



PRESS RELEASE

For immediate release

PERCEPTRONIX ANNOUNCES THAT RESULTS OF LUNG CANCER DETECTION TEST CLINICAL TRIAL MEET TEST OBJECTIVES

VANCOUVER, CANADA (August 25, 2005) – Perceptronix Medical Inc. (“Perceptronix”) announced today that it has unblinded its clinical trial for the ClearSign™ Test, a non-invasive test for the detection of lung cancer based on the automated cytometric analysis of sputum. Initial analysis indicates that the clinical trial met all significant objectives and the Company is optimistic that licenses will be issued for the ClearSign™ Test early in 2006.

“The successful outcome of this clinical trial was very important for Perceptronix. We have been working for many years to develop an effective non-invasive detection test for lung cancer that can be easily implemented - this result is a key step in achieving this goal. The ClearSign™ Sputum Test clinical trial will provide the basis for license application to Health Canada and registration application for European Conformity (“CE”) marking which, if approved, will allow us to market the test in Canada, the European Union (“EU”), and several other countries. It is our hope that the ClearSign™ Test will eventually become widely available to help detect this disease in its earliest stages, when patients are more treatable and outcomes are more favourable”, said Dr. Roger Kemp, ClearSign™ Product Manager.

The ClearSign™ Test clinical trial was conducted at nine sites in Canada, the US, the EU, Russia and Korea and involved over 1200 lung cancer and very high risk negative patients. Details regarding the clinical trial performance of the test will be reported once licensing applications have been filed.

Lung cancer has reached epidemic proportions and has a poor survival rate (the typical five year survival is less than 15%) because symptoms seldom manifest themselves and accordingly diagnosis is not made until the disease is in an advanced stage. In the “developed” world, lung cancer is the greatest cancer killer in both men and women, accounting for a death rate that exceeds the next three deadliest cancers *combined* (breast, prostate, and colorectal). In Canada and the US, nearly 200,000 people will die from lung cancer this year. Perceptronix believes that early detection is the key to improving outcomes for lung cancer patients.

Currently, there is no proven-to-be-effective non-invasive early lung cancer test available.

About Perceptronix Medical Inc.

Perceptronix (www.perceptronix.com) is a private cancer diagnostics medical device company based in Vancouver, Canada. The Company’s goal is to commercialize technologies to improve the early detection, localization, and diagnosis of cancer, with an initial focus on lung cancer. Perceptronix was founded in June 1999 to commercialize early cancer detection technologies developed in partnership with the British Columbia Cancer Agency (www.bccancer.bc.ca), a world-leader in cancer care and research, with a particularly notable track record in pioneering early cancer detection programs.

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