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Q3 2010 Canadian Healthcare Review

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Financings

A weak financing climate for Canadian public healthcare companies continued in the third quarter. Gross proceeds of equity and convertible debt financings completed in the third quarter amounted to \$65.5 million (Appendix 1), bringing the total for the first nine months of 2010 to \$374.2 million.

In order to get a true assessment of the financing situation for public development stage companies, financings for larger, profitable companies and some special financing situations need to be taken out of the equation (see table below). Financings by public Canadian development stage companies in the first nine months of 2010 totaled \$253.4 million, lower than the \$345.4 million raised during the comparable period in 2009.

Financings By Development Stage Companies (\$ million)

Quarter	2005-2007	2009	2010
	(Average)		
Q1	\$378.4	\$64.5	\$115.2
Q2	\$270.6	\$177.5	\$72.7
Q3	\$97.3	\$103.4	\$65.5
Q4	\$292.2	\$152.8	
Total	\$1,038.5	\$498.2	\$253.4
<i>Source: Previous Equicom Healthcare Reviews</i>			

Protox Therapeutics signed the largest equity financing of 2010 which provides the company with the full means to complete the clinical development of PRX302 required for marketing authorization as a treatment for benign prostatic hyperplasia (BPH). Under the Investment Agreement, Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. have committed to invest up to \$35 million in Protox, through a unit offering at \$0.40 per unit, where each unit is comprised of one common share of Protox and 0.6 common share purchase warrants. In addition to investment of the initial tranche of \$10 million, an additional tranche of \$25 million is subject to the FDA granting a Special Protocol Assessment for the treatment of BPH prior to September 30, 2011.

Companies continued to use other financing vehicles, known by their acronyms SEDA and ELF, to provide current and future funds and through periodic sales of shares. MethylGene and Oncothyreon signed agreements in Q3 bringing the total financing potential from seven agreements signed in 2010 to \$95 million. However, only two draw downs from this type of agreement have been noted to date, \$1.0 million by Labopharm and \$0.2 million by Resverlogix.

Biodefense contracts from various U.S. government agencies have been awarded to Canadian biotech companies. Cangene has been the largest beneficiary to date, having previously been awarded two contracts with total revenue potential of more than \$500 million. Two more Canadian companies were awarded biodefense contracts in the last quarter.

- Tekmira was awarded a contract with the U.S. Department of Defense (DoD) Chemical and Biological Defense Program (CBDP) to advance an RNAi therapeutic utilizing Tekmira's SNALP technology to treat Ebola virus infection. In the initial phase of the contract, Tekmira is eligible to receive up to US\$34.7 million over the next three years. This initial funding is for the development of an Ebola SNALP product candidate through completion of a Phase 1 human safety clinical trial. The contract could be extended beyond the initial funding period to support the advancement of the Ebola SNALP product through clinical development and FDA approval. Based on the contract budget, this would provide Tekmira with a total of up to US\$140 million in funding for the entire program.
- Medicago was awarded a \$21 million grant from the Defense Advanced Research Projects Agency (DARPA), Broad Agency Announcement (BAA), Defense Sciences Research & Technology to demonstrate the scalable manufacturing of its plant-expressed VLP vaccines in the U.S. under a Technology Investment Agreement. Medicago will develop a 90,000-square-foot cGMP facility in Research Triangle Park, North Carolina, in which it will scale-up and automate its cGMP process to demonstrate its capacity to produce 10 million doses per month of influenza vaccines. The strategic collaboration is a \$42 million project in which DARPA contributes \$21 million, Medicago \$7.5 million and Alexandria Real Estate Equities Inc. \$13.5 million.

Events

Select clinical, regulatory and partnering events for the Canadian healthcare sector during Q3 2010 are listed in Appendix 2. We highlighted events for three companies in our Q2 review and these companies continued to draw attention from the investment community.

