

NYMOX PHARMACEUTICAL CORP
Form 6-K
November 16, 2004

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934**

For the period ended September 30, 2004

Commission File Number: 001-12033

Nymox Pharmaceutical Corporation

9900 Cavendish Blvd., St. Laurent, QC, Canada, H4M 2V2

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

82-_____

CORPORATE PROFILE

Nymox Pharmaceutical Corporation is a biopharmaceutical company with three unique proprietary products on the market, and a significant R&D pipeline of drug products in development. Nymox is a leader in the research and development of products for the diagnosis and treatment of Alzheimer's disease, an affliction of more than 15 million people around the world. Nymox developed and is currently offering its

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AlzheimAlert test, a nationally certified clinical reference laboratory urinary test that is the world's only accurate, non-invasive aid in the diagnosis of Alzheimer's disease. Nymox also developed and markets NicAlert and TobacAlert; tests that use urine or saliva to detect use of and exposure to tobacco products. NicAlert has received clearance from the U.S. Food and Drug Administration (FDA). TobacAlert is the first test of its kind to accurately measure second hand smoke exposure in individuals.

Nymox is developing NX-1207, a novel treatment for benign prostatic hyperplasia. NX-1207 has shown statistically significant positive results in Phase 1 and 2 clinical trials in the U.S. NX-1207 is currently in Phase 2 human testing in the US. Nymox also has several other drug candidates and diagnostic technologies in development. Nymox has U.S. and global patent rights for the use of statin drugs for the treatment and prevention of Alzheimer's disease. The Company is developing new antibacterial agents for the treatment of urinary tract and other bacterial infections in humans and for the treatment of E. coli O157:H7 contamination in meat and other food and drink products. Nymox also is developing drug treatments aimed at the causes of Alzheimer's disease. One program targets spherons, which Nymox researchers believe are a source of the senile plaques found in the brains of patients with Alzheimer's disease. Another distinct program targets the brain protein (neural thread protein) detected by its AlzheimAlert test and implicated in widespread brain cell death seen in Alzheimer's disease.

MESSAGE TO SHAREHOLDERS

Nymox is pleased to present its financial statements for the quarter ended September 30, 2004.

On July 14, Nymox announced that the new clinical trial protocol for the Company's investigational new drug NX-1207 for benign prostatic hyperplasia had been found acceptable by the FDA.

On July 28, Nymox released new data from Phase 1-2 U.S. clinical trials of NX-1207. Subjects were administered BPH symptom score rating scales (American Urological Association, AUA BPH Symptom Score) over the course of one month, during treatment with NX-1207. The AUA BPH symptom score measurement includes data on 1) sensations of incomplete emptying of the bladder; 2) need to urinate frequently; 3) stopping and starting during urination; 4) urgent need to urinate; 5) weakness of urinary stream; 6) need to push or strain during urination; and 7) urination during sleep (nocturia). At one month, the subjects treated with NX-1207 showed overall mean symptom improvement of 6.87 points (compared to 0.5 for controls), which was statistically significant ($p=0.0352$). A total of 20 men with BPH aged 45-65 were in the trials which evaluated the effect of NX-1207 over a period of 30 days. The trials were designed to include only the more difficult cases of subjects who did not respond to optimal medical therapy. Patients were assessed for the drug effect on symptoms (such as frequent urination, urination at night, difficulty with urination, etc.) and for the drug effect on prostate size measurements. Overall there was a highly significant improvement in symptom scores and shrinkage in prostate size in the 30 day studies. Prostate size reduction also reached statistical significance, at the $p=0.035$ level. There were no significant adverse side effects from the drug in these trials.

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On August 11, Nymox announced that most of the U.S. centers had been selected for the multicenter prostate Phase 2 study of NX-1207, the company's investigational drug for benign prostatic hyperplasia (BPH).

