, 2010 to December 31, 2010 was nil (2009 and 2008 – Nil).

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to assumptions used in determining the fair value of stock-based compensation, accrued liabilities, rates of amortization, and the valuation allowance relating to future tax assets. While management believes the estimates are reasonable, actual results could differ from those estimates used in the preparation of the financial statements and could impact future results of operations and cash flow.

Equipment and Website and Amortization

Equipment is recorded at cost less accumulated amortization. The Company provides for amortization, once the assets are in use, over their estimated useful lives on the declining balance method at the following annual rates:

Office furniture and equipment	20%
Website	30%

Amortization is taken at half the annual rate in the year of acquisition.

2. Significant Accounting Policies - *Continued*

Basic and Diluted Loss per Share

Basic loss per share is calculated by dividing the net loss for the year by the weighted average number of shares outstanding during the year. Diluted loss per share reflects the potential dilution of securities that could occur if potentially dilutive securities are exercised or converted to common stock. The dilutive effect of options and warrants and their equivalents is computed by application of the treasury stock method. Dilutive amounts are not presented when the effect of the computations is anti-dilutive due to the losses incurred. Accordingly, there would be no difference in the amounts presented for basic and diluted loss per share.

The number of shares potentially issuable at December 31, 2010 upon exercise of stock options that were not included in the computation of net loss per share totaled 1,485,000 (2009: Nil and 2008: Nil).

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets and liabilities are determined based on differences between the tax and accounting basis of assets and liabilities (temporary differences) as well as the benefit of losses available to be carried forward to future years. The future tax assets or liabilities are calculated using substantively enacted income tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period in which the change is substantively enacted. Future tax assets are recognized to the extent that they are considered more likely than not to be realized.

Research and Development Costs

Research costs are expensed as incurred.

Development costs are expensed as incurred unless the Company can demonstrate the technical feasibility, the intention to complete the intangible assets and use or sell it, how the intangible asset will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development, and the ability to measure reliably the expenditure attributable to the intangible assets development. Research and development costs include, but are not limited to, contract research costs associated with clinical trials, consulting and regulatory fees, professional fees and licensing fees.

Investment Tax Credits

Investment tax credits are recorded in the fiscal period the qualifying expenditures are incurred provided there is reasonable assurance that the tax credit will be realized. Investment tax credits are accounted for using the cost reduction method, which recognizes the credits as a reduction of the cost of the related assets or expenditures. There were no investment tax credits recognized during the years covered by these financial statements.

Foreign Currency Translation

The Company's functional currency is the Canadian dollar. Revenue and expense transactions denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the time of such transactions. Foreign currency denominated monetary assets and liabilities are translated at current rates at the balance sheet date. Gains or losses resulting from these translation adjustments are included in the net income or loss from operations.

2. Significant Accounting Policies - *Continued*

Stock-based Compensation

The Company adopted a stock option plan during the year ended December 31, 2010 (Note 7(c)). In addition, certain of the Company's founders have entered into option agreements with consultants and employees of the Company. The Company accounts for all grants of options and equity instruments to employees, non-employees and directors by the Company and on its behalf in accordance with the fair value method of accounting for stock-based compensation.

Compensation expense for employees is generally amortized using the graded vesting method over the period from the grant date to the date the options or equity instruments vest. Compensation expense for non-employees is recognized immediately for past services and pro-rata for future services over the service provision period. Compensation for non-employees is re-measured at each balance sheet date until the earlier of the vesting date or the date of completion of the service. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

Financial Instruments – Recognition, Measurement, Disclosure and Presentation

The Company's financial instruments include cash, accounts payable and accrued liabilities and advances payable. Upon initial recognition, all financial instruments are recorded on the balance sheet at fair value. Subsequent measurement is then based on the financial instruments being classified into one of five categories: held for trading, held to maturity, loans and receivables, available for sale and other liabilities. The Company has designated its cash as held to maturity which carrying amount approximates fair value. Accounts payable and accrued liabilities and advances payable are classified as other liabilities and are measured at amortized cost determined using the effective interest method. The Company does not hold any available for sale financial instruments which would give rise to comprehensive income or loss.

