

**Winnipeg Free Press**

## **City biotech firm scores big time**

### **Acquires rights to simple test to check levels of cholesterol**

By: Murray McNeill, August 6, 2010



TREVOR HAGAN / WINNIPEG FREE PRESS

Christopher Moreau demonstrates new technology that measures cholesterol levels in a person's skin to assess the risk of heart disease.

A Winnipeg biotech company may have hit the proverbial motherlode after acquiring the worldwide rights to a new technology that can detect high levels of cholesterol in a patient through a simple skin test.

Miraculins Inc. announced Thursday it has acquired the rights to a technology called the PREVU Skin Cholesterol Test from a Toronto research firm, PreMD Inc.

It said the test has already been cleared for use in Canada, the United States and Europe, and should be available in those markets in the second quarter of next year

Miraculins president and CEO Christopher Moreau estimates the test could generate "millions" of dollars a year in additional revenues for Miraculins, which specializes in commercializing medical diagnostic tests that have been developed by universities, hospitals or research firms.

But that could be a gross understatement, according to an official with a Toronto-based investment firm -- Bloom Burton & Co. -- which was hired by PreMD to review its research and testing data to determine the legitimacy of the test.

"It does what they say it does," Dr. Armand Balboni, managing director of investment banking for Bloom Burton, said in an interview Thursday.

"This could be a \$30-to-\$50-million-a-year product (for Miraculins)," Balboni said. "I think that is very realistic."

And if Miraculins can get the test approved for general use in the United States -- right now it's only approved there for use on patients already suspected of having high cholesterol levels -- and if it can get it approved for sale in China, "then you're looking at hundreds of millions of dollars in sales," Balboni added.

Moreau said the test has been approved for general use in Canada and Europe.

He said Miraculins purchased the test from PreMD after the firm ran into financial difficulties and was forced to sell off its assets. That included the skin cholesterol test it had developed and was in the process of trying to bring it to market.

"PreMD's financial difficulties have prevented commercialization of this product and our company is uniquely positioned to successfully move PREVU into the marketplace," he said.

He noted heart disease remains the leading cause of death worldwide, so there's a huge need for a quick, inexpensive and non-evasive way of testing patients for high cholesterol levels. And he maintains the PREVU test can help address that need.

He and Balboni, who is also a medical doctor, both stressed the skin cholesterol test is not meant as a replacement for the standard blood-cholesterol test. Rather, it's more of an early-detection tool that can be used before blood tests are ordered.

"It's one more important piece of information in trying to assess someone's risk of developing heart disease," Moreau said. "It's non-invasive, it's not expensive... and it could help save lives."

Balboni said what he likes about the test is that it can be done in a doctor's office and the results are available within five minutes.

"I think the real benefit of this is that it gives immediate feedback," he said. He and Moreau said

the test could be particularly useful in underdeveloped countries like China and India, where patients in rural areas do not have easy access to blood-testing services. Moreau said Miraculins will be looking to partner with distributors who can market the test to doctors, pharmaceutical chains, and companies that provide health-screening services to employers and the insurance industry.

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## PREVU Skin Cholesterol Test

**WHAT IS IT?** A simple, inexpensive and non-invasive test that enables a doctor or technician to assess whether patients have elevated levels of cholesterol, which puts them at risk of developing heart disease.

**HOW DOES IT WORK?** Human skin contains 11 per cent of the body's cholesterol and ages in parallel with vascular connective tissue. As blood vessel walls accumulate cholesterol, so do the skin tissues. So a high skin-cholesterol level is a reliable indicator of higher cholesterol accumulation in the arteries.

**HOW IS IT PERFORMED?** A portion of skin on the palm of a patient's hand is cleaned and a small pad with holes in it is placed on the skin. A chemical is applied that binds to the cholesterol in the skin and the skin changes colour. A computerized "reader" calculates the results.

**HOW DID MIRACULINS OBTAIN IT?** It paid the company, PreMD Inc., \$250,000, 1.8 million common shares in Miraculins and a 10 per cent royalty on gross revenue generated. Miraculins retained the right to buy out the royalty for \$1 million.

**WHAT'S NEXT?** The test has already been cleared for use in Canada, the U.S. and Europe. Once Miraculins finds manufacturers to mass-produce the reader and the chemicals, it can begin marketing the product. The longer-term goal is to obtain global approval and market it worldwide.