



PRESS RELEASE

For immediate release

PERCEPTRONIX RECEIVES CE MARK FOR ITS CLEARSIGN™ SPUTUM TEST FOR EARLY LUNG CANCER

VANCOUVER, CANADA (May 26, 2006) – Perceptronix Medical Inc. (“Perceptronix”) announces receipt of CE Mark for its ClearSign™ Sputum Test for the detection of early lung cancer, allowing it to be marketed in the European Union.

Lung cancer stubbornly remains *the* cancer killer of the industrialized world, causing more death than the next three deadliest cancers (breast, prostate and colorectal) *combined*. This was again emphasized on May 2, 2006 in a unanimous vote in the US Senate on a bipartisan resolution that the President of the United States should declare lung cancer to be a public health priority and to mobilize an interagency program to address it. In 2006, in Canada and the US alone there will be about 197,000 diagnoses of lung cancer and 182,000 deaths from the disease.

“Perceptronix will offer the ClearSign™ Sputum Test in Canada and Europe initially from our recently opened Quantitative Cytology Laboratory in Vancouver, British Columbia,” said Dr. Bojana Turic, Vice President and Director of Clinical and Regulatory Affairs for Perceptronix. “The ClearSign™ Sputum Test roll-out will have to wait for the issuance of a Class III in vitro diagnostic device license from Health Canada, which is currently reviewing the application. The CE Mark allows Perceptronix to process European sputum samples both in the short term from Vancouver, and in the longer term from our future laboratories in Europe.”

The ClearSign™ Sputum Test analyzes lung cells collected from induced sputum (the fluid from a deep cough). The test is indicated for subjects who are suspected of having lung cancer due to their high risk smoking or industrial carcinogen exposure history and the presence of symptoms or other indications such as suspicious radiography.

“The ClearSign™ Sputum Test is a relatively inexpensive, highly tolerated, non-invasive test that does *not* involve radiation,” said Roger Kemp, PhD, Director, Detection Products for Perceptronix. “We expect ClearSign™ to find its complementary place among other lung cancer detection methods such as computed tomography (“CT” – three dimensional X- Rays) and to help physicians to make headway against this terrible disease.”

Notes to Editors

Cancer cells are seldom present in the sputum of early stage lung cancer patients. The ClearSign™ Sputum Test does not require the sputum sample to have cancer cells to identify patients who harbour lung cancer because it detects the response of normal cells to the presence of malignancy. This important feature uniquely distinguishes the test from conventional cytology or marker-based tests which rely on the detection of abnormal cells. The surface of the lungs is roughly the area of a tennis court, making it difficult to sample and to image. The ClearSign™ Sputum Test uses cells from the proximity of a lung cancer lesion to reveal its existence.

Like other cancer detection tests, such as the PSA test for prostate cancer, the ClearSign™ Sputum Test does not provide a definitive diagnosis but, combined with other evidence, is intended to prompt the physician to look for a possible cancer using follow-on tests such as bronchoscopy, radiography, etc.



There were 381,500 lung cancer diagnoses and 341,800 lung cancer deaths in Europe in 2004. Worldwide, there were 1,240,000 lung cancer deaths in 2002.

The ClearSign™ Sputum Test nine centre international clinical trial results were presented at the annual meeting of the American College of Chest Physicians (CHEST) conference in Montreal, Canada in October 2005 (for abstracts see: <http://meeting.chestjournal.org/cgi/content/abstract/128/4/332S-a> and <http://www.chestnet.org/about/press/releases/chest05.php>).

The ClearSign™ Sputum Test is one component of a comprehensive suite of cancer detection technologies that will be offered by Perceptronix. The others are:

- The ClearCyte™ Test which is used to measure “gross genomic aberrations” (DNA Ploidy) to assist physicians with clinical diagnosis and prognosis of cancer. This test has a Health Canada license and CE Mark and is currently offered by Perceptronix’s Quantitative Cytology Laboratory in Vancouver, British Columbia.
- The Clear2C™ Quantitative DNA Staining Kit which is used with ClearCyte™ and has a Health Canada license, CE Mark and US Food & Drug Administration Medical Device Listing.
- In development are ClearVu™ and ClearVu™ Elite simultaneous and spectral fluorescence/white light endoscopy systems for cancer localization, and ClearPath™, an aid to definitive diagnosis of biopsy sections.

About Perceptronix Medical Inc. (www.perceptronix.com)

Perceptronix is a private cancer diagnostics company based in Vancouver, Canada. Perceptronix commercializes early cancer detection technologies developed in partnership with the BC Cancer Agency (www.bccancer.bc.ca), a world-leader in cancer care and research and a pioneer in early cancer detection programs.

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