In 2009, the CICA amended Section 3862, "Amendment to Financial Instruments – Disclosures" to require disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

The Company does not hold any financial instruments subject to level 1, 2 or 3 fair value measurements. During the year ended December 31, 2010 and 2009, there were no significant transfers between level 1 and 2.

(Stated in Canadian Dollars)

3. Accounting Changes

Recent Accounting Pronouncements

Business Combination, Non-controlling Interest, and Consolidation

In January 2009, the CICA issued Handbook Sections 1582, Business Combinations, ("Section 1582"), 1601, Consolidated Financial Statements, ("Section 1601") and 1602, Non-controlling Interests, ("Section 1602") which replaces CICA Handbook Sections 1581, Business Combinations, and 1600, Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards ("IFRS"). Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Early adoption of these Sections is permitted but all three sections must be applied concurrently. The Company is continuing to review the impact of the adoption of these new standards on its financial statements.

4. Reverse Takeover Transaction

On December 22, 2010, Newcastle acquired 50.7% of the issued and outstanding shares of Trichoscience in exchange for 11,155,165 common shares, 5,577,580 Class B preferred shares and 5,577,580 Class C convertible preferred shares of Newcastle (the "Acquisition"). Also at closing, Newcastle acquired an additional 1,000,000 common shares of Trichoscience for $1,000,000 ("Investment One"), thereby increasing Newcastle's ownership in Trichoscience to 55.3% at December 31, 2010.

As a result of the Acquisition, the shareholders of Trichoscience who tendered their shares (the "Accepting Shareholders") in exchange for shares of Newcastle obtained voting control of Newcastle and consequently, the transaction was accounted for as a recapitalization of Trichoscience. For accounting purposes, Trichoscience was treated as the acquirer and these financial statements are presented as a continuation of Trichoscience. The value attributable to the common shares reflects the carrying value (which approximates fair value) of the net assets of Newcastle. No amount has been allocated to the class B preferred shares or the class C preferred shares due to these share having assessed nominal value at the time of closing.

Newcastle's assets, liabilities and results of operations have been included from December 22, 2010, the date of the Acquisition.

For accounting purposes, consideration is deemed to be the book value of the net assets of Newcastle which on December 22, 2010 was $1,073,226 and approximated fair value. This amount was calculated as follows:

Cash	$	1,109,664
Sales taxes recoverable		19,319
Prepaid expenses		13,393
Deferred acquisition costs		76,900
Accounts payable and accrued liabilities		(71,035)
Advances payable		(75,015)
Net assets acquired	$	1,073,226

The carrying value of the net assets acquired was credited to the share capital of the combined entity. In addition, deferred acquisition costs of $76,900 incurred in Newcastle and deferred acquisition costs of $53,429 incurred in Trichoscience were debited to the share capital of the combined entity in accordance with reverse takeover accounting.

4. Reverse Takeover Transaction - *Continued*

At closing of the Acquisition, certain shareholders of Trichoscience did not exchange their shares for shares of Newcastle (the "Non-Accepting Shareholders") and, as such, should be treated as a non-controlling interest in the consolidated financial statements. In a reverse acquisition, the non-controlling interest reflects the non-controlling shareholders' proportionate interest in the pre-combination carrying amounts of the legal acquiree's net assets. After the share exchange and Investment One by Newcastle, the non-controlling interest was 45% and the Company recorded a non-controlling interest of $327,640, representing the non-controlling interest of net book value of the net assets of Trichoscience.

The Non-Accepting Shareholders are entitled to tender their shares at any time until June 22, 2012 in exchange for Newcastle shares under the same terms as those provided to the Accepting Shareholders.

No amount of the value assigned to share capital issued on this transaction was allocated to the Class B preferred shares or the Class C convertible preferred shares due to these shares having assessed nominal value at the time of closing.

