

Winnipeg Free Press - PRINT EDITION

Winnipeg biotech firm lands contract with U.S. army

By: Martin Cash

Posted: 06/1/2011 1:00 AM | Comments: 0 (including replies)

JOE BRYKSA / WINNIPEG FREE PRESS ARCHIVES [Enlarge Image](#)

Kane CEO Gord Froehlich calls the U.S. army contract 'a pretty big endorsement.'

WINNIPEG'S Kane Biotech Inc. has won a significant new contract with a U.S. army medical research facility that will leverage other development opportunities for the firm.

The contract with the United States Army Dental and Trauma Research Detachment (USADTRD) is to develop an antibiofilm-antimicrobial wound gel formulation.

The announcement Tuesday sent Kane's shares shooting up more than 30 per cent to 17 cents on heavy trading on the TSX Venture Exchange.

Kane has developed a technology called DispersinB that prevents and removes microbial biofilms. The technology disperses the biofilm and allows antibiotics to become effective, where previously they would not be.

Kane will develop the wound gel using its DispersinB in combination with an antibiotic peptide that the U.S. army developed itself.

Kane has been working for the past year and a half with the U.S. army's Walter Reed Army Institute of Research on the wound care technology.

Gord Froehlich, Kane's CEO, said it is an exciting development.

"This is a pretty big endorsement. We will make some money on the contract, but that's not what's important to us," Froehlich said. "What's important to us is that the technology is moving forward."

Financial details of the contract were not disclosed. Froehlich said he expects there will be other contracts with the army and other partners are already working with Kane.

The timing of the announcement could not have been better for the tiny firm. It will make a presentation before potential investors today at the BioFinance 2011 conference in Toronto.

Kane is part of the Genesys Ventures Inc. biotech incubation operation headed by biotech entrepreneur Albert Friesen and is based in labs on Waverley Street. In April, the company completed a private placement of shares, raising \$2.4 million.

Cate McCready, vice-president of external affairs for BIOTECCanada, a national industry association, said the fact that an institution like the U.S. army was attracted to a small Winnipeg company like Kane shows excellent work is being done in Canada.

Considering the lengthy development cycle in the industry, securing partners with applications related to the technology as early as possible is a great strategy, she said.

"The dynamic of development changes implicitly with that kind of partnership," she said.

McCready said the contract with the U.S. army also shows investors that value can be created along the way.

"The technology really does have meaningful points," she said. "It's not just the final commercial product. There is value in the entire development cycle."

martin.cash@freepress.mb.ca

Find this article at:

<http://www.winnipegfreepress.com/business/winnipeg-biotech-firm-lands-contract-with-us-army-122926988.html>

Check the box to include the list of links referenced in the article.