1. The target date for the FDA to complete its review of Theratechnologies' tesamorelin New Drug Application was July 27, 2010. On July 20, Theratechnologies announced that although the FDA indicated that the review was progressing well, the company is now expected to have an official response in the fourth quarter of 2010.
2. Cardiome Pharma and its partner Merck announced on June 25 that the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) had recommended marketing approval for BRINAVESS (iv vernakalant). This was followed on September 1 by the granting of marketing approval in the European Union, Iceland and Norway. Between these two announcements, Cardiome also announced that the next phase of the clinical program for vernakalant (oral) was not expected to commence in the summer of 2010 as previously guided, as Merck continued to work toward optimizing the clinical development plan for vernakalant (oral).
3. On September 29, Valeant Pharmaceuticals International and Biovail Corporation completed their previously announced merger. The following comments concerning the new company were contained in an 8-K filing by Valeant with the U.S. SEC dated September 7.
 - *Our vision for new Valeant is to become the leading specialty pharmaceutical company in the world.*
 - *Over \$300 million of cost synergies have been identified and we expect to realize well north of \$200 million in 2011. The rest will be captured in 2012. As suggested in my earlier communication, we are planning to reduce headcount by approximately 25% across the U.S. and Canadian business of the combined company. In addition, our combined cash tax rate by the end of 2012 is expected to be approximately 15%.*
 - *In terms of innovation, we will continue to invest in a leveraged R&D portfolio (leveraged means we will seek partners for any of our high spend development efforts), but our spend in R&D will be substantially less than our peers. Internal R&D has not proven to be a good return for most pharmaceutical companies over the last decade, and I don't think we are smarter, better or luckier than others in the industry.*

- *We will operate a low cost operating model in all we do. In essence, we will continue to apply a low margin operating mindset to a high margin business. We will take pride in our frugality, our ability to make quick decisions based on internal resources, our willingness to all wear different hats at different times. And in return, we will pay above average compensation for superior performance and beyond average shareholder returns.*

Two private Canadian medical device companies, VisualSonics and Resonant Medical, were sold in Q2 2010, and the acquisition of private and public Canadian medical device companies continued in the third quarter.

- Sentinelle Medical, a private medical imaging company headquartered in Toronto and developing advanced MRI breast imaging technologies, is being acquired by Hologic (NASDAQ: HOLX), a leading developer, manufacturer and supplier of premium diagnostics, medical imaging systems and surgical products dedicated to serving the healthcare needs of women. The purchase price for the transaction will be \$85 million, plus a two-year contingent earn out, based on the incremental revenue growth following the closing.
- Urodynamix Technologies (TSXV:URO) announced that it has signed a definitive agreement with HEGLN (Dalian), a leading Chinese biotechnology company, for the sale of the majority of its assets for \$2.1 million.

Share Price Performance

The portfolio of companies used for the share price performance has been expanded from the 32 larger Canadian healthcare companies used in previous 2010 quarterly reviews. There were 130 public Canadian healthcare companies at September 30 but for this performance assessment we have excluded 23 companies with share prices at or below \$0.10 at the base date (December 31, 2009) and two companies which became public during 2010. Share price performance to date in 2010 for the remaining 105 public Canadian healthcare companies is summarized below.

	Q1	Q2	6-Months	Q3	9-Months
Number of companies with:					
Increase of 40% or more	13	4	9	11	13
Decrease of 40% or more	5	13	23	9	31
Median change	-3%	-15%	-12%	-3%	-21%
Average change	+4%	-13%	-12%	+3%	-11%
TSX Composite Index	+2%	-6%	-4%	+10%	+5%
TSX Venture Composite Index	+4%	-10%	-7%	+12%	+21%
NASDAQ Biotech Index	+11%	-15%	-5%	+12%	+6%
<i>Source: TSX Connect</i>					

Q3 Summary:

- Median and average share price changes of -3% and +3%, respectively
- 11 companies with a share price increase of 40% or greater: Bradmer Pharmaceuticals (300%), Titan Medical (222%), Oncolytics Biotech (77%), Neptune Technologies (77%), Centric Health (72%), Bioniche (71%), Isotechnika (52%), Burcon Nutrascience (51%), Resverlogix (50%), Akela Pharma (43%), YM BioSciences (41%)
- Nine companies with a share price decrease of 40% or more

