

IntelGenx Technologies Corp.
Form 424B3
May 16, 2012

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-161305

PROSPECTUS SUPPLEMENT NO. 10

to Prospectus declared
effective on September 18, 2009
(Registration No. 333-161305)

INTELGEX TECHNOLOGIES CORP.

This Prospectus Supplement No. 10 supplements our Prospectus dated September 17, 2009 and should be read in conjunction therewith. The shares that are the subject of the Prospectus have been registered to permit their resale to the public by the selling stockholders named in the Prospectus. We are not selling any shares of common stock in this offering and therefore will not receive any proceeds from this offering.

This Prospectus Supplement includes the following documents, as filed by us with the Securities and Exchange Commission:

- the attached Quarterly Report on Form 10-Q, for the quarter ended March 31, 2012

Our common stock is traded on the Over-the-Counter Bulletin Board under the symbol "IGXT" and on the TSX-V under the symbol "IGX".

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus Supplement is May 16, 2012.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the quarterly period ended March 31, 2012

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 000-31187

INTELGENX TECHNOLOGIES CORP.

(Exact name of small business issuer as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

87-0638336

(I.R.S. Employer Identification No.)

6425 Abrams, Ville Saint Laurent, Quebec H4S 1X9, Canada

(Address of principal executive offices)

(514) 331-7440

(Issuer's telephone number)

(Former Name, former Address, if changed since last report)

Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDS DURING THE PRECEDING FIVE YEARS

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13, or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

APPLICABLE TO CORPORATE ISSUERS:

49,621,859 shares of the issuer's common stock, par value \$.00001 per share, were issued and outstanding as of May 10, 2012.

IntelGenx Technologies Corp.
Form 10-Q

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IntelGenx Technologies Corp.

Consolidated Interim Financial Statements

March 31, 2012

(Expressed in U.S. Funds)

(Unaudited)

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IntelGenx Technologies Corp.**Consolidated Balance Sheet****(Expressed in Thousands of U.S. Dollars (\$000 s) Except Share and Per Share Data)****(Unaudited)**

	March 31,	December 31,
	2012	2011
Assets		
Current		
Cash and cash equivalents	\$ 4,059	\$ 3,505
Accounts receivable	246	263
Prepaid expenses	83	68
Loan receivable	-	85
Investment tax credits receivable	211	375
	4,599	4,296
Property and Equipment	333	149
Intangible assets	125	125
	\$ 5,057	\$ 4,570
Liabilities		
Current		
Accounts payable and accrued liabilities	396	666
Deferred license revenue (note 4)	45	-
	441	666
Deferred license revenue, non-current portion (note 4)	955	-
Shareholders' Equity		
Capital Stock (note 5)	0	0
Additional Paid-in-Capital	16,166	15,918
Accumulated Deficit	(12,795)	(12,213)
Accumulated Other Comprehensive Income	290	199
	3,661	3,904
	\$ 5,057	\$ 4,570

See accompanying notes

Approved on Behalf of the Board:/s/ J. Bernard Boudreau Director/s/ Horst G. Zerbe Director

IntelGenx Technologies Corp.**Consolidated Statement of Shareholders' Equity****For the Period Ended March 31, 2012****(Expressed in Thousands of U.S. Dollars (\$000 s) Except Share and Per Share Data)****(Unaudited)**

	Capital Stock Number	Capital Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance - December 31, 2011	48,895,028	\$ 0	\$ 15,918	\$ (12,213)	\$ 199	\$ 3,904
Foreign currency translation adjustment	-	-	-	-	91	91
Warrants exercised (note 6)	726,830	-	233	-	-	233
Stock-based compensation (note 6)	-	-	15	-	-	15
Net loss for the period	-	-	-	(582)	-	(582)
Balance March 31, 2012	49,621,858	\$ 0	\$ 16,166	\$ (12,795)	\$ 290	\$ 3,661
See accompanying notes						

IntelGenx Technologies Corp.**Consolidated Statement of Operations and Comprehensive Loss****(Expressed in Thousands of U.S. Dollars (\$000 s) Except Share and Per Share Data)****(Unaudited)**

