



# Biotech Daily

Thursday July 4, 2013

*Daily news on ASX-listed biotechnology companies*

- \* **ASX, BIOTECH UP: CELLMID UP 17%, GENETIC TECHNOLOGIES DOWN 9%**
- \* **LBT, ADELAIDE UNI WIN \$510k ARC APAS GRANT**
- \* **PHYLOGICA, QUEENSLAND UNI \$403k ARC PHYLOMER GRANT**
- \* **PRIMA DOUBLES CVAC PHASE II/III TRIAL SITES**
- \* **NOVOGEN, HUDSON BAY \$5m DRAW-DOWN EQUITY FACILITY**
- \* **NANOSONICS PLEADS GOOD NEWS TO ASX 21% QUERY**
- \* **ACUVAX, BIOLIFE BACKDOOR LISTING FAILS, UNDERFUNDED**
- \* **CORRECTION: BIONICHE**

## MARKET REPORT

The Australian stock market was up 1.07 percent on Thursday July 4, 2013 with the S&P ASX 200 up 50.6 points to 4,794.7 points.

Sixteen of the Biotech Daily Top 40 stocks were up, 10 fell, six traded unchanged and eight were untraded. All three Big Caps were up.

Cellmid was the best, up 0.4 cents or 16.7 percent to 2.8 cents, with five million shares traded, followed by Phylogica up 15.8 percent to 2.2 cents with 652,000 shares traded, Tissue Therapies up 13.0 percent to 13 cents with 74,000 shares traded and Allied Health up 10.2 percent to 5.4 cents with 13.2 million shares traded.

Antisense climbed 9.1 percent; Benitec was up 7.7 percent; Prana was up 5.3 percent; Clinuvel and CSL was up more than three percent; Atcor, Circadian and Starpharma rose more than two percent; Acrux, Cochlear, Mesoblast, Neuren and Sirtex were up more than one percent; with QRX and Resmed up by less than one percent.

Genetic Technologies led the falls, down 0.8 cents or 8.9 percent to 8.2 cents with 139,836 shares traded.

Ellex lost five percent; Phosphagenics and Viralytics fell four percent or more; Anteo and Pharmaxis were down more than three percent; Nanosonics and Osprey shed more than two percent; with Alchemia and Heartware down by less than one percent.

## LBT INNOVATIONS

LBT says it has won a \$510,000 Australian Research Council Linkage grant to develop Automated Plate Assessment System products.

LBT said that the grant was awarded to it and the University of Adelaide-based Australian Centre for Visual Technologies (ACVT).

The company said that the University of Adelaide would grant a worldwide exclusive perpetual licence to any new intellectual property developed under the project for use within all biomedical applications.

LBT chief executive officer Lusia Guthrie said the grant was "important validation of our groundbreaking work with the remarkable technologists and mathematicians at ACVT, and of the potential for our analytical software to be applied to vital new areas of medical research such as biopsies, cell therapy and other cancer treatments".

Ms Guthrie said that the Automated Plate Assessment System was the result of previous project with the ACVT.

"We had been looking internationally for a partner to help us develop this software and then we found that we had some of the best people in the world doing this kind of research just down the road," Ms Guthrie said.

Australian Centre for Visual Technologies director Prof Anton van den Hengel said that "what we are developing will lead to faster, more accurate assessments of infectious and other diseases as well as save many millions of tedious labor hours by the world's lab technicians".

LBT said it would need to match the grant, which was contingent on finalizing the Automated Plate Assessment System joint venture with Hettich AG (BD: Jun 25, 2013)

LBT fell 0.2 cents or 2.6 percent to 7.6 cents.

## PHYLOGICA

Phylogica says it has won a \$402,614 Australian Research Council Linkage grant with the University of Queensland's Institute for Molecular Bioscience.

Phylogica said the grant was for a project entitled 'A microfluidic array of Phylomers for rapid discovery of peptide probes and biomarkers'.

The company said the partners would jointly develop a single biosensor, displaying tens of thousands of synthetic Phylomers in a parallel format for screening in high throughput.

Phylogica said that a universal Phylomer array based on the platform would allow rapid identification of unique signatures for biomarker discovery from any biological sample.

The company said that biomarker signatures might subsequently be used to develop diagnostic tests and to profile patients and their responses to particular treatments, with an ultimate goal of the construction of "a universal specificity Phylomer chip" described as a low-cost consumable device allowing the identification of peptide probes that were specific for any target biomolecule, in a matter of minutes.

Phylogica said that labeled protein mixtures from abnormal versus normal specimens could be used to probe a Phylomer chip to identify a disease-specific signature of biomarkers and the technology could be used to detect new signatures corresponding to illegal substances or to detect a characteristic biomarker profile of relatively common cancers, often diagnosed late, such as prostate or colon cancer.

Phylogica chief executive officer Dr Paul Watt said that Queensland's Institute for Molecular Bioscience Prof Kirill Alexandrov and Dr Yann Gambin were "experts in the application of cutting edge micro-fluidics and fluorescence detection technologies, in combination with high throughput and high-content protein characterization".

Phylogica was up 0.3 cents or 15.8 percent to 2.2 cents.