9-Month Summary:

- Median and average share price changes of -21% and -11%, respectively
- 13 companies with a share price increase of 40% or greater: Bioniche (171%), Cipher Pharmaceuticals (131%), TearLab (118%), Titan Medical (118%), Isotechnika (106%), Oncolytics Biotech (79%), Biovail (now Valeant; 77%), Resverlogix (66%), Theralase (62%), Aeterna Zentaris (56%), IntelliPharmaceutics (48%), EnWave (48%), Tekmira (40%)
- 31 companies with a share price decrease of 40% or more

Appendix 1. Financings by Public Canadian Healthcare Companies in First Nine Months of 2010

COMPANY	TICKER	SECTOR	EQUITY	CONVERTIBLE DEBT	WARRANTS (%)	NOTES
			(C\$ million)			
January						
Labopharm	DDS	Thera	1.00			
Resverlogix	RVX	Thera	8.00		25	
Sirona Biochem	SBM	Thera	0.22		100	
Wex Pharmaceuticals	WXI	Thera	34.51			7
Neovasc	NVC	D&D	1.33		50	
TearLab	TBI	D&D	1.74			1, 4
EnWave	ENW	Other	3.50		50	
		<i>Total</i>	<i>50.30</i>	<i>0.00</i>		
February						
Labopharm	DDS	Thera	23.00		50	1
Microbix	MBX	Thera	1.30			
PharmaGap	GAP	Thera	0.86		100	
Extendicare	EXE.UN	Services	86.29			
Neovasc	NVC	D&D	0.21		50	
Novadaq	NDQ	D&D	7.41		20	
ProMetic Life Sciences	PLI	Other	3.00			1, 8
ProMetic Life Sciences	PLI	Other		10.00		1, 8
		<i>Total</i>	<i>122.07</i>	<i>10.00</i>		
March						
Osta Biotechnologies	OBI	Thera	0.50		50	
Protox Therapeutics	PRX	Thera	5.10		50	
SemBioSys Genetics	SBS	Thera	1.78			
Spectral Diagnostics	SDI	Thera	5.50		50	6
YM BioSciences	YM	Thera	17.50		50	1
TearLab	TLB	D&D	1.26			1, 4
TearLab	TLB	D&D	5.00		40	1, 4
TSO3	TOS	D&D	16.00			
VentriPoint Diagnostics	VPT	D&D	0.94			
		<i>Total</i>	<i>53.58</i>	<i>0.00</i>		
		Q1 Total	225.95	10.00		
				235.95		
Q1: Other Financing Vehicles						
			Vehicle	Amount		
Resverlogix	RVX	Thera	SEDA	\$25.00 M		
Cardiome	COM	Thera	Debt	\$25.00 M		12
Allon Therapeutics	NPC	Thera	SEDA	\$10.00 M		
Bioniche Life Sciences	BNC	Thera	License	\$8.00 M		
BioWest Therapeutics	BWE	Thera	Reorg	\$4.00 M		
Thallion	TLN	Thera	License	\$2.30 M		