	For the Three-Month Period Ended March 31,	
	2012	2011
Revenue	\$ 100	\$ 96
Other income	185	2
	285	98
Expenses		
Research and development	445	329
Research and development tax credits	(25)	(41)
Management salaries	169	139
General and administrative	75	110
Professional fees	146	153
Depreciation	8	8
Foreign exchange	48	(1)
Interest	1	1
	867	698
Net Loss	(582)	(600)
Other Comprehensive Loss		
Foreign currency translation adjustment	91	40
Comprehensive Loss	\$ (491)	\$ (560)
Basic and Diluted Weighted Average Number of Shares Outstanding	49,324,531	39,649,559
Basic and Diluted Loss Per Common Share (note 8)	\$ (0.01)	\$ (0.01)
See accompanying notes		

IntelGenx Technologies Corp.**Consolidated Statement of Cash Flows****(Expressed in thousands of U.S. Dollars (\$000 s) Except Share and Per Share Data)****(Unaudited)**

	For the Three-Month Period Ended March 31,	
	2012	2011
Funds Provided (Used) -		
Operating Activities		
Net loss	\$ (582)	\$ (600)
Depreciation	8	8
Stock-based compensation	15	12
Accounts receivable write-off	-	52
	(559)	(528)
Changes in assets and liabilities:		
Accounts receivable	18	(48)
Prepaid and other assets	(15)	(19)
Other receivables	249	(46)
Accounts payable and other accrued liabilities	(270)	(71)
Deferred revenue	1,000	-
	423	(712)
Financing Activities		
Issue of capital stock	233	108
	233	108
Investing Activities		
Additions to property and equipment	(189)	(3)
	(189)	(3)
Increase/(Decrease) in Cash and Cash Equivalent	467	(607)
Effect of Foreign Exchange on Cash and Cash Equivalents	88	38
Cash and Cash Equivalents		
Beginning of Period	3,505	1,144
End of Period	\$ 4,059	\$ 575
See accompanying notes		

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

March 31, 2012

(Expressed in U.S. Funds)

(Unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All such adjustments are of a normal and recurring nature.

These financial statements should be read in conjunction with the audited consolidated financial statements at December 31, 2011. Operating results for the three months ended March 31, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States (U.S. GAAP). This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

The consolidated financial statements include the accounts of the Company and its subsidiary companies. On consolidation, all inter-entity transactions and balances have been eliminated.

The financial statements are expressed in U.S. funds.

Management has performed an evaluation of the Company's activities through the date and time these financial statements were issued and concluded that there are no additional significant events requiring recognition or disclosure.

2. Adoption of New Accounting Standards

Revenue Recognition and Disclosures

In May 2011, the FASB issued Update No. 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs . The amendments in this Update result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs. Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. For many of the requirements, the Board does not intend for the amendments in this Update to result in a change in the application of the requirements in Topic 820. Some of the amendments clarify the Board's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. For public entities, ASU 2011-4 is effective during interim and annual periods beginning after December 15, 2011. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

March 31, 2012

(Expressed in U.S. Funds)

(Unaudited)

2. Adoption of New Accounting Standards (Cont d)

In June 2011, the FASB issued Update No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. Under the amendments, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This Update eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this Update do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. ASU 2011-05 should be applied retrospectively. For public entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Early adoption is permitted. In December 2011 however, the FASB issued Update No. 2011-12, *Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05*. The amendments in this Update supersede changes to those paragraphs in Update 2011-05 that pertain to how, when, and where reclassification adjustments are presented. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

In September 2011, the FASB issued Update No. 2011-08, *Intangibles - Goodwill and Other (Topic 350): Testing Goodwill for Impairment*. The amendments in this Update will allow an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under these amendments, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The amendments include a number of events and circumstances for an entity to consider in conducting the qualitative assessment. For public entities, ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

March 31, 2012

(Expressed in U.S. Funds)

(Unaudited)

3. Significant Accounting Policies

Recently Issued Accounting Pronouncements

In December 2011, the FASB issued Update No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The objective of this Update is to provide enhanced disclosures that will enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on an entity's financial position. This includes the effect or potential effect of rights of setoff associated with an entity's recognized assets and recognized liabilities within the scope of this Update. The amendments require enhanced disclosures by requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with either Section 210-20-45 or Section 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either Section 210-20-45 or Section 815-10-45. ASU 2011-11 is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. Retrospective disclosure is required for all comparative periods presented. The Company is currently evaluating the impact of this Statement on its consolidated financial statements.