Each Class B preferred share is voting and will be extinguished on the date on which:

- Newcastle has purchased common shares of Trichoscience in aggregate amount of not less than $3,000,000 and Newcastle raises the proceeds to make these investments by selling its shares at not less than $1 per share; and

- Newcastle has acquired at least 90% of the issued and outstanding common shares of Trichoscience.

The Class B preferred shares cannot be sold, transferred or otherwise disposed of without the consent of the Company's directors.

Each Class C convertible preferred share is voting and convertible into ½ of one common share of Newcastle upon approval by the United States Food and Drug Administration of the commercial sale of Trichoscience's hair cell replication technology in the United States. The Class C convertible preferred shares cannot be sold, transferred or otherwise disposed of without the consent of the Company's directors.

At closing, the Trichoscience shareholders who received shares of Newcastle in connection with the closing deposited the common shares with a trustee pursuant to the terms of a pooling agreement between Newcastle and the trustee. The common shares are subject to a timed release schedule under which 15% of the shares will be released on the first day of each of the fiscal quarters occurring after the first anniversary of the closing.

Concurrent with the reverse acquisition, Newcastle also acquired all of the issued and outstanding common shares of 583885 B.C. Ltd. ("583885") in exchange for 4,400,000 common shares of Newcastle. 583885 did not have any assets or liabilities at the date of acquisition and was a private company controlled by Newcastle's incoming Chief Executive Officer ("CEO").

3,400,000 shares of Newcastle controlled by the Company's CEO were deposited with an escrow agent pursuant to the terms of an escrow agreement between Newcastle and the escrow agent. These shares will be released upon satisfaction of certain performance conditions as set out in the escrow agreement and each release of shares from escrow will be considered a compensatory award.

(Stated in Canadian Dollars)

4. Reverse Takeover Transaction - *Continued*

At closing, two of the performance conditions with respect to 850,000 shares had been achieved and $432,395 (representing the fair value of the shares released from escrow on the date of release) was recorded as stock-based compensation. Compensation expense relating to the transaction date fair value of the remaining 2,550,000 common shares will be recognized in the periods the occurrence of the respective performance condition is probable and amortized over the period until the performance condition is met. Subsequent to December 31, 2010, an additional 350,000 shares were released from escrow pursuant to the achievement of certain performance conditions.

The other 1,000,000 common shares issued were not subject to escrow provisions and thus were fully vested, non forfeitable at the date of issuance. Stock based compensation of $508,800 (representing the fair value of the shares issued) was recognized for these shares.

Further, in connection with the Closing, Newcastle also issued 2,000,000 class C voting convertible preferred shares to two investors for nominal consideration (US$0.0001 per share).

5. Equipment

	Cost	Accumulated Amortization	December 31, 2010	December 31, 2009
Furniture and equipment	$ 25,881	$ 5,311	$ 20,570	$ 13,615
Computer equipment	6,775	1,016	5,759	-
Website	9,483	3,064	6,419	5,624
	$ 42,139	$ 9,391	$ 32,748	$ 19,239

6. Advances Payable

Advances payable of $75,015 (US$75,000) is from an unrelated third party. Advances payable are unsecured, non-interest bearing and have no specific terms of repayment.

7. Share Capital

a) Authorized:

Unlimited common shares without par value
Unlimited Class A non-voting, convertible, redeemable, non-cumulative 6% preferred shares without par value
Unlimited Class B voting preferred shares without par value
Unlimited Class C voting, convertible preferred shares without par value

b) Issued and Outstanding:

During the year ended December 31, 2010, the Company issued 430,000 common shares at a price of $1.00 per share, of which $30,000 had been received during the year ended December 31, 2009.

During the year ended December 31, 2009, the Company issued 1,154,800 common shares at a price of $1.00 per share, of which $12,500 was received subsequent to December 31, 2009.

