Biotech Daily

Thursday April 28, 2016

Daily news on ASX-listed biotechnology companies

*** ASX, BIOTECH UP: IDT UP 6%, GENETIC TECHNOLOGIES DOWN 4.55%**

*** MGC TO BUY PRAGUE'S PANAX FOR UP TO $2m CASH, SCRIP**

*** DIMERIX FDA DMX-200 MEETING TRIGGERS 75m SHARE CONVERSION**

*** HEARTWARE COMPLETES 'LATERAL' MINIMALLY INVASIVE ENROLMENT**

*** IMMURON APPOINTS MCKESSON FOR NTH AMERICA TRAVELAN SALES**

*** BIOTECH DAILY APPENDIX 4C QUARTERLY REPORTS POLICY**

*** MEDLAB HAS TWO QUARTERS CASH, $900k R&D INCENTIVE COMING**

*** MACH7 REQUESTS 'CAPITAL RAISING' TRADING HALT**

*** INAUGURAL NHMRC DEMENTIA FORUM IN BRISBANE**

MARKET REPORT

The Australian stock market was up 0.73 percent on Thursday April 28, 2016 with the ASX200 up 37.7 points to 5,225.4 points.

Twenty-two of the Biotech Daily Top 40 companies were up, nine fell, five traded unchanged and four were untraded. All three Big Caps fell.

IDT was the best, up two cents or 6.1 percent to 35 cents with 30,000 shares traded.

Both Reva and Tissue Therapies climbed five percent; Benitec was up 4.8 percent; Clinuvel, Oncosil, Polynovo, Universal Biosensors and Viralytics were up more than three percent; Actinogen, Admedus, Mesoblast, Nanosonics, Orthocell, Pharmaxis, Prana, Prima and Pro Medicus rose more than two percent; Airxpanders, Medical Developments and Starpharma were up more than one percent; with Sirtex up 0.7 percent.

Genetic Technologies led the falls, down 0.1 cents or 4.55 percent to 2.1 cents with 875,000 shares traded, followed by Opthea down 4.1 percent to 47 cents with 6,173 shares traded.

Avita, Bionomics, Biotron and Osprey lost more than three percent; Uscom shed 2.5 percent; with Acrux, Cochlear, CSL, Impedimed and Resmed down by less than one percent.

MGC (MEDICAL GRADE CANNABIS) PHARMA

MGC says it will acquire medical cannabis company Panax Pharma for up to EUR700,000 in cash and EUR800,000 in scrip ($A2,234,470).

MGC Pharma said that it would be issued a 25 percent equity holding in the Prague, Czech Republic-based Panax upfront and would be issued a further 55 percent of Panax for funding the next year's operational costs, up to a maximum of EUR700,000.

MGC executive chairman Brett Mitchell told Biotech Daily that while the 12 month operating costs were capped at EUR700,00 the company might "only spend EUR500,000".

The company said it had an option to acquire the final 20 percent of Panax for EUR800,000 in MGC shares, based on a 20-day volume weighted average price immediately prior to the issue date.

MGC said that Panax held a medical cannabis breeding licence agreement, giving it access up to 1,000m^2 of growing space in the Vukoz Research Institute established in January 2007 by the Czech Ministry of the Environment in Průhonice, near Prague.

The company said that Panax had the rights to the handling and disposal of cannabis waste product from the research and growing facility under a license agreement.

MGC said that the transaction would allow it to develop new strains of medicinal cannabis for its genetics database, for development of future medicinal cannabis products and for its European cannabinoid production, enabling it to grow medical grade cannabis on continuous cycles for its clinical trials and for use in its cosmetic products.

The company said that the transaction was subject to due diligence by both parties, MGC co-founder and managing director Nativ Segev said the acquisition "significantly strengthens MGC Pharma's medical cannabis research and production capabilities". "Not only does it build on our outdoor Slovenian growing facility and production capacity, it also allows the company to produce high intensity medical grade cannabis products for our clinical trials and research programs planned for Israel, Europe and eventually in Australia," Mr Segev said.

MGC fell 0.4 cents or 6.9 percent to 5.4 cents with 7.6 million shares traded.

DIMERIX

Dimerix says that a US Food and Drug Administration meeting request for DMX-200 in focal segmental glomerular-sclerosis triggers the conversion of 75,000,040 shares.

Dimerix said that the request for an investigational new drug application meeting with FDA triggered the conversion of 75,000,040 class B performance shares, were issued to Dimerix Bioscience shareholder vendors in July 2015.

The company said that focal segmental glomerular-sclerosis was a chronic kidney disease, for which DMX-200 had orphan drug designation and it expected the meeting to be scheduled in late June enabling FDA planning information by October 2016.

The company said DMX-200 combined the existing chemokine receptor CCR2 blocker, propagermanium, used for its anti-inflammatory properties, and an angiotensin II type I receptor blocker, irbesartan, for hypertension and diabetic nephropathy in some patients.

Dimerix executive chairman Dr James Williams said that discussing DMX-200 with the FDA would provide the company with "valuable clarity around our US chronic kidney disease program and clinical trial designs and the non-clinical package which the FDA will require for each development stage, including ultimate registration requirements".

Dr Williams and director David Franklyn are among the Dimerix vendors benefitting from the conversion of preference shares.