In December 2011, the FASB issued Update No. 2011-12, Comprehensive Income (Topic 220): Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05. The amendments in this Update supersede changes to those paragraphs in Update 2011-05 that pertain to how, when, and where reclassification adjustments are presented. The adoption of this amendment is not expected to have a material effect on the Company's financial position or results of operations, but will affect the presentation of Other Comprehensive Income in the Company's financial statements.

4. Deferred License Revenue

Deferred license revenue represents upfront payments received for the granting of licenses to the Company's patents, intellectual property and proprietary technology for commercialization. Deferred license revenue is recognized in income over the period where sales of the licensed products will occur.

IntelGenx Technologies Corp.**Notes to Consolidated Interim Financial Statements****March 31, 2012****(Expressed in U.S. Funds)****(Unaudited)****5. Capital Stock**

	March 31, 2012	December 31, 2011
Authorized -		
100,000,000 common shares of \$0.00001 par value		
20,000,000 preferred shares of \$0.00001 par value		
Issued -		
49,621,858 (December 31, 2011 - 48,895,028) common shares	\$ 496	\$ 489

6. Additional Paid-In Capital**Stock options**

Compensation expenses for stock-based compensation of \$15 thousand and \$12 thousand were recorded during the three-month period ended March 31, 2012 and 2011 respectively. Of the amount expensed in 2012, \$1 thousand (2011 - \$4 thousand) relates to stock options granted to investor relations firms as compensation for investor relation services, and \$14 thousand (2011 - \$8 thousand) relates to stock options granted to employees and directors. As at March 31, 2012, the Company has \$69 thousand (2011 - \$41 thousand) of unrecognized stock-based compensation.

Warrants

During the three month period ended March 31, 2012 a total of 1,206,418 warrants were exercised for 726,830 common shares having a par value of \$0 thousand in aggregate, for cash consideration of \$233 thousand, resulting in an increase in additional paid-in capital of \$233 thousand.

7. Related Party Transactions

Included in management salaries are \$1 thousand (2011 - \$1 thousand) for options granted to the Chief Financial Officer and \$2 thousand (2011 - \$1 thousand) for options granted to the Chief Executive Officer under the 2006 Stock Option Plan and \$7 thousand (2011 - \$2 thousand) for options granted to non-employee directors.

Also included in management salaries are director fees of \$27 thousand (2011 - \$19 thousand) for attendance to board meetings and audit committee meetings.

The above related party transactions have been measured at the exchange amount which is the amount of the consideration established and agreed to by the related parties.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

March 31, 2012

(Expressed in U.S. Funds)

(Unaudited)

8. Basic and Diluted Loss Per Common Share

Basic and diluted loss per common share is calculated based on the weighted average number of shares outstanding during the period. The warrants, share-based compensation and convertible notes have been excluded from the calculation of diluted loss per share since they are anti-dilutive.

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Item 2 Management's Discussion and Analysis of Financial Conditions and Results of Operations.

Introduction to Management's Discussion and Analysis

The purpose of this section, Management's Discussion and Analysis of Financial Condition and Results of Operations, is to provide a narrative explanation of the financial statements that enables investors to better understand the business of the Company, to enhance the Company's overall financial disclosures, to provide the context within which the Company's financial information may be analyzed, and to provide information about the quality of, and potential variability of, the Company's financial condition, results of operations and cash flows. Unless otherwise indicated, all financial and statistical information included herein relates to continuing operations of the Company. Unless otherwise indicated or the context otherwise requires, the words, IntelGenx, Company, we, us, and our refer to IntelGenx Technologies Corp. and its subsidiaries, including IntelGenx Corp. This information should be read in conjunction with the accompanying unaudited Consolidated Financial Statements and Notes thereto.

