

Vancouver biotechs take aim at lung cancer

Perceptronix Medical Inc. and Protox Therapeutics Inc. look to China and licensing opportunities for their products in the fight against the deadly disease

Glenn Drexhage

Two Vancouver biotech companies – **Perceptronix Medical Inc.** and **Protox Therapeutics Inc.** – are set to join the fight against lung cancer.

And both pre-revenue players have big plans. Perceptronix, for example, may be able to tap into the huge Chinese market thanks to recent developments, while Protox is pursuing licensing opportunities.

Perceptronix is a medical diagnostics company aiming to provide technology for the early detection, localization and diagnosis of cancer.

At the beginning of April, the company announced it had signed a supply agreement with a Hong Kong holding company called **Speed Fair Co. Ltd.**

Speed Fair operates **Motic China Group Co. Ltd.**, the biggest microscope manufacturing company in China.

The pact means Perceptronix gets access to Motic's microscopes.

"This gives us also an opportunity to enter the Chinese market, which we never would have done at this stage," said **Dave Garner**, Perceptronix's president.

The local company began in 1999 as **Genyoux Life Sciences**. It was founded by noted local businessman and figurehead **Milton Wong**, who currently serves as its chairman and CEO.

Genyoux took on its current name in 2004 after combining with other spinoffs from the BC Cancer Agency's cancer imaging department, Garner said.

Perceptronix now has about 40 employees and is developing various products, including a test for early detection, endoscopy systems and workstations to aid diagnosis.

Commercial sales depend on certification and various regulatory approvals. Garner, 54, predicts that Perceptronix will be profitable in 2007.

He added that the company's technologies could also be applied to cervical, bladder and oral cancers.

Garner said Speed Fair had made an equity investment in Perceptronix worth more than five per cent of the company.

Since its beginnings as Genyoux, the company has raised about \$33 million, with Perceptronix raising about \$8.5 million of that in the past 18 months.

Investors include Wong and the **British Columbia Investment Management Corp.** Garner said Perceptronix is gearing up for more fundraising and estimated the company would need \$15 million to reach profitability.

Meanwhile, Protox (PRX: TSX Venture) has also made headway. In 2002, **Tom Buckley**, Protox's chief scientific officer, discovered a way to engineer aerolysin – a naturally occurring bacterial toxin – to have it serve as a targeted cancer therapy. The product is designed to attach itself to cancer cells, and then puncture and kill them.



Protox CEO Tazdin Esmail and chairman Frank Holler: the Vancouver

company is looking for a strategic pharma company partner

The company, which has six employees and also works with contractors, went public via a qualifying transaction last year.

In early April, Protox announced it had exercised a licence option with the **National Research Council of Canada's Institute for Biological Sciences** and the **University of Victoria Innovation and Development Corp.** (IDC).

The licence grants Protox exclusive worldwide rights to commercialize a genetically modified aerolysin-antibody treatment for non-small-cell lung cancer, the ailment's most common version.

Tazdin Esmail, Protox's president and CEO, anticipates completing pre-clinical testing and initiating Phase I studies – pending U.S. Food and Drug Administration approval – by next year. The company also foresees having a strategic partner, such as a big pharma company, by the end of Phase I trials. It signed a similar licensing agreement for prostate cancer last October that involved IDC (a Protox shareholder) and **Johns Hopkins University**.

Esmail, 56, said Protox also plans to use its aerolysin approach to treat other cancers, such as non-Hodgkins lymphoma and breast cancer. But he stressed the urgency of the lung ailment.

"Lung cancer represents a significant unmet medical need," he said.

With currently available treatments – the most common being surgery, radiotherapy and chemotherapy – more than 80 per cent of patients in North America will not survive beyond 12 months following diagnosis, Esmail said. There can also be "severe" side effects.

"This offers tremendous opportunities for new innovative products," he added.

In 2002, lung cancer was the biggest cancer killer in Canada, accounting for 17,188 – or more than 25 per cent – of cancer deaths, according to Statistics Canada. ♦

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