During the year ended December 31, 2008, the Company consolidated its common shares at a ratio of 10:8.

7. Share Capital - *Continued*

c) Stock Option Plans:

(i) Under various Founders' Stock Option Agreements, certain founders of Trichoscience granted stock options to acquire 1,211,000 of their Trichoscience shares to employees and consultants of Trichoscience during the year ended December 31, 2010. These founders' options are exercisable at $1 per share with 1/3 vesting one year from the date of grant and the remaining 2/3 vesting on a monthly basis over between 24-month and 36-month periods expiring after six to seven years. Pursuant to the share exchange agreement, the Founders Stock Option Agreements were converted into rights to receive the Founders' Newcastle shares. All other terms remained the same. This modification of stock options resulted in no incremental value and therefore no additional stock based compensation expense was recognized for the modification.

(ii) On January 11, 2010, Trichoscience approved a Trichoscience Stock Option Plan whereby Trichoscience may grant directors, officers, employees and consultants' stock options. The maximum number of shares reserved for issue under the plan cannot exceed 20% of the outstanding common shares of Trichoscience as at the date of the grant. The stock options can be exercisable for a maximum of 7 years from the grant date and with various vesting terms. Subject to applicable law and any shareholder or other approval which may be required, the Board may in its discretion amend the Plan to increase such maximum number of Shares issuable hereunder. This Stock Option Plan was cancelled subsequent to December 31, 2010.

(iii) On December 22, 2010, the Company approved a Company Stock Option Plan whereby the Company may grant directors, officers, employees and consultants' stock options. The maximum number of shares reserved for issue under the plan cannot exceed 10% of the outstanding common shares of Trichoscience as at the date of the grant. The stock options can be exercisable for a maximum of 10 years from the grant date and with various vesting terms.

d) Stock-based Compensation

The Company uses the Black Scholes option pricing model to determine the fair value of the stock options.

The Company recognized a fair value of $118,110 as stock based compensation expense in the statement of operations for the year ended December 31, 2010 (2009 and 2008 - $Nil) for stock options granted under the Founders Stock Option Agreements. See Note 7 c) (i).

During the year ended December 31, 2010, under the Trichoscience Stock Option Plan, Trichoscience granted a total of 1,485,000 options to the directors and officers and consultants of Trichoscience. The options were exercisable at $1 per share and expired July 13, 2017. These options vested as to 1/3 after one year from the grant date and 2/3 monthly over the remaining two to three year period. On December 22, 2010, the 1,485,000 stock options outstanding under the Trichoscience Stock Option Plan were cancelled and reissued by Newcastle exercisable at US$0.50 until July 13, 2017and vest on December 22, 2011. This exchange of stock options was accounted for as a modification of stock options with no incremental value and therefore no additional stock based compensation expense was recognized for the modification.

(Stated in Canadian Dollars)

7. Share Capital – *Continued*

d) Stock-based Compensation – *Continued*

The Company recognized a fair value of $117,595 as stock based compensation expense in the statement of operations for the year ended December 31, 2010 (2009 - $Nil and 2008: $Nil) for stock options granted under the Trichoscience stock option plan.

The weighted-average grant date fair value of options granted was $0.17 per option and was estimated using the following weighted average assumptions:

	Founders Stock Options	Company Stock Option Plan
Risk-free interest rate	2.88%	2.66%
Weighted-average expected life	6.45 years	7.00 years
Expected volatility	81%	81%
Expected dividends	Nil	Nil

A summary of the status of the stock options outstanding for the year ended December 31, 2010 is as follows:

	Number of Options	Weighted average Exercise Price
Outstanding, December 31, 2009	-	$ -
Issued	1,485,000	US$ 0.50
Exercised/expired		-
Outstanding, December 31, 2010	1,485,000	US$ 0.50
Exercisable, December 31, 2010	-	

The stock options expire on July 13, 2017.