On September 8, Nymox announced one year follow-up results from Phase 2 testing of NX-1207, the Company's investigational new drug for benign prostatic hyperplasia (BPH). The trial data indicated that at one year's follow-up, there was symptomatic improvement in the individuals treated with NX-1207. Patients in the trial of NX-1207 were administered AUA Symptom Score evaluations after one year. The mean AUA score in patients treated with NX-1207 showed an 8.8 point improvement compared to controls. This reached statistical significance and exceeded results from the most recent Phase 1-2 30 day study of NX-1207 reported by Nymox earlier in 2004. In the latter study there was a 6.9 point improvement in AUA score.

On July 27, Nymox announced that growing attention has been given to the findings of recent studies which have shown that the use of statin drugs is associated with dramatic reduction in the incidence of Alzheimer's Disease (AD). An article in *Fortune* magazine (August 9, 2004) highlighted the strong future for statins, including the possibilities of use in AD. According to a lead story in the September 13 2004 issue of *Physician's Weekly*, there is now considerable epidemiological evidence suggesting that statins, a class of widely prescribed cholesterol-lowering drugs, can reduce risk of Alzheimer's disease and possibly slow its progression. The story, "Statins: The Emerging Indications," outlines the encouraging evidence and notes that further large trials studying statins and Alzheimer's disease are now in progress. *Physician's Weekly* is a weekly medical news publication widely distributed to major American hospitals and estimated to be read by over

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200,000 physicians.

In September, Nymox started working with the firm Porter, Le Vay & Rose, Inc. (PLR) for investor relations. PLR has an excellent reputation and the Company is pleased to be working with them. Dr. M. Munzar is no longer with the Company. The Company also continues its association with Sitrick & Co. for media relations work.

On October 7, Nymox announced the signing of a licensing agreement with Health Canada for the licensing of patent rights and technology for the treatment of deadly *E. coli* O157:H7 bacteria in cattle. Health Canada is the Canadian government health department. The licensing agreement is part of a collaboration with Dr. Roger Johnson and the Laboratory for Foodborne Zoonoses in Guelph, Ontario for the research and development of novel animal and related treatments for *E. coli* O157:H7, a bacteria implicated in contamination of meat products and of drinking water supplies.

On July 20, Nymox announced that a newly completed clinical study had shown that the Company's AlzheimerAlert urine test has new clinical utility in the assessment of patients with symptoms of dementia. The study found in cases with confirmed cerebral vascular abnormalities associated with the mental symptoms, that the AlzheimerAlert test values were significantly lower than in cases of Alzheimer's Disease (AD). This represents an entirely new use of the neural thread protein (NTP) AlzheimerAlert urine test. The new study found that 18 out of 20 consecutive examples of blinded coded confirmed vascular cases had AlzheimerAlert values out of the range of AD cases. These findings reached statistical significance. In the new study, individuals from several independent U.S. institutions provided blinded coded urine samples which were tested in Nymox's CLIA certified Clinical Reference Laboratory in Maywood, New Jersey. The subjects were evaluated and were given CT and MRI scans, which were read by different specialists in the individual institutions. Although the cases with vascular abnormalities were symptomatic and had cognitive deficits, their urine tests (in 90%) remained within the normal range. Cases of AD (over 90%) had elevated NTP values.

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On August 4, the Company announced that its Pre-Market Approval (PMA) application with the FDA for the kit version of the urine NTP test was not approvable in its current form. The Company stated that this did not represent a problem with the new device, or the Company, but mainly concerned trial conduct at one clinical center out of nine. In a subsequent conference call with shareholders, the Company emphasized that this decision did not affect the Company's ability to market its AlzheimerAlert test, that the Company continued to offer AlzheimerAlertT in the U.S. through its CLIA-certified clinical reference laboratory in Maywood, New Jersey, and that the Company was taking all necessary steps to move the kit version of the test forward.

We wish to thank our over 4,000 shareholders for their valued strong support. The Nymox team has confidence in the Company's drugs, medical products, projects and technologies, and we welcome the important challenges ahead.

/s/ Paul Averbach, MD

Paul Averbach, MD
President

November 15, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS
(in US dollars)

The following discussion should be read in conjunction with the consolidated financial statements of the Company.