### PRIMA BIOMED

Prima says it has activated “a substantial number” of additional European trial sites for its phase II/III trial of CVac for epithelial ovarian cancer.

Prima said the sites in Belgium, Bulgaria, Germany, Lithuania, and Latvia doubled the number of actively recruiting clinical trial sites, already established in Australia, Belarus, Ukraine and the US.

The European arm of the ‘Canvas’ trial began in February 2013, following the US start in February 2012 (BD: Feb 3, 2012; Feb 5, 28, 2013)

Prima was unchanged at 7.2 cents.

### NOVOGEN

Novogen says it has a \$5 million, three-year funding arrangement with the New York-based Hudson Bay Capital Management

Novogen said the funding would assist bring lead development compound CS-6 into the clinic, as well as identifying a panel of phenotype-specific anti-cancer drugs for personalized chemotherapy;

The company said that the five convertible securities each with a minimum of \$165,000 and a maximum of \$1.0 million, minimized dilution to existing shareholders.

Novogen said that Hudson Bay would receive options expiring after three years exercisable at 130 percent of the 20-day volume weighted average price (VWAP) prior to July 2, 2013.

The company said that the first investment of \$1.0 million would be made immediately by way of a converted security with a face value of \$1.1 million and subsequent tranches could be activated 120 days after the previous tranche.

Novogen said that the agreement allowed it to repurchase the convertible securities for cash and limit the rate that Hudson Bay could dispose of any shares received on conversion and it had the right to terminate the agreement at any time by the payment of a termination fee or, alternatively, at no cost if the share price fell below a specified price.

Novogen executive chairman Dr Graham Kelly said the funding provided sufficient capital to bring CS-6 into the clinic “as the first step in ... developing CS-6 as the first complete chemotherapy capable of delivering clinically meaningful activity against both differentiated and undifferentiated stem cancer cells”.

Novogen was up one cent or 5.3 percent to 20 cents.

### NANOSONICS

Nanosonics has told the ASX that it is not aware of any information it has not announced which, if known, could explain recent trading in its securities.

The ASX said the company’s share price climbed from 58.5 cents on June 28, to 71 cents, a 21.4 percent increase, on July 3, 2013, and noted an increase in trading volumes.

Nanosonics told the ASX that it published an investor presentation on May 6, 2013, which was used for meetings in New York, Sydney and Melbourne in May and June 2013.

The company said that Shaw Stockbroking resumed coverage on June 17 releasing a report with a buy rating and target price of 90 cents a share.

Nanosonics said that a number of articles had referred to it, including one in the Australian Financial Review on June 27, 2013 entitled ‘Five emerging health stocks to watch’.

Nanosonics fell two cents or 2.9 percent to 68 cents.

## ACUVAX

The proposed back-door listing of Biolife Science into Acuvax has failed to raise the minimum \$4 million and has been closed.

Last year, Perth's GBU Capital orchestrated the back-door listing, returning Dr Roger Aston and Paul Hopper to their cancer therapeutics company (BD: Dec 20, 2012).

Acuvax said at that time that Biolife had the rights to a platform oncology technology developed by scientists at the University of Vienna Medical School, a peptide-based vaccine, HER-VAXX, which induced a polyclonal antibody response against HER-2/neu associated tumors, including breast cancer and gastric cancer.

In March, Acuvax shareholders approved the Biolife Science acquisition and name change to Biolife Science, the 200-to-one consolidation and raising \$5,000,000 through the placement of 25,000,000 shares at 20 cents each (BD: Mar 22, 2103).

Today, Acuvax said it would not extend its offer to raise up to \$5,000,000 and the offer was closed.

Acuvax said that, with the directors of Biolife, it had made "extensive efforts to raise the minimum of \$4,000,000 by undertaking investor roadshows to the US, Middle East, Hong Kong and throughout Australia".

"However, the level of applications received was below that required to enable the minimum subscription level of the offer to be achieved," Acuvax said.

The company said that as a result, the share sale agreement for the acquisition of Biolife had been terminated and the company would "focus its attention on its bio-health business".

"The directors of both Acuvax and Biolife are very disappointed at this outcome," Acuvax said.

"Both parties have worked very closely together since the opportunity was first considered," Acuvax said.

"All application money that has been received will be refunded in full," Acuvax said.

The company said that it intended to apply to ASX for reinstatement and would continue to seek new opportunities.

Acuvax last traded at 0.1 cents.

## BIONICHE LIFE SCIENCES

Yesterday's edition carried a headline saying that dissident investors 'Win Bioniche August EGM'.

While the dissident group has called for an extraordinary general meeting to spill the board and set a date for August 27, 2013, published to the ASX by Computershare, Bioniche has told Biotech Daily that the decision to hold a meeting will be heard in the Canadian Courts on July 18, 2013.

Bioniche has rejected the call for an extraordinary general meeting saying the scheduled annual general meeting on November 5, 2013 is the place to address the board spill.

The dissident group said it initiated the court proceedings and claimed it had the authority to call the meeting under provisions of the Canada Business Corporations Act.

No sub-editors were overly hurt in making this correction. It's complicated.

Bioniche was untraded at 30 cents.