Isotechnika	ISA	Thera	Asset Sale	\$2.00 M		
Sonomax	SHH	Other	Reorg	\$1.74 M		
InNexus	IXS	Thera	Debt	\$1.00 M		
Quest Pharmatech	QPT	Thera	Debt	\$1.00 M		
BioSyntech	BSY	D&D	Debt	\$1.00 M		
Novadaq	NDQ	D&D	License	\$1.00 M		
iCo Therapeutics	ICO	Thera	Warrants	\$0.97 M		
Medicago	MDG	Thera	Warrants	\$0.86 M		
Titan Medical	TMD	D&D	Warrants	\$1.20 M		
April						
Aeterna Zentaris	AEZ	Thera	15.00		40	1
Adherex	AHX	Thera	7.20		100	
Critical Outcome	COT	Thera	1.10		50	
Ondine Biopharma	OBP	Thera	0.83		100	
Bradmer Pharma.	BMR	Thera	0.80			1
Osta Biotechnologies	OBI	Thera	0.50		50	
Global Health Ventures	GHLV	Thera	0.50		100	
Sernova	SVA	Thera	0.41			
Biosign	BIO	D&D	2.00		50	
Miraculins	MOM	D&D	0.51		100	
CardioComm Solutions	EKG	D&D	0.50		100	
Nightingale Informatix	NGH	Services	1.25			
Stellar Biotechnologies	KLH	Other	3.19		50	7
Nightingale Informatix	NGH	Services		2.07		
		<i>Total</i>	33.79	2.07		
May						
Critical Outcome	COT	Thera	1.10		50	
Pacgen	PGA	Thera	0.60			6
InNexus	IXS	Thera	0.23			
ZoomMed	ZMD	Other	2.50			
		<i>Total</i>	4.43	0.00		
June						
Aeterna Zentaris	AEZ	Thera	12.10		50	1
Resverlogix	RVX	Thera	10.00		40	
YM Biosciences	YM	Thera	3.20			1
DiaMedica	DMA	Thera	2.26		100	11
Resverlogix	RVX	Thera	0.20			5
Sernova	SVA	Thera	0.15		50	
Patient Home Monitoring	PHM	Services	4.52			7
		<i>Total</i>	32.43	0.00		
		Q2 Total	70.65	2.07		
				72.72		

Q2: Other Financing Vehicles		Vehicle		Amount	
Patheon	PTI	Services	Debt	280.00	2
Medicago	MDG	Thera	SEDA	10.00	
LAB Research	LRI	Services	ELF	10.00	
MethylGene	MYG	Thera	Reorg.	7.20	4
Patient Home Monitoring	PHM	Services	SEDA	5.00	
Noveko	EKO	Other	Credit Facility	4.50	
EnWave	ENW	Other	Warrants	3.25	
Nightingale Informatix	NGH	Services	Debt	3.00	1
Aptilon	APZ	Services	Debt	3.00	
Biovail	BVF	Thera	Grant	2.10	1, 9
Ambrilia	AMB	Thera	Asset sale	2.00	8
Neovasc	NVC	D&D	Warrants	1.39	
Bioniche Life Sciences	BNC	Thera	Government	0.75	
Ondine Biopharma	OBP	Thera	Debt	0.50	
YM BioSciences	YM	Thera	CEO	7.75 M shares	3
July					
Bradmer Pharmaceuticals	BMR.H	Thera	0.50		
Response Biomedical	RBM	D&D	8.00		
Advitech	AVI	Other	1.50		100
Hamilton Thorne	HTL	Other		0.50	1
		<i>Total</i>	<i>10.00</i>	<i>0.50</i>	
August					
Helix BioPharma	HBP	Thera	11.00		100
Medicago	MDG	Thera	7.50		75
IntelGenx	IGX	Thera	2.60		100
SQI Diagnostics	SQD	D&D	5.70		50
T-Ray Science	THZ	D&D	0.77		50
Medifocus	MFS	D&D	0.73		100
AIM Health Group	AHG	Services	0.71		
Medipattern	MKI	D&D		1.80	
Hamilton Thorne	HTL	Other		0.75	1
		<i>Total</i>	<i>29.01</i>	<i>2.55</i>	
September					
Immunovaccine	IMV	Thera	7.47		50
PharmaGap	GAP	Thera	0.80		100
Welichem Biotech	WBI	Thera	0.75		10
Northstar Healthcare	NHC	Services	5.00		
Noveko	EKO	Other	4.44		
Alda	APH	Other	0.33		100
Chemaphor	CFR	Other	0.16		50
Isotechnika	ISA	Thera		4.50	1, 12
		<i>Total</i>	<i>18.95</i>	<i>4.50</i>	
		Q3 Total	57.96	7.55	
				65.51	