Company Background

We are a drug delivery company established in 2003 and headquartered in Montreal, Quebec, Canada. Our focus is on the development of novel oral immediate-release and controlled-release products for the pharmaceutical market. Our business strategy is to develop pharmaceutical products based on our proprietary drug delivery technologies and, once the viability of a product has been demonstrated, to license the commercial rights to partners in the pharmaceutical industry. In certain cases, we rely upon partners in the pharmaceutical industry to fund development of the licensed products, complete the regulatory approval process with the U.S. Food and Drug Administration (FDA) or other regulatory agencies relating to the licensed products, and assume responsibility for marketing and distributing such products.

In addition, we may choose to pursue the development of certain products until the project reaches the marketing and distribution stage. We will assess the potential for successful development of a product and associated costs, and then determine at which stage it is most prudent to seek a partner, balancing such costs against the potential for additional returns earned by partnering later in the development process.

We have also undertaken a strategy under which we will work with pharmaceutical companies in order to develop new dosage forms for pharmaceutical products for which patent protection is nearing expiration. Under §(505)(b)(2) of the Food, Drug, and Cosmetics Act, the FDA may grant market exclusivity for a term of up to three years of exclusivity following approval of a listed drug that contains previously approved active ingredients but is approved in a new dosage, dosage form, route of administration or combination, or for a new use, the approval of which was required to be supported by new clinical trials, other than bioavailability studies, conducted by or for the sponsor.

We are currently continuing to develop the existing products in our pipeline and may also perform research and development on other potential products as opportunities arise.

We currently purchase and/or lease, on an as-needed basis, the equipment necessary for performing research and development activities related to our products.

We plan to hire new personnel, primarily in the area of research and development, on an as-needed basis as we enter into partnership agreements and increase our research and development activities.

Key Developments

On February 14, 2012 we announced an exclusive agreement with Edgemont Pharmaceuticals, LLC (Edgemont) for the commercialization of our lead product, CPI-300, in the United States.

Under the terms of the agreement, Edgemont has obtained certain exclusive rights to market and sell CPI-300 in the U.S. In exchange, we received a \$1.0 million upfront payment and could receive launch related milestones totaling up to \$4.0 million. In addition, we will be eligible for milestones of up to \$23.5 million upon achieving certain sales and exclusivity targets, and we will receive double-digit royalties on the net sales of CPI-300.

We expect CPI-300 to be commercially launched by Edgemont in the summer of 2012.

CPI-300 is a novel, high mg strength formulation of bupropion HCl, the active ingredient in Wellbutrin XL®. When launched, CPI-300 will provide high dose bupropion XL patients the opportunity to achieve their mg dose in a single pill versus the multiple pills they currently need to take. Reducing the number of pills per dose is a well-published and important clinical benefit.

Currency rate fluctuations

Our operating currency is Canadian dollars, while its reporting currency is U.S. dollars. Accordingly, our results of operations and balance sheet position have been affected by currency rate fluctuations. The following management discussion and analysis takes this into consideration whenever material.

Results of Operations for the three month period ended March 31, 2012 compared with the three month period ended March 31, 2011.

In U.S.\$ thousands	2012	2011	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Revenue	\$ 100	\$ 96	\$ 4	4%
Other Income	185	2	183	9,150%
Research and Development Expenses	445	329	116	35%
Research and Development Tax Credit	(25)	(41)	(16)	(39%)
Management Salaries	169	139	30	22%
General and Administrative Expenses	75	110	(35)	(32%)
Professional Fees	146	153	(7)	(5%)
Foreign Exchange	48	(1)	49	N/A
Net Loss	(582)	(600)	(18)	(3%)

Revenue and Other Income

Total revenue and other income increased by \$187 thousand, or 191%, from \$98 thousand in the first three months of 2011 to \$285 thousand in the first three months of 2012.

In February 2012 we received a \$1.0 million upfront payment under our agreement with Edgemont. The upfront payment has been recorded as deferred license fees and will be amortized ratably as revenue in relation to product sales until December 2015, which is the estimated minimum time period that the product could retain market exclusivity. The product is expected to be commercially launched in the summer of 2012 and, accordingly, none of the upfront payment has been recognized as revenue to date.