(Stated in Canadian Dollars)

7. Share Capital – *Continued*

e) Escrow Shares

Pursuant to the Acquisition described in Note 4, at December 31, 2010:

i) 2,550,000 (2009: Nil) common shares are held in escrow and are to be released upon the occurrence of certain milestones relating to the Company's hair cell replication technology. These shares have been excluded from the calculation of loss per share. Subsequent to December 31, 2010 an additional 350,000 of these shares were released from escrow pursuant to the $2,050,000 investment by Newcastle in Trichoscience.

ii) 11,155,165 (2009: Nil) common shares are held in escrow under a pooling agreement and are subject to a timed release schedule under which:

a) 15% will be released on January 1, 2012;
b) 15% will be released on each of April 1, July 1, and October 1 of 2012 and January 1 and April 1 of 2013; and
c) the remaining 10% will be released on July 1, 2013

As the release of these shares is certain, they have been included in the calculation of loss per share.

f) Share Subscriptions

At December 31, 2009, Trichoscience had received $30,000 pursuant to share subscription agreements for 30,000 common shares. These shares were issued during the year ended December 31, 2010.

g) Share Subscriptions Receivable

At December 31, 2009, Trichoscience had issued 12,500 shares pursuant to share subscription agreements for $1 per share. The proceeds from the issuance of these shares were received during the year ended December 31, 2010.

8. Income Taxes

a) Reconciliation of accounting and taxable income, for the years ended December 31 are as follows:

	2010	2009	2008
Net loss for the year before taxes	$ (2,404,097)	$ (557,860)	$ (23,194)
Combined federal and provincial income tax rate	31.00%	13.50%	14.92%
Computed income tax expense (reduction)	(745,300)	(75,300)	(3,500)
Increase (decrease) resulting from			
Income taxed at reduced rate	256,000	-	-
Non-deductible items	323,600	100	-
Tax adjustment from rate change and other	(151,700)	(63,400)	(2,500)
Change in valuation allowance	317,400	138,600	6,000
Recovery of income taxes	$ -	$ -	$ -

(Stated in Canadian Dollars)

8. Income Taxes - *Continued*

b) The components of the future income tax asset (liability) balances for the years ended December 31, are as follows:

	2010	2009	2008
Future income tax assets			
Non-capital losses	$ 433,000	$ 148,000	$ 15,000
Office equipment	18,000	5,600	-
Temporary differences relating to intellectual property costs	20,000	-	-
Valuation allowance	(471,000)	(153,600)	(15,000)
Future income tax asset (liability)	$ -	$ -	$ -

Future income tax assets are recorded when it is more likely than not, that they will be recovered in future periods. A full valuation allowance has been taken on the future income tax assets as this criteria has not been met.

At December 31, 2010, the Company has non capital losses totalling approximately $1,732,600 that will expire beginning in 2026:

Year of Expiry	Amount
2026	$ 5,500
2027	16,200
2028	533,200
2029	1,177,700
	$ 1,732,600

9. Related Party Transactions

As of December 31, 2010, included in the accounts payable and accrued liabilities were $76,936 (2009: $29,000) due to directors and officers of the Company and/or companies they control or of which they were significant shareholders for accrued consulting fees, research and development consulting fees, rent, legal fees and acquisition transaction costs. The amounts owing are unsecured, non-interest bearing and due on demand.

During the year ended December 31, 2010, the Company had the following related party transactions not disclosed elsewhere in these financial statements:

a) Research and development consulting fees totalling $132,100 (2009 - $44,000, 2008 - $nil) were paid to a director and a companies owned by directors and officers of the Company;
b) Administrative consulting fees totalling $146,475 (2009 - $30,000, 2008 - $Nil) were paid to directors and officers and companies owned directors and officers of the Company;
c) Rent expense of $15,000 (2009 - $Nil, 2008 - $Nil) was paid to a company owned by a director of the Company;
d) Clinical trial costs totalling $Nil (2009 - $220,626, 2008 - $nil) were paid to a company owned by a director of the Company; and
e) Legal fees and acquisition costs of $26,594 (2009 - $Nil, 2008 - $Nil) were paid to a law firm for which a director of the company was a partner and a law firm related to a director of the company

The transactions were in the normal course of operations having been measured at the exchange amount, being the amount established and agreed to by the parties.