Q3: Other Financing Vehicles			Vehicle	Amount		
Medicago	MDG	Thera	Government	21.00		1
Oncothyreon	ONTY	Thera	SEDA	20.00		1
Methylgene	MYG	Thera	ELF	15.00		
Lorus	LOR	Thera	Debt	1.50		
Ondine Biopharma	OBP	Thera	Sale of assets	0.66		1
Miraculins	MOM	D&D	Warrants	0.85		
Cynapsus	CTH	Thera	Debt	0.70		
Ranaz	RNZ	Other	Debt	0.25		
Vigil Health Solutions	VGL	Other	Debt	0.20		
Financings Announced But Not Closed By September 30						
Protox Therapeutics	PRX	Thera	35.00		60	13
Oncothyreon	ONTY	Thera	14.90		75	1
MedX Health	MDX	D&D	2.00			
VentriPoint	VPT	D&D	1.50			
Stellar Biotechnologies	KLH	Other	1.05		50	
Changyu MedTech	CYQ	Other	0.62			
Allegiance Equity	ANQ	Other	0.38			
Titan Medical	TMD	D&D			50	
Imaging Dynamics	IDL	D&D				10
Lorus	LOR	Thera				10
<i>Notes:</i>						
<i>Sectors: Therapeutics (Thera); Services; Devices & Diagnostics (D&D); Other</i>						
<i>1. Financing in US\$; converted to C\$ using the factor US\$1.00 = C\$1.00</i>						
<i>2. Private placement of 8.625% senior secured notes due 2017</i>						
<i>3. CEO = Controlled Equity Offering; up to 7.75 M shares</i>						
<i>4. Amount could potentially increase to \$9.1 million</i>						
<i>5. SEDA drawdown</i>						
<i>6. Also restructured about \$1.9 million in debt and financial commitments</i>						
<i>7. RTO transactions</i>						
<i>8. Disposition of a limited partnership interest; \$2 million initially, possibility of an additional approximately \$2M</i>						
<i>9. Michael J. Fox Foundation awarded US\$2.1 million to MedGenesis Therapeutix and Biovail for development of GDNF</i>						
<i>10. Rights offering</i>						
<i>11. Concurrent with acquisition of Sanomune</i>						
<i>12. From a corporate partner</i>						
<i>13. Tranches of \$10 million and \$25 million</i>						

Appendix 2. Selected Clinical, Regulatory and Partnering Events in Q3 2010

Company	Events
Amorfix Life Sciences	Licensed rights to its lead amyotrophic lateral sclerosis monoclonal antibodies to Biogen Idec, who will pay for all future development; US\$1 million up front, eligible to receive milestone payments and royalties on sales
Angiotech	Announced positive results from its Phase 1 clinical trial of MultiStem, an allogeneic cell therapy being developed with partner Athersys, administered to individuals following a heart attack; results demonstrated that MultiStem was well tolerated and also suggested improvement in heart function Long term efficacy and safety results from several studies were released by its stent partners
Bioniche	Assessment of 12-month data from first Phase 3 trial of Urocidin for refractory bladder cancer should be completed during Q4 2010 Second Phase 3 clinical trial is expected to begin enrolling patients by the end of 2010
Biovail	Completed its merger and is now part of Valeant Pharmaceutical International (VRX on both TSX and NYSE)
Burcon Nutrascience	Puratein and Supertein canola protein isolates now are Generally Recognized as Safe (GRAS) after receipt of a no objection letter from the U.S. FDA
Cangene	BARDA eliminated Cangene from the bidding on a contract for developing a treatment for acute radiation syndrome
Cardiome Pharma	IV Brinavess (vernakalant) was approved in the EU; partner Merck will make a US\$30 million milestone payment to Cardiome and the product launch is expected in Q4
Centric Health	Acquired the business of Community Advantage Rehabilitation, specializing in the delivery of occupational therapy, physiotherapy, social work and dietitian services at both homes and schools; total consideration will be \$500,000 cash and up to about 2.1 million CHH shares (performance based) Acquired, in partnership, two pharmacies located on the Southlake Regional Health Centre campus in Newmarket, Ontario; total consideration will be about \$7.0 million cash
Cipher Pharmaceuticals	Achieving a cumulative sales milestone for Lipofen triggered a US\$1 million milestone payment from partner Kowa
CML Healthcare	Announced intention to convert from an income trust structure to a corporation; initial post-conversion dividend is anticipated to be \$0.0629 per share on a monthly basis, or \$0.7548 per share on an annualized basis effective January 1, 2011
Cynapsus Therapeutics	Signed an option with Adagio Pharmaceuticals to execute a licensing agreement for APL-130277, a reformulation of an approved Parkinson's drug
DiagnoCure	Commercial partner Gen-Probe filed a Premarket Approval Application with the U.S. FDA for its PROGENSA PCA3 assay; an advisory committee meeting will be needed
EnWave	Signed an R & D agreement with a subsidiary of Nestle to assess EnWave's nutraREV food dehydration technology, which offers high-speed low temperature vacuum drying
Forbes Medi-Tech	Will distribute net proceeds to its shareholders (estimated at \$0.50 to \$0.58 per share) after completing the sale of its assets to Pharmachem Laboratories for US\$4 million
iCo Therapeutics	Its oral Amphotericin B program, iCo-009, has been granted Orphan Drug status for the treatment of Visceral Leishmaniasis by the U.S. FDA
Immunovaccine	In-licensed a cancer vaccine, EMD 640744, from Merck KGaA, which will be combined with their delivery system DepoVax

