



Biotech Daily

Friday August 16, 2013

Daily news on ASX-listed biotechnology companies

- * **ASX, BIOTECH DOWN: PHYLOGICA UP 11%, ANTISENSE DOWN 13%**
- * **TISSUE THERAPIES REBUTTS STUDENT CLAIMS**
- * **ONCOSIL PLEADS SCHULTZ, NEWS TO ASX 48% QUERY**
- * **WEBINVEST TAKES 5% OF ONCOSIL**
- * **MEDIVAC RODGER JOHNSON M-D, METAMIZER DEALS, \$800k NOTES**
- * **BLUECHIIP TAKES CAPITAL RAISING TRADING HALT TO SUSPENSION**

MARKET REPORT

The Australian stock market fell 0.75 percent on Friday August 16, 2013 with the S&P ASX 200 down 38.5 points to 5,113.9 points.

Just six of the Biotech Daily Top 40 stocks were up, 17 fell, 11 traded unchanged and six were untraded. All three Big Caps fell.

Phylogica was the best, up 0.2 cents or 11.1 percent to two cents with 51,477 shares traded.

Pharmaxis and Prana climbed more than three percent; Allied Health and Prima were up more than one percent; with Resmed up 0.3 percent.

Antisense led the falls, down 0.2 cents or 13.3 percent to 1.3 cents with 12.0 million shares traded.

Atcor and Living Cell lost more than seven percent; Bionomics fell 6.25 percent; Osprey was down 5.45 percent; Circadian and GI Dynamics fell more than four percent; Benitec, Cellmid, Ellex and Sirtex were down more than three percent; QRX and Reva shed more than two percent; Heartware, Mesoblast and Universal Biosensors were down more than one percent; with Cochlear, CSL, Resmed and Starpharma down less than one percent.

TISSUE THERAPIES

Tissue Therapies chief executive officer Dr Steven Mercer has rebutted a series of articles in the News Limited-owned Brisbane Courier Mail relating to research involving Vitrogro.

The Courier Mail has reported allegations by failed doctoral student Luke Cormack that a grant application to the National Health and Medical Research Council had been 'falsified' and along with 'weaknesses' in his thesis that, because he could not grow stem cells in a Vitrogro solution, he had failed his Doctorate of Philosophy.

The Courier Mail said that Mr Cormack reported his concerns about irregularities in a research paper "prompting an internal inquiry into alleged research misconduct over the paper [and] the researchers acknowledged there were inadvertent errors in the paper". The Courier Mail said that Mr Cormack had refused the offer of a \$75,000 scholarship by the Queensland University of Technology to undertake a Doctorate at the University of Queensland.

The Courier Mail said that the Queensland University of Technology owned shares in Tissue Therapies as did research article co-author Prof Zee Upton, Tissue Therapies' chief scientific officer.

The article, 'A Chimeric Vitronectin: IGF-1 Protein Supports Feeder-Cell-Free and Serum-Free Culture of Human Embryonic Stem Cells' by lead author Queensland University of Technology lecturer Dr Kerry Manton was published in Stem Cells and Development.

In a formal retraction of the article on February 15, 2013, journal editor Dr Graham Parker said that concerns were raised by co-author Luke Cormack and after an investigation by the Queensland University of Technology the paper was officially retracted.

Dr Parker said the concerns centered on whether the images provided in Figure 1 showed colonies of the stem cell line described at the passage stated stained for the marker listed and there were also related concerns with the polymerase chain reaction (PCR) data included.

Dr Parker said it was "important to note that the corresponding author, KJ Manton, has denied deliberate wrongdoing" and acknowledged the investigation by Queensland University of Technology.

"Had the peer reviewers of the paper been aware of the extent and nature of the mistakes in the paper that apparently went undetected by the authors through an initial submission, two revisions, as well as galley proof, they would not have deemed the paper acceptable," Dr Parker said.

Dr Mercer told Biotech Daily that there were errors in one paper of several in the NHMRC grant application "including both over-stating and under-stating the legend of stem cell passage".

"It is the case that a declaration of interest was not completed as it should have been for some of the co-authors," Dr Mercer said.

"But that does not change the fact that a number of scientists at several separate companies have grown various cells including stem cells in Vitrogro," Dr Mercer said.

"The application led to a research paper for the culture of skin cells – not stem cells - which was successful and was reported to the NHMRC," Dr Mercer said.

"However, cell culture media has never been a primary focus of Tissue Therapies; wound therapy is," Dr Mercer said.

"The issue of using media, of which one ingredient is Vitrogro, is not now and has never been a focus for Tissue Therapies," Dr Mercer said.

"Tissue Therapies has no concerns about inquiries from the ASX or the Australian Securities and Investments Commission regarding the lack of materiality of these matters," Dr Mercer said.

Tissue Therapies was unchanged at 27 cents.

ONCOSIL (FORMERLY NEURODISCOVERY)

Oncosil 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 8.8 cents on August 13, to 13.0 cents, a 47.7 percent increase, today, August 16, 2013, but did not note an increase in trading volumes.

Oncosil said that in July it released a presentation that had been used in promoting the company to the investment markets and a manufacturing alliance and in August an analysis for a US regulatory pathway (BD: Aug 8, 2013).

The company appointed Dr Neil Frazer chief executive officer on July 3 and on July 12 had its first ASX share price query as the re-badged entity when it climbed 66.7 percent from 4.2 cents to seven cents in one week (BD: Jul 12, 2013).

Oncosil was up half a cent or 4.35 percent to 12 cents with 3.45 million shares traded.

ONCOSIL

The Trinity Beach Queensland-based Webinvest Pty Ltd has become a substantial shareholder in Oncosil with 12,432,673 shares or 5.14 percent of the company.

The substantial shareholder notice from Webinvest director Otto Buttula said the shares were acquired between March 1 and August 15, 2103 for \$464,759 or 3.7 cents a share.

MEDIVAC

Medivac says it Rodger Johnson has been appointed managing director, it is pursuing deals for its Metamizer technology and will place \$800,000 in convertible notes.

Medivac said that executive chairman Kieran Honour was also the investment manager of the Republica Capital portfolio and Mr Johnston would be appointed managing director of the holding company to oversee the Medivac investment and manage corporate and listing matters.

Last year, Medivac began the acquisition of Republica Capital and the change the company's nature and scale of activities (BD: Sep 28, Oct 29, 2012).

Medivac had been attempting to commercialize its Metamizer hospital waste crushing system and Sunnywipes cleaners and Republica's website said it made "strategic investments in businesses with the aim of restructuring, recapitalizing and/or amalgamating to add value for all parties".

Republica executive Tim Alford told Biotech Daily last year that the company would focus on commercializing the Metamizer technology.

Today, Medivac said it had received an offer to acquire the rights to manufacture and distribute the Metamizer and the associated intellectual property, subject to a royalty payable over at least the next three years, based on whether a previously foreshadowed sale to Sri Lanka was finalized.

The company said that if the Sri Lankan deal did not proceed the royalty would be ongoing and if it proceeded, the royalty would be higher and the transaction would deliver about \$1 million in cash over the next three years.

Medivac said discussions continued with other parties including manufacturing in China and another for hospitals and other locations, initially in Australia and then South Asia.

The company said it would seek to place \$800,000 in convertible notes to sophisticated investors for Republica portfolio expansion.

Medivac was untraded at 0.2 cents.

[BLUECHIIP](#)

Bluechiip has requested a voluntary suspension to follow the trading halt requested on August 14, "pending an announcement to the market in connection with a proposed capital raising" (BD: Aug 14, 2013).

Bluechiip last traded at 17.5 cents.