Dimerix was unchanged at 0.7 cents with 1.9 million shares traded.

HEARTWARE INTERNATIONAL

Heartware says it has completed enrolment in its 145-patient minimally invasive 'Lateral' study of its ventricular assist devices.

Heartware said that the study was the first clinical trial of a full-support ventricular assist device using an implant technique other than sternotomy.

The company said that the prospective, multi-centre, single-arm trial at more than 30 hospitals in North America included patients with end-stage heart failure who had not responded to standard medical management and who were eligible for cardiac transplantation.

Heartware said that the investigational device exemption-directed trial was designed to study the clinical outcomes of patients with end-stage heart failure awaiting a heart transplant, and implanted with the Heartware ventricular assist device (HVAD) pump through a less-invasive thoracotomy procedure.

The company said that currently commercially available ventricular assist devices were approved by the US Food and Drug Administration for use with implantation through median sternotomy, a common approach in cardiac surgery that used a vertical incision through the centre of the patient's chest.

Heartware said its pump was smaller than other commercially available devices, which more easily enabled implantation through a small, lateral thoracotomy incision between the patient's ribs on the left side of the chest.

Co-principal investigator Dr Ed McGee said the study had "the potential to allow for easier, less-invasive implantation while leading to faster patient recovery than the traditional median sternotomy approach".

"This less invasive surgical technique also benefits patients by delaying the need for full sternotomy until cardiac transplantation, enabling an easier surgical procedure at the time of transplant," Dr McGee said.

He said there would be a six-month follow-up period before reviewing the trial results.

Heartware chief executive officer Doug Godshall said the study was "one of our key initiatives to leverage the versatility of the HVAD pump's compact size into clinical benefits for the physician, patient and payer".

Last night on the Nasdaq Heartware was up four US cents or 0.12 percent to $US34.30 ($A45.05, equivalent to $A1.29 before departing the ASX) with 171,134 shares traded.

IMMURON

Immuron says it has appointed the San Francisco, California-based McKesson Corp for North America distribution of its travellers' diarrhoea treatment Travelan.

Immuron said that McKesson was the world's eighteenth largest company by revenue and the largest healthcare distribution company in the world.

The company said that the first customer gained from the McKesson agreement was the Bi-Mart Corp, which would carry Travelan throughout its shops and pharmacies.

Immuron said that Bi-Mart was an employee-owned group of retailers in Oregon, Washington and Idaho, with 75 retail shops.

Immuron chief executive officer Thomas Liquard said the company was "extremely excited to be part of the McKesson network and we look forward to working with McKesson to ensure that Travelan is made available to the thousands of customers that McKesson serves daily".

Immuron was up 2.5 cents or 6.85 percent to 39 cents.

BIOTECH DAILY APPENDIX 4C REPORTS

Biotech Daily reports all the significant announcements to the ASX.
Biotechnology companies bleeding money is not news, unless the company involved has less than two quarters of cash.
When companies clearly explain that they expect and R&D Tax Incentive, have equity draw-down facilities or loans or are about to have a capital raising, Biotech Daily will not report their Appendix 4C statement.
Where there is no explanation or it is not clear and the company has less than six months of cash reserves, it will be reported, as will maiden revenues or profits.
Companies reporting after the close of business will be reported in the following edition.

David Langsam
Editor

MEDLAB CLINICAL

Medlab says its net operating cash burn for the three months to March 31, 2016 was $1,069,000 with cash at the end of the quarter of $1,928,000.
Medlab company secretary Alan Dworkin told Biotech Daily that the company expected to receive a Federal Government R&D Tax Incentive of "about $900,000" by October 2016.
Medlab was unchanged at 24 cents.

MACH7 TECHNOLOGIES (FORMERLY 3D MEDICAL)

Mach7 has requested a trading halt pending "a material announcement to the market in relation to a proposed capital raising".
Trading will resume on May 2, 2016 or on an earlier announcement.
Mach7 last traded at 6.6 cents.

NATIONAL HEALTH AND MEDICAL RESEARCH COUNCIL

The National Health and Medical Research Council says the inaugural Dementia Forum 2016 will be held in Brisbane from May 1 to 3, 2016.
The NHMRC said that the forum would feature "Australia's foremost researchers on dementia alongside the leading experts from around the world", would provide a blend of research, education, stimulation and networking and cover diagnosis and assessment; care and living with dementia; intervention and treatment; and prevention.
The NHMRC said the forum would hear speeches from University College London Institute of Neurology's Prof John Hardy, the University of New South Wales' Prof Glenda Halliday and the Bonn, Germany-based Deutsches Zentrum für Neurodegenerative Erkrankungen (German Center for Neurodegenerative Diseases) Prof Pierluigi Nicotera.
The NHMRC National Institute for Dementia Research's Prof Peter Schofield said that dementia was "the most feared and biggest health issue facing the developed world".
"More than 350,000 Australians and a staggering 46.5million people worldwide are living with dementia," Prof Schofield said. "Without a medical breakthrough the number of people with dementia is expected to rise to 900,000 by 2050 in Australia alone."
The NHMRC said that forum would be an opportunity to hear from the NHMRC Australian Research Council dementia research development fellows.
For more information go to: www.nnidr2016.com.