

News

BioPharmica aims to raise \$2.5m

Helen Schuller 13/01/2006 15:19:39

Perth based BioPharmica (ASX:BPH) has opened a share purchase plan to raise AUD\$2.5 million to fund the development of its portfolio of biomedical research.

"The company is expecting an active first quarter in 2006 and will use the capital raised in the share plan to fund the continued development of our portfolio projects," said BioPharmica managing director Dr Sam Gallagher.

Earlier this week Biopharmica announced the completion of its bacterial genechip trial. The trial was developed in conjunction with Dr Ben Fry and Dr Viraj Perera from Diagnostic Array Systems, a spinout of RMIT University in Melbourne, to validate the accuracy of the genechip for bacterial lung disease typing with a comparison to current detection methods of growing bacterial culture on an agar plate.

"The test is being developed to help diagnose lung disease faster and more effectively. The current method only works to grow cultures 20-30 per cent of the time, before you can even consider the accuracy of identifying the bacteria that do grow," said Gallagher.

The trial involved approximately 500 clinical sputum samples from patients with suspected lung disease. The company is currently analysing the results of the trial and expects to be in a position to release these results in the very near future. Initial sales are targeted for early 2006 with Diagnostic Array Systems indicating that regulatory approval is not likely to be required in Australia.

Preliminary results released late last year indicated the genechip is showing an accuracy rate of 96 per cent in detecting bacterial species and the project team has successfully attached more than 23 different species of bacteria in the one test.

Funding will also be used for the development of products from the HLS5 gene, in collaboration with the Western Australian Institute for Medical Research. The gene, discovered by WAIMR director Prof Peter Klinken and his team, is a candidate tumour suppressor gene, which allows cancer cells to grow uncontrolled when it is missing or mutated. Patents are pending for HLS5 in the United States, Europe and Australia.

"In the first half of 2005, we did a pilot study at Royal Perth Hospital Campus of WAIMR," said BioPharmica director Charles Murphy. "We were very pleased with the results and the ongoing progress of that work. Since that time we have been working on the intellectual property that has been generated by that pilot study and subsequent research from the team at WAIMR. We see this as one of our outstanding projects and it has exciting potential.

"We would obviously like to immediately communicate any breakthrough that we may experience from the HLS5 development program, but our real priority must be to protect the IP that we have been discovering."

BioPharmica is also developing a new method of monitoring the electrical activity of the brain to indicate the effect of drugs in partnership with Cortical Dynamics.

"It's a physiologically based depth of anaesthesia monitor and diagnostic algorithm," Murphy said. "An initial clinical trial has been completed at Royal Melbourne Hospital and BioPharmica and researchers from Swinburne University and Royal Melbourne Hospital are analysing results of the trial which was concluded on September 30."

Lastly, the funding will also be used in another collaboration between BioPharmica and Swinburne.

"The agreement is to develop a fibre-optic probe to be used in biosensors for diagnostic testing and drug development. SERS Probe technology is being developed to enable biosensors to use light as a method to detect and monitor biological and chemical targets on the microscopic tip of an optical fibre. It is in proof-of-concept stage and funding will be used in prototype development. It is a very good example of a commercially driven research project," said Murphy.

Shareholders registered on January 11 are each being offered up to \$5000 worth of ordinary shares at \$0.18 per share with a full offering 14.3 million shares. The offer closes on January 31.

At time of writing BioPharmica shares were trading at \$0.21, down 1 cent.