10. Commitments

a) By an agreement dated September 1, 2007 and amended on December 2, 2008 between Trichoscience, the shareholders of Trichoscience, two individuals, one being an officer of Trichoscience (the "Inventors") and a private company located in Germany owned by an officer of Trichoscience¸ Trichoscience was granted an option to obtain an exclusive right and license to use and exploit a technology under a license agreement and an assignment of clinical trial results relating to a clinical trial for non-surgical hair cell replication technology. If unexercised, the option would expire on December 31, 2009. As consideration, the Trichoscience issued 4,400,000 common shares of the Company to the Inventors during the year ended December 31, 2007.

   Under the terms of the agreement, Trichoscience was required to complete one or more financings totalling $1,500,000 in gross proceeds to Trichoscience before the option could be exercised.

   During the year ended December 31, 2009, Trichoscience exercised the option under this agreement and as a result has entered into a Clinical Trial Results Assignment Agreement and a License Agreement.

   Pursuant to the Clinical Trial Results Assignment Agreement, Trichoscience agreed to fund past and future expenses of a clinical trial for a hair cell replication technology at a cost of €290,000 to be paid as follows:

   i) $220,626 (€140,000) (paid) within 14 days of the effective date of the agreement or receipt of notice that documents had been filed to obtain a production license for use in the clinical trial
   ii) $198,750 (€150,000) within 14 days of the completion of the clinical trial.

   Upon the completion of the conditions noted above, Trichoscience will be assigned all the results of the clinical trial, including clinical data, analyses and intellectual property rights.

b) Pursuant to an agreement dated September 23, 2009, Trichoscience engaged a German company to conduct Phase I and IIA of a clinical trial at a cost of $180,200 (€120,135) plus expenses.

c) Under an assignment agreement, dated September 17, 2009, Trichoscience was assigned certain rights and obligations under a research agreement with a German company. Under the assignment agreement, the Germany company is obligated to undertake scientific research on behalf of Trichoscience. Under the assignment agreement, Trichoscience is required to pay a total of €23,000 in three instalments. The first instalment of 40 percent is due upon conclusion of work to be carried out by the German company. A further 30 percent of the price is due upon completion of a trial run of results of the research. The remaining 30 percent is due upon submission for national approval in Austria.

d) On February 12, 2010, Trichoscience signed a collaborative research agreement with the University of British Columbia and the Vancouver Coastal Health Authority (together, the "Institutions"). Under the collaborative research agreement, the Institutions agreed to undertake hair cell research and Trichoscience agreed to pay research costs totalling $472,250 as consideration for the rights to any intellectual property arising from the collaborative research agreement. The Company agreed to make the following payments to the Institutions in instalments, as follows: $155,562 on execution (paid); $105,562 on July 31, 2010 (paid subsequently); $105,562 on January 31, 2011 (paid subsequently); and $105,562 on July 31, 2011.

e) Sublease Agreement: Berkeley Resources Inc.

   Under the agreement with a company with a common director, the Company will pay office rent of $3,000 per month for a period of two years beginning August 1, 2010 and ending July 31, 2012.

11. Financial Instruments and Risk Management

As at December 31, 2010, the Company's financial instruments are comprised of cash, accounts payable and accrued liabilities and advances payable.

The fair values of cash, accounts payable and accrued liabilities and advances payable approximate their carrying value due to their short-term maturity.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has an exposure to the European Euros that are subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. Given that at December 31, 2010 and 2009, the Company had minimal financial assets and liabilities denominated in foreign currencies, it considers this risk to be insignificant. The Company does not hedge its foreign exchange risk.

