

iCo Therapeutics - Socially Responsible Investing

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"As a general rule, the most successful man in life is the man who has the best information."

It's not often an investor actually gets to invest in a company so out of the ordinary that the opportunity is almost impossible to resist. But that's exactly what I experienced after reading about a certain biotechnology company and they're multiple product pipeline (The pipeline refers to the number of drugs a company has and what stage of development they are in).

From saving millions of lives by eradicating the parasite responsible for Visceral Leishmaniasis, by fighting certain cancer's to preventing loss of vision brought on by the ravages of diabetes the feel good factor of socially responsible investing is certainly present with this investment and all its bluesky possibilities!

I'm going to introduce you to a company that is a socially responsible investment and also an investment capable, in my opinion, of returning many times your invested capital. Quite simply put, I believe we can maximize our financial return while also doing some social good.

iCo Therapeutics ICO-TSX.v

So what exactly does iCo Therapeutics have in their pipeline that's got me so excited?

iCo has exclusive worldwide rights to three products:

iCo-007 is for the treatment of Diabetic Macular Edema (DME).

DME is the swelling of the retina in diabetes patients due to leaking blood vessels within the macula, the central portion of the retina that is critical for daytime vision.

There are currently no approved therapeutics for DME, the leading cause of blindness in working age adults. DME affects approximately 1.6 million people in the U.S. alone, a number that is expected to grow as Diabetes is forecast to increase by almost 50% in the US by 2025.

Designed and discovered by ISIS Pharmaceuticals Inc., (NASDAQ: ISIS), iCo-007 is a second-generation antisense inhibitor for the treatment of DME and Diabetic Retinopathy (DR). iCo licensed the worldwide exclusive rights to all therapeutic applications of iCo-007 from ISIS in 2005. Drug products that prevent the growth of new blood vessels and

inhibit increased vascular permeability may have the potential to treat neovascular diseases, including diabetic retinopathy and diabetic macular edema.

iCo-008 is being developed for severe ocular allergies.

During an allergic response the levels of eotaxin-1 are elevated. This attracts eosinophils, a type of white blood cell, into tissues where they can degranulate causing tissue damage that occurs in a variety of allergic disorders. This condition, known as eosinophilia, can occur in a number of disorders, such as allergic ocular disease of conjunctiva and cornea (conjunctivitis and keratoconjunctivitis), asthma, allergic rhinitis, atopic dermatitis, and other inflammatory disorders, such as inflammatory bowel disease and Crohn's disease.

Blocking eotaxin-1 was shown to be effective in inhibiting early phase mast cell activation as well as late phase eosinophilia. This broad spectrum mechanism of action is unique and differentiates iCo-008 from other available agents.

iCo-009 is an oral reformulation of Amphotericin B for sight and life threatening diseases. iCo-009 also represents a new drug delivery technology with the potential to reprofile other IV administered drugs to the oral route of administration.

June 25, 2009 - iCo Therapeutics Inc. (TSX-V: ICO) is pleased to announce that iCo's oral Amphotericin B (AmpB) oral formulation "iCo-009" has been published in a leading journal, The Journal of Infectious Diseases. The article represents the first ever publication of an oral AmpB eradicating the parasite responsible for Visceral Leishmaniasis (VL), which affects 12 million people worldwide. Administration of the highest dose of iCo-009 resulted in 99.8% inhibition of the parasite.

AmpB has for many years been the gold standard for systemic antifungal drugs. AmpB formulated for IV use remains one of the most effective agents in the treatment of systemic fungal infections, yet no oral formulations are currently commercially available. Over the past 50 years, many attempts have been made to formulate AmpB for oral administration, with limited success. The article indicates that with iCo-009, a self-administered, oral formulation of AmpB is attainable.

"This is the first peer-reviewed paper to be published demonstrating eradication of VL with an oral AmpB formulation", stated Andrew Rae, iCo's President & CEO. "We are excited to be on the forefront of global health by potentially increasing the quality of life in developing nations. In addition, iCo-009 may benefit immune compromised patients with cancer, organ transplant recipients, diabetics and HIV/AIDS in developed nations."

