

City biotech firm bids for Montreal's Ibex

Unsolicited offer worth \$4.1 million

WINNIPEG-BASED Miraculins Inc. has made a \$4.1-million unsolicited offer for Ibex Technologies Inc. of Montreal in a bid to boost its capabilities in the cancer-detection market.

However, Ibex president Paul Baehr said Friday he considers the bid to swap stock a hostile takeover attempt. The company has advised shareholders to hold off on responding to the overture.

Ibex develops diagnostics for the management of arthritis and cancer while Miraculins develops biological markers for the diagnosis and treatment of cancer.

Chris Moreau, vice-president of business development at Miraculins, said the company is interested in Ibex's intellectual property and research and development capabilities.

"We think this merger would add value to (Ibex). We're both competing in the same capital markets and we're doing research that's complementary," Moreau said in an interview.

Ibex shareholders are being offered one common share of Miraculins for every five Ibex shares. If those terms are accepted, Miraculins would own 77 per cent of the merged company.

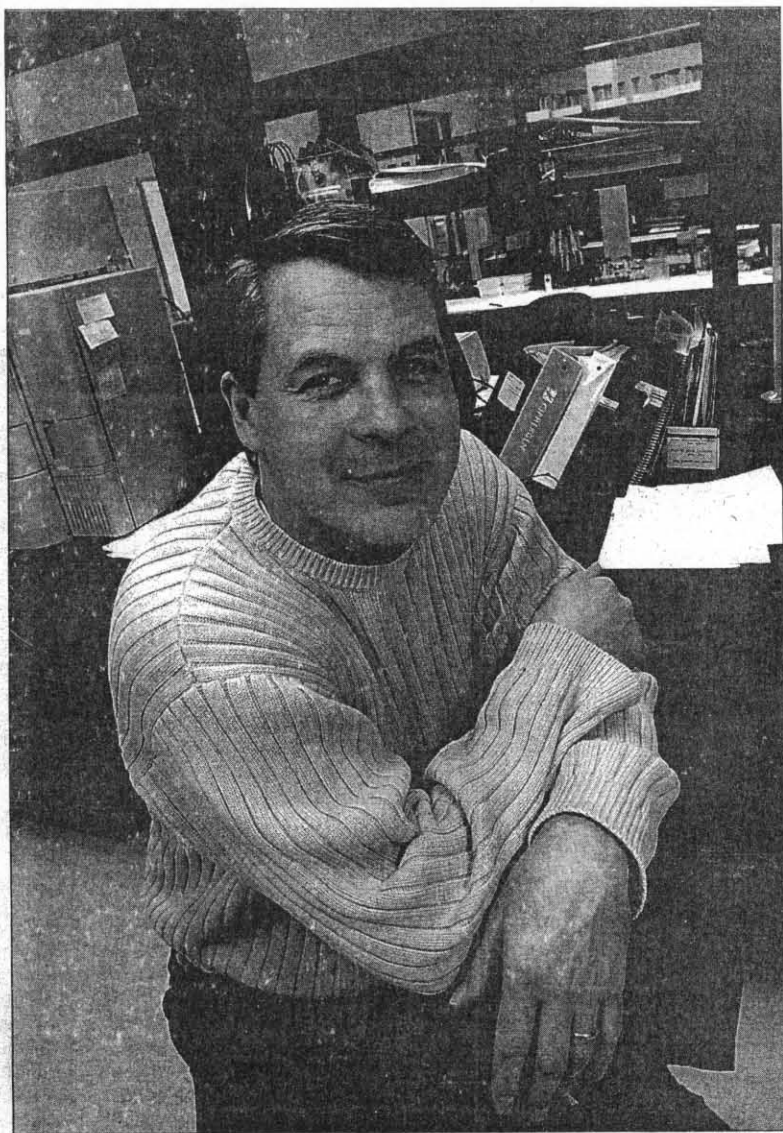
The offer amounts to 18.6 cents a share, a 65 per cent premium on the 11-cent average of Ibex shares over the last 50 days, Moreau said.

Ibex's shares soared 78.95 per cent to close at 17 cents on the Toronto Stock Exchange, a gain of 7.5 cents. Miraculins stock closed up 10 cents at 95 cents, up 11.76 per cent.

Ibex dropped some hints that the offer might be too low.

"The board of directors of Ibex notes initially that the value attributed to Ibex's shares as announced by Miraculins is approximately equal to the value of Ibex's cash, cash equivalents and marketable securities and gives no value to Ibex's cancer diagnostic technology, or to approximately \$2 million in sales from Ibex's growing specialty enzyme and arthritis kit business," Ibex said in a statement.

"The Ibex board notes that as at Aug. 31, 2006, the date of its most recent financial statements, Miraculins had only \$1.6 million in cash and equivalents while Ibex reported cash



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Chris Moreau, vice-president at Miraculins says both companies are competing in the same capital markets .

and equivalents of \$4.5 million at July 31, 2006."

Further, it said that Miraculins' shares have declined in price by more than 50 per cent over the last six months to about 85 cents, adding "there is negligible trading volume."

Four-year-old Miraculins is one of a cluster of local biotech companies supported by Genesys Venture Inc., a local life sciences firm founded by bio-entrepreneur Dr. Albert Friesen, that helps establish and build biotech companies.

Miraculins' six employees have five cancer detection products in development. Its prostate cancer project is closest to market.

Baehr said the Miraculins' offer comes at the same time as Ibex is "well advanced" in discussions regard-

ing a transaction of its own. He said the firm is hoping to become more of a pharmaceutical company rather than a research-based one.

He said the company recently decided it would be better off acquiring drugs already on the market, or those close to receiving regulatory approval, rather than spending its time and money developing new drugs from scratch.

Baehr said Miraculins has known all along that Ibex was close to completing a deal.

"We had a discussion with them and we were quite open about where we stood and why we had no interest in their particular offer," he said.