



Biotech Daily

Wednesday May 29, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX FLAT, BIOTECH DOWN: CIRCADIAN UP 9%, BENITEC DOWN 12%**
- * **BONE CLAIMS LA JOLLA COVE FUNDING 'IN ARREARS'**
- * **NOVOGEN SHARE PLAN RAISES \$790k, \$3.3m TOTAL**
- * **HUNTER HALL LIGHTENS TO 22% OF SIRTEX**
- * **ITL CHAIRMAN WILLIAM MOBBS DECREASES, CONCENTRATES TO 33%**
- * **MEDIGEN TAKES 19.7% OF PROGEN, TAIWAN'S WELL HALLMARK 9%**

MARKET REPORT

The Australian stock market was flat on Wednesday May 29, 2013, with the S&P ASX 200 up just 4.0 points or 0.08 percent to 4,974.7 points.

Eleven of the Biotech Daily Top 40 stocks were up, 18 fell, eight traded unchanged and three were untraded. All three Big Caps were up.

Circadian was the best, up 2.5 cents or 9.3 percent to 29.5 cents, with 6,788 shares traded.

Clinuvel climbed 6.95 percent; Allied Health was up 5.4 percent; Tissue Therapies rose 4.2 percent; Acrux, Heartware, Impedimed and Resmed were up more than three percent; Cochlear, CSL and Nanosonics rose more than two percent; Atcor was up 1.4 percent; with QRX and Mesoblast up by less than one percent.

Benitec led the falls, down 0.2 cents or 11.8 percent to 1.5 cents with 9.7 million shares traded, followed by Pharmaxis down 10 percent to 18 cents with 2.6 million shares traded.

Avita lost 9.1 percent; Neuren was down 5.7 percent; Ellex, Phylogica and Universal Biosensors all fell 4.76 percent; Cellmid, GI Dynamics, Phosphagenics and Viralytics were down more than three percent; Living Cell, Prana, Prima and Starpharma shed more than two percent; Alchemia and Optiscan were down more than one percent; with Sirtex down 0.3 percent.

BONE MEDICAL

Bone says La Jolla Cove Investors has “fallen into arrears” under the draw-down equity funding agreement and the company is looking for alternative funds (BD: Sep 14, 2010). Bone said that La Jolla Cove had been providing \$US100,000 a month for its operating requirements and agreed last year to provide up to an additional \$US200,000 for new trials and experiments to advance the company’s programs.

Bone said that La Jolla Cove “recently communicated its intention ... to meet its ongoing funding obligations ... through a pattern of varying individual payments rather than in a single monthly lump sum”.

Bone said that “La Jolla indicated that this change did not signify an intent to reduce the funding amount, but merely to modify the schedule upon which it is delivered, and that the intent is that the aggregate funding will remain the same” and La Jolla Cove indicated its willingness to support efforts to attract new investment capital and partnering deals to replace the funding agreement by considering temporary improvements in the terms of the agreement.

“At present, however, La Jolla’s payments have fallen into arrears, the company last having received \$US20,000 towards its April funding,” Bone said.

Bone said it was “in ongoing dialogue with La Jolla to bring its payments up to date”.

The company said it “continued to make every effort to identify and secure new, alternative sources of funds, including discussions with potential new equity investors, investment banking and brokerage firms, finance companies and industry partners for its product programs and financing”.

Bone said it was “in active discussion on several of these fronts, but none are at a stage where the company can say with any certainty that they will materialize”.

In 2011, Benitec conducted a rights issue to close its La Jolla Cove convertible note program (BD: Apr 11, 2011).

In September 2011, a Cellmid extraordinary general meeting defeated a resolution to approve a La Jolla Cove convertible note (BD: Sep 30, 2011).

In 2012, Viralytics exited its La Jolla Cove funding agreement (BD: Feb 9, 2012) and in the same month, Cellmid terminated its La Jolla Cove program (BD: Feb 13, Apr 20, 2012).

At the end of 2012, Agenix said that Fortrend Securities had reneged on their draw-down equity facility (BD: Jan 20, 2013).

Earlier this year, Healthlinx terminated its \$9,000,000, three-year agreement with La Jolla Cove (BD: Mar 18, 2013).

Both Bergen Asset Management and Lind Partners (formerly Springtree) provide funding facilities and to date, Biotech Daily has not been made aware of any issue with those companies.

Lind Partners and Bergen Asset Management are subscribers to Biotech Daily.

Bone was unchanged at 0.1 cents with 1.5 million shares traded.

NOVOGEN

Novogen says that its share plan at 17 cents a share raised \$789,685 of a hoped for \$2.5 million

In April, said that the share plan followed the placement at 16.6 cents a share that raised \$2.5 million (BD: Apr 12, 18, 2013).

Novogen was unchanged at 16 cents.

SIRTEX MEDICAL

Hunter Hall Investment Management has reduced its substantial holding in Sirtex from 13,254,180 shares (23.77%) to 12,413,046 shares (22.26%).

The Sydney-based Hunter Hall said bought and sold shares between December 27, 2012 and May 28, 2013 with the single largest sale of 105,000 shares for \$1,037,213 or \$9.88 a share on May 3.

Sirtex fell three cents or 0.3 percent to \$10.62 with 391,389 shares traded.

ITL LIMITED

ITL executive chairman William Mobbs has reduced his substantial shareholding in the company, but has been concentrated through a share buy-back program.

The Canberra-based Mr Mobbs said that he had reduced and been concentrated from 29,124,117 shares (31.58%) to 28,650,117 shares (32.75%).

Mr Mobbs said that on May 15, 2013, he sold 474,000 shares on-market for \$142,200 or 30 cents a share.

ITL has been conducting a share buy-back and has acquired 18,501,577 shares for \$4,164,292 or an average of 22.5 cents a share.

ITL said the lowest price paid was 18 cents a share on August 31, 2012 and the highest price paid was 30 cents a share on May 17, 2013, with the highest price allowed under Listing Rule 7.33 cited as 30.975 cents a share.

ITL was untraded at 30 cents.

PROGEN PHARMACEUTICALS

Taiwan's Medigen Biotechnology Corp says it has increased its substantial shareholder in Progen from 9,692,964 shares (19.61%) TO 10,892,964 shares (19.70%).

Medigen said that it acquired 1,200,000 shares for \$252,000 or 21 cents a share in a private placement.

The company said it held 4,192,964 shares directly and 6,700,000 shares through wholly owned subsidiary TBG Inc.

The substantial shareholder notice was signed by Medigen chairman Dr Stanley Chang, a former director of Progen.

Separately Well Hallmark Holding Corp, of Guangwu Street, Banqiao District, New Taipei City, Taiwan, became substantial with 5,000,000 shares or 9.04 percent, acquiring the shares for \$1,050,000 or 21 cents a share.

The substantial shareholder notice was signed by Yi-Mei Huang.

Progen was up 2.5 cents or 11.6 percent to 24 cents.