Overview

The business activities of the Company since inception have been devoted principally to research and development. Accordingly, the Company has had limited revenues from sales and has not been profitable to date. We refer to the Corporate Profile for a discussion of the Company's research and development projects and its product pipeline. We refer to the Risk Factors section of our 20F filed on EDGAR for a discussion of the management and investment issues that affect the Company and our industry.

Critical Accounting Policies

In December 2001, the Securities and Exchange Commission (SEC) released Cautionary Advice Regarding Disclosure About Critical Accounting Policies. According to the SEC release, accounting policies are among the most critical if they are, in management's view, most important to the portrayal of the company's financial condition and most demanding on their calls for judgement.

Our accounting policies are described in the notes to our annual audited consolidated financial statements. We consider the following policies to be the most critical in understanding the judgements that are involved in preparing our financial statements and the matters that could impact our results of operations, financial condition and cash flows.

Revenue Recognition

The Company has generally derived its revenue from product sales, research contracts, license fees and interest. Revenue from product sales is recognized when the product or service has been delivered or obligations as defined in the agreement are performed. Revenue from research contracts is recognized at the time research activities are performed under the agreement. Revenue from license fees, royalties and milestone payments is recognized upon the fulfillment of all obligations under the terms of the related agreement. These agreements may include upfront payments to be received by the Corporation. Upfront payments are recognized as revenue on a systematic basis over the period that the related services or obligations as defined in the agreement are performed. Interest is recognized on an accrual basis. Deferred revenue presented in the balance sheet represents amounts billed to and received from customers in advance of revenue recognition.

The Company currently markets AlzheimerAlert as a service provided by our CLIA certified reference laboratory in New Jersey. Physicians send urine samples taken from their patients to our laboratory where the AlzheimerAlert test is performed. The results are then reported back to the physicians. We recognize the revenues when the test has been performed. The Company sometimes enters into bulk sales of its diagnostic services to customers under which it has a future obligation to perform related testing services at its laboratory. Although the Company receives non-refundable upfront payments under these agreements, revenue is recognized in the period that the Company fulfils its obligation or over the term of the arrangement. For research contracts and licensing revenues, the Company usually enters into an agreement specifying the terms and obligations of the parties. Revenues from these sources are only recognized when there are no longer any obligations to be performed by the Company under the terms of the agreement.

Valuation of Capital Assets

The Company reviews the unamortized balance of property and equipment, intellectual property rights and patents on an annual basis and recognizes any impairment in carrying value when it is identified. Factors we consider important, which could trigger an impairment review include:

Significant changes in the manner of our use of the acquired assets or the strategy for our overall business; and

Significant negative industry or economic trends.

Valuation of Future Income Tax Assets

Management judgement is required in determining the valuation allowance recorded against net future tax assets. We have recorded a valuation allowance of \$9.4 million as of December 31, 2003, due to uncertainties related to our ability to utilize some of our future tax assets, primarily consisting of net operating losses carried forward and other unclaimed deductions, before they expire. In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income and tax planning strategies. The generation of future taxable income is dependent on the successful commercialization of its products and technologies.

Results of Operations

Nine Months Ended September 30	2004	2003	2002
Total Revenues	\$ 243,579	\$ 168,141	\$ 310,850
Net Loss	\$ (2,801,353)	\$ (2,898,542)	\$ (2,526,276)
Loss per share (basic & diluted)	\$ (0.11)	\$ (0.12)	\$ (0.11)
Total Assets	\$ 4,002,818	\$ 4,294,671	\$ 4,015,970

Quarterly Results	Q3 - 2004	Q2 - 2004	Q1 - 2004	Q4 - 2003
Total Revenues	\$ 102,325	\$ 82,999	\$ 58,255	\$ 31,991
Net Loss	\$ (695,031)	\$ (1,142,540)	\$ (963,782)	\$ (1,465,157)
Loss per share (basic & diluted)	\$ (0.03)	\$ (0.05)	\$ (0.04)	\$ (0.06)