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure, more specifically, the issuance of new common shares, to ensure there is sufficient capital in order to meet short term business requirements, after taking into account the Company's holdings of cash and potential equity financing opportunities. The Company believes that these sources will be sufficient to cover the known short and long-term requirements at this time. Without further equity financing, it is unlikely that the Company will be able to meet the obligations associated with its financial liabilities.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company's cash is currently held in an interest bearing bank account, management considers the interest rate risk to be limited. Advances payable are non interest bearing and therefore are not subject to interest rate risk.

12. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will use its existing working capital and raise additional amounts as needed. The Company will continue to advance its technology.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders equity and working capital as components of its capital base. The Company can access or increase capital through the issuance of shares, and by building cash reserves by reducing its capital expenditure program. Management primarily funds the Company's expenditures by issuing share capital, rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

12. Capital Management - *Continued*

The Company's investment policy is to hold cash in interest bearing bank accounts, which pay comparable interest rates to highly liquid short-term interest bearing investments with maturities of one year or less and which can be liquidated at any time without penalties.

There has been no change in the Company's approach to capital management during the year ended December 31, 2010.

13. Subsequent Events

i) the Company completed a private placement of 2,550,000 common shares at US$1.00 per share for proceeds of US$2,550,000. The proceeds were used to purchase 2,050,000 common shares of Trichoscience for $2,050,000, which satisfied the remaining financing commitment to Trichoscience (note 4) and for working capital. A finder's fee of 101,200 common shares was issued in connection with the private placement.

ii) the Company granted 1,350,000 stock options to directors, employees and consultants of the Company. The options vest over a period of three years and are exercisable at US$1.00 until March 11, 2018.

iii) Subsequent to December 31, 2010, Newcastle acquired the remaining 4,724,800 common shares of Trichoscience pursuant to the Non-Accepting Shareholders tendering their shares in exchange for 10,844,846 common shares, 5,422,423 Class B preferred shares and 5,422,423 Class C convertible preferred shares of Newcastle and as a result Newcastle's interest in Trichoscience increased to 100%. As a result of this and the satisfaction of the remaining financing commitment described above, all of the Class B preferred shares were cancelled.

iv) Pursuant to an employment agreement effective January 1, 2011 with the CEO of the Company, the Company would be required to pay severance compensation equal to 12 months of base salary of $30,000 per month during the first year of employment; 24 months base salary during the 2nd year of employment and an additional 2 months of base salary for each additional full year of employment completed after the first year of employment, up to a combined maximum of 36 months' base salary in the event of termination of services without cause plus up to $62,000 lump sum payment for loss of benefits. In the event of termination of services without cause within 24 months of a change in control of the Company, the Company would be required to pay severance compensation equal to 36 months base salary and an additional 2 months base salary for each additional full year of employment up to a maximum of 48 months' base salary plus up to $124,000 lump sum payment for loss of benefits.

14. Non-cash Transactions

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flow. During the year ended December 31, 2010, the following transactions were excluded from the consolidated statements of cash flows:

i) the Company acquired 4,860,000 common shares of Trichoscience in exchange for 11,155,165 common shares, 5,577,580 Series B Preferred Shares and 5,577,580 Series C Preferred Shares of the Company; and

ii) the Company acquired all of the issued and outstanding shares of 583885 in exchange for 4,400,000 common shares of the Company.

(Stated in Canadian Dollars)

15. Differences Between Canadian and United States Generally Accepted Accounting Principles

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"), which differ in certain respects with those principles and practices that the Company would have followed had its financial statements been prepared in accordance with accounting principles and practices generally accepted in the Unites States ("US GAAP"). Material differences between Canadian and US GAAP and their effect on the Company's financial statements are summarized below:

