



# Biotech Daily

Friday December 21, 2012

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH DOWN: QRX UP 9%, ALCHEMIA DOWN 28%**
- \* **ALCHEMIA FALLS 36% ON AUDEO ONCOLOGY DEMERGER FAILURE**
- \* **BIONOMICS: IRONWOOD BEGINS PHASE I BNC210, IW-2134 ANXIETY TRIAL**
- \* **VIRALYTICS SHARE PLAN RAISES \$3.5m**
- \* **BLUECHIIP PLAN RAISES \$587k, TOTAL \$2.1m**
- \* **NHMRC \$200k FOR ALLIED, CORIDON HPV VACCINE**
- \* **GENETIC TECHNOLOGIES SUES PREVENTION GENETICS, GENELEX**
- \* **SUDA TO ACQUIRE NOVAMIST SUBLINGUAL PLATFORM**
- \* **AGENIX REQUESTS CAPITAL RAISING TRADING HALT**
- \* **CATHRX HAS LEFT THE BUILDING**
- \* **ECO QUEST TO ACQUIRE 29% OF CYNATA**

## MARKET REPORT

The Australian stock market fell 0.23 percent on Friday December 21, 2012 with the S&P ASX 200 down 10.5 points to 4,623.6 points. Twelve of the Biotech Daily Top 40 stocks were up, 14 fell, six traded unchanged and eight were untraded. All three Big Caps fell.

QRX was the best, up seven cents or 9.2 percent to 83 cents with 25,460 shares traded.

Both Benitec and Cellmid climbed 7.1 percent; Tissue Therapies was up 6.45 percent; both Allied Health and Prima were up 4.8 percent; Living Cell and Patrys rose two percent or more; Anteo and Starpharma were up more than one percent; with Pharmaxis and Sirtex up by less than one percent.

Alchemia led the falls, down as much as 20 cents or 36.4 percent to 35 cents, before closing down 15.5 cents or 28.2 percent at 39.5 cents, with 4.2 million shares traded.

GI Dynamics lost 5.3 percent; Avita fell 4.2 percent; Genetic Technologies, Mesoblast, Phosphagenics and Universal Biosensors were down more than three percent; Circadian, Clinuvel, Neuren and Prana shed more than two percent; Bionomics was down 1.4 percent; with Acrux, Cochlear, CSL, Heartware and Resmed down less than one percent.

## ALCHEMIA

Alchemia fell 36 percent on the failure to raise up to \$60 million for the demerger of its Audeo Oncology assets acquired with Meditech in 2006 (BD: Jul 9, 2012).

Alchemia said it was "unable to secure sufficient new investment for Audeo at terms acceptable to the Alchemia board".

In 2006 Alchemia acquired Meditech which was developing the Hyact hyaluronic acid oncology platform, which has been shown to increase the efficacy of existing cancer drugs (BD: Aug 15, 2006; Apr 26, May 29, 2007; Apr 21, 2010; Sep 28, 2011; Nov 8, 2012).

Today, the company said that as a result of the failed capital raising "the demerger and listing of Audeo on Nasdaq and the ASX will not proceed under the court approved scheme of arrangement".

In July, Alchemia said it intended to demerge its oncology and its sugar-based versatile assembly of stable templates (VAST) assets into Audeo Oncology and Audeo Discovery and list Audeo Oncology on both the ASX and Nasdaq, this year.

Alchemia chief executive officer Dr Pete Smith said at that time that the US and Australian initial public offer would raise less than \$60 million to complete the existing phase III Hyact trial as well as cover the cost of two sets of regulatory regimes and the company hoped to submit its new drug application to the US Food and Drug Administration by April 2014.

Dr Smith said that Audeo Oncology was a Delaware incorporated company and owned Alchemia Oncology holding the oncology assets, as well as Audeo Discovery which in turn held the sugar-based versatile assembly of stable templates (VAST) drug discovery assets.

Today, the company said it was "greatly encouraged by the quality and level of investor interest in the Audeo's oncology program [but] US investor concerns around market conditions, timing and the domestic economy were felt to have had a significant impact in the level and pricing of available investment".

Alchemia said it would evaluate alternative longer term financing options, including options of creating financial independence for Audeo, including the listing of Audeo in 2013.

The company said that its current cash resources included the recent receipt of \$1.4 million under the Federal Government's R&D Tax Incentive scheme, the expected receipt of more than \$2 million in 2013 as a result of the Alchemia Oncology's recent successful overseas finding under the R&D Tax Incentive scheme for overseas expenditure, as well as the expected continued receipt of revenue from Dr Reddy's for fondaparinux sales in the US.

Alchemia chairman Dr Melvyn Bridges said that "while we are disappointed we could not secure sufficient investment at acceptable financial terms for Audeo and Alchemia this year, we are encouraged by investor feedback on Audeo's oncology platform and have great confidence in the value of Audeo, especially given the execution of its phase III trial is on track".