Other income of \$185 thousand was recorded in the first three months of 2012, compared with \$2 thousand in the same period of the previous year. Included within other income in the first three months of 2012 is approximately \$181 thousand relating to the cancelation of an invoice received from a supplier in 2011.

Research and Development (R&D) Expenses

R&D expenses totaled \$445 thousand in the three months ended March 31, 2012, representing an increase of \$116 thousand, or 35%, to the expense of \$329 thousand recorded in the same period of last year.

The increase in R&D expenses is primarily related to the costs associated with a pilot clinical study that we are in the process of completing for one of our projects.

Included within R&D expenses for the first three months of 2012 are R&D Salaries of \$149 thousand, of which approximately \$5 thousand represents non-cash compensation. This compares to R&D salaries of \$163 thousand in the first three months of 2011, of which approximately \$3 thousand represented non-cash compensation. The decrease in R&D Salaries is attributable to the resignation of one employee who we are currently in the process of replacing and one employee who was transferred into an administrative function, partly offset by annual salary increases effective from January 2012.

In the three months ended March 31, 2012 we recorded estimated Research and Development Tax Credits and refunds of \$25 thousand, compared with \$41 that was recorded in the same period of the previous year.

Management Salaries and General and Administrative (G&A) Expenses

Management salaries increased from \$139 thousand in the first three months of 2011 to \$169 thousand in the first three months of 2012, representing an increase of \$30 thousand, or 22%. The increase is primarily attributable to the appointment of a new member of our Board of Directors in May 2011, stock compensation expense related to options granted to members of our Board, and annual staff salary increases effective from January 2012.

Included in management salaries are approximately \$3 thousand (2011: \$3 thousand) in non-cash compensation from options granted to management employees in 2010 and 2011, and \$6 thousand (2011: \$2 thousand) in non-cash compensation from options granted to non-employee directors in 2010 and 2011.

General and administrative expenses decreased from \$110 thousand in the three months ended March 31, 2011 to \$75 thousand in the three months ended March 31, 2012. The decrease relates to a receivable in the amount of \$52 thousand that was written-off in the first quarter of 2011, partly offset by increased travel expenditure.

Professional Fees

Professional fees for the three months ended March 31, 2012 totaled \$146 thousand and represent a slight decrease of \$7 thousand compared with the amount of \$153 thousand recorded in the same period of 2011.

Included within professional fees is a non-cash expense of \$1 thousand (2011: \$4 thousand for options granted to investor relation firms for investor relation services).

Share-Based Compensation Expense, Warrants and Stock Based Payments

Share-based compensation expense, warrants and share-based payments totaled \$15 thousand for the three months ended March 31, 2012, compared with \$12 thousand for the three months ended March 31, 2011.

We expensed approximately \$3 thousand in the first three months of 2012 for options granted to our employees in 2010 and 2011 under the 2006 Stock Option Plan, and approximately \$6 thousand for options granted to non-employee directors in 2010 and 2011, compared with \$3 thousand and \$2 respectively that was expensed in the same period of the previous year.

We also expensed \$1 thousand in the first three months of 2012 for options granted to investor relation firms for investor relation services, compared with \$4 thousand that was expensed in the same period of 2011.

There remains approximately \$69 thousand in stock based compensation to be expensed in fiscal 2012 and 2013, all of which relates to the issuance of options to employees and directors of the Company during 2010 and 2011. We anticipate the issuance of additional options and warrants in the future, which will continue to result in stock-based compensation expense.

Foreign Exchange

A foreign exchange loss of approximately \$48 thousand was recorded in the three months ended March 31, 2012 compared with a foreign exchange gain of \$1 thousand in the same period of the previous year. The foreign exchange gains and losses relate primarily to currency fluctuations between the Canadian dollar and the U.S. dollar.

Key items from the Balance Sheet.

In U.S.\$ thousands	March 31, 2012	December 31, 2011	Increase/ (Decrease)	Percentage Increase/ (Decrease)
Current Assets	\$ 4,599	\$ 4,296	\$ 303	7%
Property and Equipment	333	\$ 149	\$ 184	123%
Intangible Assets	125	125		