Non Controlling Interest

The Company follows Canadian GAAP in respect to the accounting and presentation of non-controlling interest. Among other things, as described in Note 2, such non-controlling interest is presented between liabilities and equity on the Company's consolidated balance sheet. Under US GAAP, the Company follows ASC 810-10-65 in respect of non-controlling interest in the operations of Trichoscience and the profits or losses attributable to non-controlling interest in the operations of the combined entity. ASC 810-10-65 requires reclassification of amounts attributable to non-controlling interest to a separate component of equity on the balance sheets. Additionally, (i) net income includes net income or loss attributable to non-controlling interest; (ii) the components of net income or loss attributable to the shareholders of the Company and the net income or loss attributable to non-controlling interest are displayed in the statements of income and (iii) losses are allocated to the non-controlling interest even if the losses exceed the equity attributable to non-controlling interest. The application of ASC 810-10-65 did not impact on the net income attributable to the Company due to the fact that the reverse takeover which gave rise to non-controlling interest occurred on December 22, 2010 which resulted in net losses attributable to the non-controlling interest for the year ended December 31, 2010 being nil.

Balance Sheets

		2010	2009
Total shareholders' equity under Canadian GAAP	$	357,807	557,043
Change in presentation for non-controlling interest		327,640	-
Total shareholders' equity under US GAAP		685,447	557,043
Attributable to:			
Parent		357,807	557,043
Non-controlling Interest		327,640	-

Stock based compensation

The Company's stock options granted to non-employees follow the guidance in ASC 815 (*Prior authoritative literature:* FAS 133, *"Accounting for Derivative Instruments and Hedging Activities")* due to the exercise price being in a currency other than the Company's functional currency. Such guidance requires free standing warrants and share purchase options that are fully vested and exercisable to be classified as liabilities measured at fair value. These instruments are adjusted to reflect fair value at each period end. Any increase or decrease in the fair value are recorded in results of operations as change in fair value of derivative liabilities in the Statement of Operations.

For the years ended December 31, 2010, 2009 and 2008, there was no difference between Canadian GAAP and US GAAP for the presentation of such instruments as none of the Company's options exercisable in other than the Company's functional currency had vested.

Recent Accounting Pronouncements

Accounting Pronouncements Adopted

During February 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-09, "Subsequent Events (Topic 855)". The amended guidance in ASU 2010-09 states that an entity that is an SEC filer is required to evaluate subsequent events through the date that the financial statements are issued, but is not required to disclose the date through which subsequent events have been evaluated. The adoption of the provisions of this amendment did not have a material impact on our consolidated financial statements.

In April 2010, the FASB issued Accounting Standards Update 2010-13, "Compensation – Stock Compensation (Topic 718). The objective of this update is to address the classification of an employee share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. It provides guidance on the classification of a share-based payment award as either equity or a liability. A share-based payment award that contains a condition that is not a market, performance, or service condition is required to be classified as a liability. The amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The amendments in this update should be applied by recording a cumulative-effect adjustment to the opening balance of retained earnings. The cumulative-effect adjustment should be calculated for all awards outstanding as of the beginning of the fiscal year in which the amendments are initially applied, as if the amendments had been applied consistently since the inception of the award. The cumulative-effect adjustment should be presented separately. Earlier application is permitted. The adoption of the provisions of this amendment did not have a material impact on our consolidated financial statements.

New Accounting Pronouncements Not Yet Adopted

In January 2010, the FASB issued ASU No. 2010-06, *Improving Disclosures about Fair Value Measurements,* which requires additional disclosures about the amounts of and reasons for significant transfers in and out of Level 1 and Level 2 fair value measurements. This standard also clarifies existing disclosure requirements related to the level of disaggregation of fair value measurements for each class of assets and liabilities and disclosures about inputs and valuation techniques used to measure fair value for both recurring and non-recurring Level 2 and Level 3 measurements. Since this new accounting standard only required additional disclosure, the adoption of the standard in the first quarter of 2010 did not impact the Company's consolidated financial statements. Additionally, effective for interim and annual periods beginning after December 15, 2010, this standard will require additional disclosure and require an entity to present disaggregated information about activity in Level 3 fair value measurements on a gross basis, rather than one net amount.