About Leishmaniasis

Leishmaniasis is a parasite contracted by approximately 2 million people each year, with 12 million presently infected worldwide, predominantly in the developing world. If left untreated, Visceral Leishmaniasis can have a fatality rate of 100% within two years (World Health Organization).

Share Structure

29.6 M Shares Outstanding
Invested Capital to Date: ~\$13 M
Largest Shareholders:
Isis Pharmaceuticals ~14%
Management ~16%

Targeted Markets

iCo-007 - Diabetes-Related Blindness ~\$3B+. iCo-007 may also have a potential for treatment of certain oncology indications, including ovarian cancer.

007 is nearing completion of Phase 1. Because of the nature of ongoing tests iCo has had hints of what might be seen in Phase Two trials, Confidence, as a result of early trials, is very high. The next step is to either partner develop the compound or raise sufficient capital to enter into Phase II trials.

iCo-008 - Severe Ocular Allergies ~\$100M+. - 008 is ready for Phase 2 in vernal keratoconjunctivitis (“VKC”). The next step is to partner compound for VKC or potentially another disease (such as asthma, which has a similar underlying disease biology). If iCo partners for a different disease than VKC, some additional pre-clinical work would be required.

iCo-009 - Fungal & Parasitic Infections ~\$1B+. Also represents a new drug delivery technology with the potential to reprofile other IV administered drugs to the oral route of administration.

AmpB works, its been around since the fifties and is the standard against which all other drugs in this class are measured. The problem with the drug is how it was delivered. It now seems a self-administered (no hospital stay, no toxicity issues), oral formulation of AmpB is attainable. 009 is late pre-clinical stage. The next steps are to complete pre-clinical toxicology studies and then launch a Phase 1 safety trial.

Management

Management Team

http://www.icotherapeutics.com/site/corporate_overview/management_team/

Board of Directors

http://www.icotherapeutics.com/site/corporate_overview/board_of_directors/

Strategic Advisory Board

http://www.icotherapeutics.com/site/corporate_overview/strategic_advisory_board/

Professional Advisors

http://www.icotherapeutics.com/site/corporate_overview/professional_advisors/

The above links show an incredible array of world class talent all under one roof. And its very obvious that their interests are aligned with shareholders interests.

Firstly they buy their own shares in Private Placements (financings) **AND** in the market. Secondly they do financings at market with no attached warrants. And thirdly the top five key employees took a 20% pay cut (since restored, but pay hasn't been increased) when things went to hell in the markets. Very impressive and so damn rare to find insiders with so much "skin" in the game!

Company management also has a very realistic end game plan. The objective of iCo over the next few years is to add substantial value to existing assets and subsequently monetize them for the benefit of shareholders. This could take the form of an acquisition of iCo (e.g. Aspreva Pharmaceuticals) or such other mechanism whereby the value can be transferred to shareholders. It is not the objective of the company to build a large permanent, integrated pharmaceutical company. I'm in complete agreement, build as much value into each product as is reasonable, then sell, let your shareholders reap the rewards and move on.

Conclusion

It's been a very long time, if ever, since I've come across a stock with as much blue sky potential as iCo Therapeutics. Great management, obviously on side with shareholders, tight share structure, confirmation from others about the effectiveness of their products and a socially responsible investment that in my opinion makes one feel good about investing. That's hard to beat.

iCo's share price is presently very cheap for a company in this sector. But with conference season starting and news from three drugs starting to flow soon I don't expect the stock to stay long at present price levels.

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Bio - Richard is host of www.aheadoftheherd.com and invests in the junior resource sector. His articles have been published on over 60 websites including - Wall Street Journal, 321Gold, Kitco, USA Today, SafeHaven, Stockhouse, Casey Research, The Gold/Energy Reports, Gold-Eagle, Market Oracle and Financial Sense.

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Richard owns shares of iCo Therapeutics and ICO.v is an advertiser on www.aheadoftheherd.com