



Perceptronix
Early diagnosis, better outcomes™

PRESS RELEASE

For immediate release

PERCEPTRONIX RECEIVES HEALTH CANADA LICENSE FOR EARLY LUNG CANCER TEST

Canadian Launch of ClearSign™ Sputum Test in Q4, 2006

VANCOUVER, CANADA (AUGUST 21, 2006) – Perceptronix Medical Inc. (“Perceptronix”) announced today that it has been issued a Class III *in vitro* Diagnostic Device License from Health Canada for its ClearSign™ Sputum Test for the detection of early lung cancer. Perceptronix can now market this test service in Canada as well as in the European Union, having received CE Mark registration in May, 2006.

The ClearSign™ Sputum Test measures DNA in thousands of lung cells collected from induced sputum (the fluid from a deep cough). The test is indicated for people who are suspected of having lung cancer due to their high risk smoking or industrial carcinogen exposure history and the presence of symptoms or other indications such as suspicious radiography. Like other cancer detection tests such as the Pap or PSA test, the ClearSign™ Sputum Test provides a likelihood assessment for cancer to help identify people who require follow-on tests such as bronchoscopy, radiography, etc.

Perceptronix’s Director of Detection Products, Dr. Roger Kemp, stated that, “We expect the relatively inexpensive and non-invasive ClearSign™ Sputum Test, which does not involve radiation, to impact lung cancer patients because early diagnosis offers the best hope for a favourable outcome. The clinical trial results show that, unlike many of the other lung cancer detection technologies, ClearSign™ Sputum Test sensitivity is virtually independent of tumour stage (early *versus* late), location (peripheral *versus* central airways) and cancer histological type (squamous cell *versus* adenocarcinoma or small cell cancer).”

This Health Canada license permits Perceptronix to roll-out the ClearSign™ Sputum Test across Canada. The test will be ordered by physicians in Canada and Europe with the laboratory analysis being performed at Perceptronix’s recently opened Quantitative Cytology Laboratory in Vancouver, Canada, starting in early Q4, 2006. As the test gains market acceptance, it is expected that the laboratory analysis will also be performed in Europe.

“This license is very timely,” said Milton Wong, Perceptronix Board Chairman. “On 25th May, 2006, United States Congressman Clay Shaw, a two time cancer survivor, introduced the ‘*Medicare Lung Cancer Screening Benefit Act of 2006*’ to the House of Representatives. Among other things, the proposed Act would amend the Social Security Act to provide coverage for lung cancer screening tests including ‘sputum analysis’ and ‘fluorescent bronchoscopy,’ both key parts of the Perceptronix product portfolio. We enter the market with great optimism and excitement.”

Lung cancer is both the most common cancer and the most common cause of cancer death worldwide, with almost exactly the same number of incident cases in the developing world as in the developed world for a total of 1.35 million in 2002, leading to 1.2 million deaths or about 18% of the world’s cancer deaths.

The Perceptronix suite of technologies

The ClearSign™ Sputum Test is part of a comprehensive suite of cancer diagnosis technologies to be offered by Perceptronix:



- ClearCyte™ Test - This test is used to measure “gross genomic aberrations” (DNA Ploidy) to assist physicians with clinical diagnosis and prognosis of cancer. ClearCyte™ has a Health Canada license and CE Mark.
- The Clear2C™ Quantitative DNA Staining Kit has a Health Canada License, CE Mark and US Food & Drug Administration Medical Device Listing.
- In development are ClearVu™ and ClearVu™ Elite simultaneous and spectral fluorescence/white light endoscopy systems for cancer localization, and ClearPath™, an aid to definitive diagnosis of biopsy sections.

The Perceptronix Clinical Quantitative Cytology Laboratory in Vancouver, Canada, currently performs the ClearCyte™ Test to assist clinicians in the diagnosis and prognosis of cancer and expects to perform the ClearSign™ Sputum Test starting in Q4, 2006. This Laboratory operates under guidance from the Diagnostic Accreditation Program of the British Columbia College of Physicians and Surgeons and accreditation is expected to be achieved by year end.

About Perceptronix Medical Inc. (www.perceptronix.com)

Perceptronix is a private cancer diagnostics company based in Vancouver, Canada. Perceptronix commercializes early cancer detection technologies developed in partnership with the BC Cancer Agency (www.bccancer.bc.ca), a world-leader in cancer care and research and a pioneer in early cancer detection programs.

This press release is not, and under no circumstances is to be construed as, an advertisement, solicitation or offering of securities of Perceptronix Medical Inc. The statements made in this press release may contain certain forward-looking statements that involve a number of risks and uncertainties. Actual events or results may differ from the Company's expectations.

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