



Diagnosics Inc.

MEDIA RELEASE

Thunder Bay is home to a new medical imaging start-up company: XLV Diagnosics Inc.

The new company will commercialize Dr. John Rowlands' X-ray Light Valve system

June 20, 2011 (Thunder Bay, ON) – Today a group of leading medical research organizations in Ontario announced the launch of XLV Diagnosics Inc., a new medical imaging, prime sector start-up company. XLV Diagnosics Inc. is supported by Thunder Bay Regional Research Institute (TBRI), Sunnybrook Research Institute (SRI), Ontario Institute for Cancer Research (OICR) and MaRS Innovation. The new company will commercialize Dr. John Rowlands' X-ray Light Valve (XLV) system, build a full-scale prototype of the imaging detector in Thunder Bay, and will then validate its performance (cost of production and improved imaging quality). The XLV system will be applied to mammography to improve access to screening and diagnosis of breast cancer.

"I am thrilled to see this made-in-Ontario technology being commercialized right here where it was developed - in Thunder Bay," the Honourable Glen Murray, Minister of Research and Innovation. "We were pleased to support the work of Dr. Rowlands, as he developed this technology. It's a great example of the McGuinty government's commitment to innovation that improves health care, creates new jobs and strengthens our economy."

The digital mammography marketplace is currently growing at a rate of 20% using current technology. The new XLV innovation promises to capture and generate a new market of affordable x-ray technology. Globally, mammography sales are about \$1 billion annually.

"This new company will help bring XLV to the next phase of commercialization. The idea is based on real patient need. The XLV technology would be applied first in mammography as a faster, better, less expensive way to screen for breast cancer, and eventually it will expand to other types of medical imaging," says Dr. Rowlands, Founding Scientific Director of TBRI, who has also been named the Research and Development Advisor of the new company.

"It's tremendously exciting to see the launch of an innovative technology company that will change people's lives for the better, and today's announcement truly demonstrates the incredible momentum of our Thunder Bay Regional Research Institute. Just 15 months ago, our government made the largest investment in research ever in Northwestern Ontario - \$6.5 million - to support advanced research work through TBRI, and it's clear that was a very wise investment indeed," says the Honourable Michael Gravelle, Minister of Northern Development, Mines and Forests, and MPP for Thunder Bay-Superior North.

Key partners are poised and ready to support the company's efforts to bring XLV to market. "This new company is the direct result of teamwork," says Michael Power, CEO, TBRI. "We have a superior invention here that will meet the needs of patients and that is why we've joined forces to





Diagnosics Inc.

MEDIA RELEASE

work together. Our common goal is to bring XLV to market in a professional and timely manner in order to remain competitive.”

“This is certainly one of the most exciting fruits of the partnership among SRI, TBRRRI, OICR and MaRS Innovation,” says Dr. Michael Julius, Vice-President, Research, Sunnybrook Health Sciences Centre and SRI. “Geography is not a barrier when like-minded organizations pool their intellectual and business resources toward a shared goal of extracting value from knowledge for the benefit of patients and the economy.”

The Ontario Institute for Cancer Research (OICR) shares this vision. An OICR program will support the new start-up company XLV Diagnosics Inc. “OICR, through its seed program, the Intellectual Property Development and Commercialization Fund, invests in promising cancer-related technologies throughout Ontario,” says Frank Stonebanks, OICR’s Chief Commercial Officer. “The goal of the Fund is to bridge the gap between academic research grants and private investment and to help bring these exciting technologies to market where they can benefit cancer patients in Ontario and world-wide. OICR has invested in technologies held in start-up companies and research institutions across the province and we are proud to support Dr. Rowlands’ ingenious approach to digital mammography.”

The realization of XLV Diagnosics Inc. is the combined effort of federal, provincial, municipal, local government support, and academic, healthcare, and industry partners. The new company will contribute to key areas of research and development, and the ongoing growth of medical research in the Northwest and across the province.

“MaRS Innovation is pleased to be working with TBRRRI, one of our newest member organizations, and to have been instrumental in helping the Sunnybrook Health Sciences Centre and TBRRRI to launch a new start-up company to commercialize this exciting technology,” says Dr. Raphael (Rafi) Hofstein, President and CEO, MaRS Innovation. “We are looking forward to helping guide XLV Diagnosics to commercial success, and to identifying other promising ventures with TBRRRI,” he adds.

“Today is another expression of growth in our knowledge-based economy. Our government is proud to have been a partner in the earliest stages of this expansion and looks forward to other announcements in the future,” Bill Mauro, MPP Thunder Bay – Atikokan.

-30-

For further information, please contact:

Kim Latimer,
Office: (807) 684-7239
Cell: (908) 621-8711

BACKGROUND:





Diagnostics Inc.

MEDIA RELEASE

The X-ray Light Valve

XLV is an invention that will improve digital radiography with better image quality that will be manufactured at significantly less cost in comparison to competing technologies.

The approach has general applications in medical x-ray. It will be first applied to digital mammography, permitting higher quality images to be produced at a higher resolution. The XLV system will be tested in rural Canada first, and eventually will become ideal for clinics, for mobile screening, and for remote and hard-to-reach communities in North America, and eventually the developing world.

XLV combines low cost technologies, allowing x-ray images to be read off a liquid crystal layer on a scanner to achieve image quality comparable to, or better than, an active matrix flat panel imager.

Market need

In recent years, new x-ray radiographic systems based on large area flat panel technology have revolutionized our ability to produce digital x-ray radiographic images. These systems, called Active Matrix Flat Panel Imagers (AMFPIs), provide images very quickly. However, AMFPIs are very expensive compared to the systems they are replacing. The proposed XLV technology has the potential for general application at much less cost and aims to eventually be used in mammography, chest x-ray, bone x-ray, and general x-ray.

Digital mammography is the accepted screening modality for breast cancer but its availability worldwide is limited by cost. As a result, digital mammography is unaffordable for most mobile screening vans, small hospitals, rural clinics and many countries around the world. The proposed XLV technology could be sold at a much lower cost, opening up the market and providing improved access to high-quality imaging.

The company, XLV Diagnostics Inc., will develop the technology, demonstrate its feasibility and then either licence the technology to manufacturers, or manufacture the device for sale directly. Presently, there are no medical companies with any comparable technology available or under development. This is an entirely unique technology.

Dr. John Rowlands has spent most of his academic career on the development of novel imaging systems for digital radiography. He says XLV promises to meet the world-wide patient need for a lower cost solution to x-ray imaging.

