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Ebb & Flow

Ontario on oncology

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The conventional gripe in Canada is that there is a dearth of early stage investment funds. But Ontario has an early stage vehicle that any U.S. state would be happy to have.

The **Ontario Institute for Cancer Research** has a C\$100 million (\$100.1 million) annual R&D budget that it invests in early university research up to Phase I trials within the province. Last week, it announced three seed investments.

The funds went to an as yet unnamed cellular immunotherapy company; biomarker analysis play **DVS Sciences Inc.**; and another unnamed company developing an analysis system to validate leukemia biomarkers with small samples at a patient's bedside. The amount invested in each company wasn't disclosed.

A not-for-profit corporation OICR draws most of its R&D budget directly from the government of Ontario through the Ministry of Research and Innovation. The remainder comes from non-profits, VP of Commercialization and CCO Frank Stonebanks told *Ebb & Flow*.

OICR finances research through grants for university-based projects as well as by taking an equity or royalty stake in companies. It funds work in cancer stem cells, biologics, targeted therapeutics, genomics/proteomics, and devices and imaging, Stonebanks said.

The seed fund "was essentially created to be a bridge financing vehicle for mid- to late-stage R&D programs, to provide financing to them to get them as far across the valley of death as possible," Stonebanks said. The size of the fund has not been disclosed.

OICR previously provided research grants for the academic work upon which all three of the newly seeded companies are founded.

The cancer immunotherapy company is based on work done at the **Toronto General Research Institute**. The technology uses patient T cells that are extracted, grown in a lab and then infused into the patient. With the seed funding, the company hopes to get to an IND for a Phase I trial in acute myelogenous leukemia (AML).

According to Stonebanks, DVS is already generating revenue in the low single-digit millions through sales of product prototypes to labs in the U.S. and Canada. The system analyzes 30 biomarkers simultaneously in single human leukemia cells at a rate of 1,000 cells per second. DVS is a spinoff from the **University of Toronto**.

Another University of Toronto spinout, the leukemia biomarker company hopes to refine its chip and handheld device, which doesn't require amplification and provides electronic detection of biomolecules such as DNA, RNA and proteins in about five minutes.

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