	Q3 - 2003	Q2 - 2003	Q1 - 2003	Q4 - 2002
Total Revenues	\$ 58,356	\$ 75,326	\$ 33,544	\$ 50,058
Net Loss	\$ (847,163)	\$ (1,122,889)	\$ (928,490)	\$ (895,743)
Loss per share (basic & diluted)	\$ (0.04)	\$ (0.05)	\$ (0.04)	\$ (0.03)

Results of Operations - Q3 2004 compared to Q3 2003

Net losses were \$695,031, or \$0.03 per share, for the three months and \$2,801,353, or \$0.11 per share for the nine months ended September 30, 2004, compared to \$847,163, or \$0.04 per share, for the three months and \$2,898,542, or \$0.12 per share, for the nine months ended September 30, 2003. The weighted average number of common shares outstanding for the nine months ended September 30, 2004 was 24,789,096 compared to 23,496,559 for the same period in 2003.

Revenues

Revenues from sales amounted to \$102,325 for the three months and \$243,579 for the nine months ended September 30, 2004, compared with \$58,356 for the three months and \$167,226 for the nine months ended September 30, 2003. A steady rise in the number of new clients ordering the NicAlert / TobacAlert product account for the increase in sales. The Company expects that revenues will increase if and when product candidates pass clinical trials and are launched on the market.

Research and Development

Research and development expenditures were \$1,456,002 for the nine months ended September 30, 2004, compared with \$1,608,655 for the nine months ended September 30, 2003. For the first nine months of 2004, research tax credits amounted to \$7,975 compared to \$33,019 in 2003. Corporate activities in 2004 were more focused on clinical trials and submissions to regulatory agencies, which explain the decrease in R&D expenditures and tax credits. The Company expects that research and development expenditures will decrease as product candidates finish development and clinical trials.

Marketing Expenses

Marketing expenditures were \$176,841 for the nine months ended September 30, 2004, compared with \$146,107 for the nine months ended September 30, 2003. Increased marketing of our products accounts for the rise in expenditures. The Company expects that marketing expenditures will increase if and when new products are launched on the market.

Administrative Expenses

General and administrative expenses amounted to \$905,975 for the nine months ended September 30, 2004, compared with \$921,832 for the nine months ended September 30, 2003, due to a decrease in professional fees. The Company expects that general and administrative expenditures will increase as new product development leads to expanded operations.

Foreign Exchange

The Company incurs expenses in the local currency of the countries in which it operates, which include the United States and Canada. Approximately 75% of 2004 expenses (70% in 2003) were in U.S. dollars. Foreign exchange fluctuations had no meaningful impact on the Company's results in 2004 or 2003.

Inflation

The Company does not believe that inflation has had a significant impact on its results of operations.

Long-Term Commitments

Nymox has no financial obligations of significance other than long-term lease commitments for its premises in the United States and Canada of \$17,710 per month and ongoing research funding payments to a U.S. medical facility totaling \$43,000.

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Contractual Obligations	Total	Current	1-3 years	4-5 years
Rent	\$ 142,526	\$ 142,526	\$ 0	\$ 0
Operating Leases	\$ 35,973	\$ 12,339	\$ 21,125	\$ 2,509
Other Long Term Obligations	\$ 43,000	\$ 43,000	\$ 0	\$ 0
Total Contractual Obligations	\$ 221,499	\$ 197,925	\$ 21,125	\$ 2,509

Results of Operations Q3 2003 compared to Q3 2002

Net losses were \$847,163, or \$0.04 per share, for the three months and \$2,898,542, or \$0.12 per share, for the nine months ended September 30, 2003 compared to \$799,681, or \$0.04 per share, and \$2,526,276, or \$0.11 per share, for the same periods in 2002. The weighted average number of common shares outstanding for the nine months ending September 30, 2003 was 23,496,559 compared to 22,574,262 for the same period in 2002.

Revenues

Revenues from sales amounted to \$58,356 for the three months and \$167,226 for the nine months ended September 30, 2003, compared with \$70,841 and \$306,104 for the same periods in 2002. The reduction in revenues from bulk orders for AlzheimerAlert (decrease 52%) and NicAlert (decrease 57%) accounted for the decrease in the first nine months of 2003, compared to 2002.