"We will continue to evaluate financial options for Audeo, while also ensuring the phase III trial of HA-Irinotecan in metastatic colorectal cancer is delivered on time and on budget," Dr Bridges said.

"The group continues to be well placed in that it has a launched, FDA approved product generating cash-flows, a pivotal phase III trial underway and a platform technology which could be used to develop numerous additional late stage drug candidates," Dr Bridges said.

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### BIONOMICS

Bionomics says licensee Ironwood Pharmaceuticals has begun its US phase I trial of anti-anxiety compound BNC210, renamed IW-2143.

Bionomics said the trial was designed to assess the safety and pharmacokinetics of IW-2143 in healthy volunteers, using single and multi-dose administration.

Bionomics chief executive officer Dr Deborah Rathjen said the first US trial of IW-2143 was “a strong signal of the progress being made by Ironwood in moving ahead with the study of IW- 2143”.

“As this trial progresses it is anticipated that a \$US2 million milestone payment to Bionomics by Ironwood will be triggered,” Dr Rathjen said.

Bionomics said that Ironwood was responsible for developing and, if approved, commercializing IW-2143 and related compounds, including paying for the costs of clinical development.

The company said that anxiety disorders affected about 40 million Americans each year.

Bionomics fell half a cent or 1.4 percent to 35 cents.

### VIRALYTICS

Viralytics says its share purchase plan at 30 cents a share raised \$3.5 million/

Viralytics said the funds would be used for working capital, the intravenous cancer trial, the continuation of clinical research and development of Cavatak.

Viralytics was unchanged at 36 cents.

### BLUECHIIP

Bluechiip says its share purchase plan at 20 cents a share has raised \$586,500, in addition to the \$1.5 million raised in a private placement in November (BD: Nov 21, 2012). Bluechiip fell one cent or 4.9 percent to 19.5 cents.

### ALLIED HEALTH GROUP

Allied Health says 44.4 percent subsidiary Coridon has received a \$200,000 National Health and Medical Research Council grant for trials of its DNA vaccine for human papillomavirus.

Allied Health was up 0.1 cents or 4.8 percent to 2.2 cents.

### GENETIC TECHNOLOGIES

Genetic Technologies says it has begun legal action in the US against Prevention Genetics LLC and Genelex Corp.

Genetic Technologies began the action in May 2011 filing a suit in the US District Court of Colorado, asserting infringement of its primary non-coding patent against 10 companies including Agilent Technologies, Bristol-Myers Squibb Co, Eurofins STA Laboratories, Glaxosmithkline, Hologic, Merial, Navigenics, Neogen Corp, Pfizer and 454 Life Sciences Corp (BD: May 26, 2011).

The company said at that time the patents concerned related to “detailed methods of genetic analysis”.

Genetic Technologies has reported the suit has been settled with Navigenics, Hologic, Eurofins and Geneseek's Neogen.

Genetic Technologies fell 0.3 cents or 3.85 percent to 7.5 cents.

### [SUDA \(FORMERLY EASTLAND MEDICAL SYSTEMS\)](#)

Suda says it has signed an option to acquire the Novamist sublingual technology platform from the Bridgewater, New Jersey-based Novadel Pharma.

Suda said the terms of the acquisition were confidential.

The company said that Novadel developed oral spray formulations for a broad range of marketed therapeutics and the Novamist technology enabled the rapid delivery of drugs directly into the bloodstream which could result in faster onset of action and potential patient benefits in compliance, convenience and safety.

The company said that sub-lingual delivery offered safety benefits with smaller, measured dosage of active pharmaceutical ingredient without compromising efficacy.

Suda said that Novamist was protected by multiple layers of patents, with more than 79 patents issued worldwide and more than 90 patents pending.

Suda was unchanged at 3.1 cents with one million shares traded.

### [AGENIX](#)

Agenix has requested a trading halt "pending an announcement regarding ongoing funding of working capital requirements of the company".

Trading will resume on December 27, 2012 or on an earlier announcement.

Agenix last traded at 2.8 cents.

### [CATHRX](#)

The ASX says Cathrx will be suspended from the close of trading today December 21, 2012, following its request to be removed from the official list (BD: Sep 27, 2012).

Cathrx last traded down 0.1 cents 12.5 percent to 0.7 cents 1.4 million shares traded.

### [ECO QUEST](#)

Eco Quest says it will acquire a further 18 percent of Cynata by subscribing for 12,500,000 shares for \$500,000 or four cents a share.

Eco Quest previously said it had paid \$250,000 for 11 percent of Cynata, a California-based company, developing multipurpose stem cell technology for regenerative medicine (BD: Oct 5, 2012).

Eco Quest fell 0.1 cents or 5.9 percent to 1.6 cents.