Isotechnika	<p>Partner Lux Biosciences received a Complete Response letter from the U.S. FDA regarding NDA for voclosporin; the FDA requested additional information and recommended that an additional clinical trial be conducted</p> <p>Signed a development and commercialization agreement with 3Sbio for exclusive rights to all transplant and autoimmune indications of voclosporin in China, including Hong Kong and Taiwan, excluding ophthalmic indications and medical devices; Isotechnika will receive a licensing payment of US\$1.5 million with an additional US\$4.5 million invested by 3SBio through a convertible debenture (partially converted)</p>
Labopharm	<p>Amended its debt facility agreement with Hercules with an extended period of interest-only payments and extended maturity date</p> <p>Launched Oleptro in U.S. through jv with Gruppo Angelini</p>
MDS (Nordion)	<p>Chalk River NRU reactor returned to operation on August 17</p> <p>Signed supply agreements for various radio-isotopes with Ontario Power Generation and JSC Isotope (Russia)</p>
Medicago	<p>Will develop a cGMP facility in Research Triangle Park, North Carolina, to scale-up its VLP plant-based vaccine technology to produce 10 million doses/month of influenza vaccines; this DARPA strategic collaboration is a \$42 million project in which DARPA contributes \$21 million, Medicago \$7.5 million and Alexandria Real Estate Equities Inc. \$13.5 million</p>
Microbix Biosystems	<p>Agreement with one of the largest global suppliers of livestock reproduction products and services to make a \$2 million investment in LumiSort in return for two years of regional exclusivity and a 10% share of annual revenues</p>
Miraculins	<p>Acquired rights to the PREVU Skin Cholesterol Test from PreMD; paid to PreMD \$250,000 cash, issued 1,822,158 common shares, and will pay a 10% ongoing royalty on gross revenue associated with PREVU</p>
Neovasc	<p>First patients have been enrolled in the COSIRA trial designed to assess the clinical efficacy of the Neovasc Reducer product for the treatment of refractory angina; trial is a multicenter, sham-controlled, randomized, double-blinded study of the Reducer that is expected to enroll up to 124 patients</p>
Novadaq	<p>Agreement with LifeCell to distribute SPY in North America for plastic, GI and H&N surgeries</p>
Noveko	<p>Obtained FFP2 classification for its new model of antimicrobial respirators and can now market them in all EU countries</p>
Nuvo Research	<p>Partner Covidien began enrolling patients in its Pennsaid Gel Phase 2 clinical study in July, enrollment is on schedule and the study is expected to be completed in the first half of 2011</p>
OncoGenex	<p>Initiated (with partner Teva) SYNERGY, a global Phase 3 trial evaluating custirsen (OGX-011) as first line therapy for the treatment of castrate-resistant prostate cancer</p> <p>Initiated a randomized, controlled, investigator-sponsored Phase 2 trial of OGX-427 in men with metastatic prostate cancer</p>
Oncolytics Biotech	<p>Will expand its Phase 3 trial of REOLYSIN to include clinical sites in Canada</p> <p>U.S. NCI will sponsor a randomized Phase 2 trial of paclitaxel versus weekly paclitaxel with REOLYSIN in patients with persistent or recurrent, ovarian, fallopian tube or primary peritoneal cancer</p>
Ondine Biopharma	<p>Completed formation and financing of a subsidiary, Sinuwave, for development of photodisinfection solutions for the chronic sinusitis market</p>
Patheon	<p>Signed a technology transfer agreement with Dendreon for commercial supply of certain manufacturing supplies for the PROVENGE manufacturing process</p>