Research and Development

Research and development expenditures were \$1,608,655 for the nine months ended September 30, 2003, compared with \$1,241,631 for the same period in 2002. The increase is attributable to higher spending in the development of the therapeutic products in the Company's pipeline. During the first nine months of 2003, research tax credits amounted to \$33,019 compared to \$13,225 for the same period in 2002. The increase is attributable to an increase in expenses that are eligible for government incentives.

Marketing Expenses

Marketing expenditures decreased to \$146,107 for the nine months ended September 30, 2003, compared to \$197,491 for the same period in 2002. The decrease is attributable to planned reductions in costs relating to marketing agreements.

Administrative Expenses

General and administrative expenses decreased to \$921,832 for the nine months ended June 30, 2003, compared with \$960,620 for the same period in 2002, due to lower professional fees.

Financial Position

Liquidity and Capital Resources

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As of September 30, 2004, cash totaled \$350,848 and receivables including tax credits totaled \$91,212. In August 2003, the Corporation signed a new common stock private purchase agreement, whereby an investor is committed to purchase up to \$12 million of the Corporation's common shares over a twenty-four month period commencing August 25, 2003. As at September 30, 2004, twelve drawings were made under this purchase agreement, for total proceeds of \$4,350,000. Specifically, on September 30, 2003, 204,918 common shares were issued at a price of \$2.44 per share. On October 21, 2003, 182,203 common shares were issued at a price of \$2.36 per share. On December 8, 2003, 106,383 common shares were issued at a price of \$2.82 per share. On December 22, 2003, 109,091 common shares were issued at a price of \$2.75 per share. On January 14, 2004, 102,041 common shares were issued at a price of \$3.92 per share. On February 27, 2004, 69,284 common shares were issued at a price of \$4.33 per share. On March 10, 2004, 100,402 common shares were issued at a price of \$4.98 per share. On April 30, 2004, 92,807 common shares were issued at a price of \$4.31 per share. On June 22, 2004, 69,444 common shares were issued at a price of \$2.88 per share. On July 7, 2004, 140,056 common shares were issued at a price of \$3.57 per share. On August 3, 2004, 130,990 common shares were issued at a price of \$3.13 per share. On September 27, 2004, 52,885 common shares were issued at a price of \$2.08 per share. The Company negotiated a new agreement with the same investor on October 6, 2004, under the same terms and conditions of the previous agreement. The Company can draw down \$13,000,000 over 24 months under the new agreement. The Company intends to access financing under this agreement when appropriate to fund its research and development. The Company believes that funds from operations as well as from existing financing agreements will be sufficient to meet the Company's cash requirements for the next twelve months.

This message contains certain forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. There can be no assurance that such statements will prove to be accurate and the actual results and future events could differ materially from management's current expectations. Such factors are detailed from time to time in Nymox's filings with the Securities and Exchange Commission and other regulatory authorities.

Consolidated Financial Statements of (Unaudited)

NYMOX PHARMACEUTICAL CORPORATION

Periods ended September 30, 2004, 2003 and 2002

NYMOX PHARMACEUTICAL CORPORATION

Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002

Financial Statements

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NYMOX PHARMACEUTICAL CORPORATION

Consolidated Balance Sheets
(Unaudited)

September 30, 2004, with comparative figures as at December 31, 2003
(in US dollars)

	September 30, 2004	December 31, 2003
Assets		
Current assets:		
Cash	\$ 350,848	\$ 605,603
Accounts receivable	50,218	27,503
Research tax credits receivable	40,994	33,019
Inventories	50,412	66,547
Prepaid expenses and deposits	17,500	15,000
	<hr/> 509,972	<hr/> 747,672
Long-term security deposit	--	17,500
Long-term receivables	70,000	70,000
Property and equipment	123,388	133,161
Patents and intellectual property	3,299,458	3,034,529
	<hr/> \$ 4,002,818	<hr/> \$ 4,002,862
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,316,569	\$ 1,218,234
Notes payable	500,000	500,000
Deferred revenue	28,535	5,930
	<hr/> 1,845,104	<hr/> 1,724,164
Non-controlling interest	800,000	800,000
Shareholders' equity:		
Share capital (note 2)	35,703,350	32,503,600
Warrants and options	55,384	336,438

Additional paid-in capital	550,866	85,200
Deficit	(34,951,886)	(31,446,540)
	1,357,714	1,478,698
Contingencies (note 6)		
Subsequent events (note 7)		
	\$ 4,002,818	\$ 4,002,862

See accompanying notes to unaudited consolidated financial statements.