Protox Therapeutics	Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. have committed to invest up to C\$35 million, comprised of an initial tranche of \$10 million, and an additional tranche of \$25 million subject to the FDA granting an SPA for a Phase 3 study of the treatment of BPH prior to September 30, 2011
Pyng Medical	Received 510(k) clearance from the FDA for its FASTx Sternal Intraosseous Device
Sirona Biochem	Signed a preliminary binding agreement to acquire 100% of the shares of TFChem S.A.S., a privately held France-based drug discovery company specializing in the synthesis and stabilization of carbohydrate-based molecules
SQI Diagnostics	Health Canada issued a medical device license for its automated IgX PLEX Celiac microarray test kit that runs on the company's automated SQiDworks platform; 510(k) application for the same test has been filed with the U.S. FDA
TearLab	Entered into a cooperative marketing agreement with Abbott Medical Optics (AMO) Canadian subsidiary, which will directly sell the TearLab Osmolarity System in Canada while TearLab will help promote AMO Canada's products, including Blink® Moisturizing Eye Drops
Tekmira	Partner Alnylam initiated a Phase 1 trial of ALN-TTR01, an RNAi therapeutic using Tekmira's SNALP delivery system Awarded a contract with the U.S. Department of Defense for an RNAi therapeutic to treat Ebola virus; funding up to US\$34.7 million over the next three years, up to US\$140 million for the entire program IND application for TKM-PLK1 has been cleared by the U.S. FDA allowing Tekmira to initiate a Phase 1 open label, non-randomized, dose finding clinical trial enrolling patients with advanced solid tumor cancers
Theratechnologies	FDA action on tesamorelin NDA is now expected in Q4
Transition Therapeutics	Phase 2 study of ELND005 in Alzheimer's did not meet primary efficacy endpoints but it will be moved into Phase 3 studies based on safety and other clinical evidence (partnered with Elan) Development of gastrin analogue TT-223 was terminated after a clinical study of TT-223 in combination with a Lilly proprietary GLP-1 analogue in patients with type 2 diabetes did not meet its efficacy endpoints
Urodynamix	Signed an agreement with HEGLN (Dalian), a leading Chinese biotechnology company, for the sale of the majority of its assets for \$2.1 million
WEX Pharmaceuticals	Pharmagesic, holder of approximately 88.7% of Wex's restricted voting shares, will make a proposal to purchase all outstanding shares for \$0.13 cash per share Based on a scheduled interim analysis of its TEC-006 tetrodotoxin trial, discussions will be held with Health Canada on trial design modifications
YM BioSciences	Orphan Drug Designation in U.S. for JAK1/JAK2 inhibitor, CYT387, for the treatment of myelofibrosis; concluded dose-escalation Phase 1 trial, are continuing enrolment in Phase 2 portion and also intends to expand the size of this trial CYT997 Phase 1 data published; currently in a Phase 2 glioblastoma multiforme trial, with data expected in Q2 2011
<i>Source: Company releases and regulatory filings</i>	

Authors of this Review

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The Equicom Group Inc.

James Smith co-manages the Healthcare team at The Equicom Group Inc., providing strategic insight to biotechnology, healthcare services and pharmaceutical companies. Prior to joining Equicom in 2001, he conducted scientific research for eight years, primarily focused on animal cell culture. He has a Bachelor's degree in Engineering Chemistry and a Master's degree in Biochemical Engineering from Queen's University.

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