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NYMOX PHARMACEUTICAL CORPORATION

Consolidated Statements of Operations
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

	Three months ended September 30,			Nine months ended September 30,		
	2004	2003	2002	2004	2003	2002
Revenue:						
Sales	\$ 102,325	\$ 58,356	\$ 70,841	\$ 243,579	\$ 167,226	\$ 306,104
Interest	--	60	974	--	915	4,746
	102,325	58,416	71,815	243,579	168,141	310,850
Expenses:						
Research and development	305,730	444,637	326,696	1,456,002	1,608,655	1,241,631
Less investment tax credits	(2,987)	--	(3,436)	(7,975)	(33,019)	(13,225)
	302,743	444,637	323,260	1,448,027	1,575,636	1,228,406
General and administrative	239,243	247,154	350,389	905,975	921,832	960,620
Depreciation and amortization	113,762	102,982	101,528	320,282	300,138	291,936
Marketing	56,486	65,226	56,489	176,841	146,107	197,491
Cost of sales	75,466	38,630	40,281	163,876	103,717	159,287
Interest and bank charges	9,656	6,950	(451)	29,931	19,253	32,286
	797,356	905,579	871,496	3,044,932	3,066,683	2,870,026
Gain on disposal of property						

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and equipment	--	--	--	--	--	32,900
Net loss	\$ (695,031)	\$ (847,163)	\$ (799,681)	\$ (2,801,353)	\$ (2,898,542)	\$ (2,526,276)
Loss per share (basic and diluted) (note 3)	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.11)	\$ (0.12)	\$ (0.11)
Weighted average number of common shares outstanding	25,048,448	23,758,316	22,756,334	24,789,096	23,496,559	22,574,262

See accompanying notes to unaudited consolidated financial statements.

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NYMOX PHARMACEUTICAL CORPORATION

Consolidated Statements of Deficit
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

	Three months ended September 30,			Nine months ended September 30,		
	2004	2003	2002	2004	2003	2002
Deficit, beginning of period:						
As previously reported	\$ (34,204,550)	\$ (29,029,081)	\$ (25,080,682)	\$ (31,326,826)	\$ (26,742,308)	\$ (23,153,447)
Adjustment to reflect change in accounting for amortization of patents (note 1 (b) (ii))	--	--	--	(119,714)	(129,125)	(138,536)
Sub-total	(34,204,550)	(29,029,081)	(25,080,682)	(31,446,540)	(26,871,433)	(23,291,983)
Adjustment to reflect change in accounting policy for employee stock options (note 1 (b) (i))	--	--	--	(548,164)	--	--

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Deficit restated	(34,204,550)	(29,029,081)	(25,080,682)	(31,994,704)	(26,871,433)	(23,291,983)
Net loss	(695,031)	(847,163)	(799,681)	(2,801,353)	(2,898,542)	(2,526,276)
Share issue costs	(52,305)	(26,458)	(63,705)	(155,829)	(132,727)	(125,809)
Deficit, end of period	\$ (34,951,886)	\$ (29,902,702)	\$ (25,944,068)	\$ (34,951,886)	\$ (29,902,702)	\$ (25,944,068)

See accompanying notes to unaudited consolidated financial statements.

NYMOX PHARMACEUTICAL CORPORATION

Consolidated Statements of Cash Flows
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

	Three months ended September 30,			Nine months ended September 30,		
	2004	2003	2002	2004	2003	2002
Cash flows from operating activities:						
Net loss	\$ (695,031)	\$ (847,163)	\$ (799,681)	\$ (2,801,353)	\$ (2,898,542)	\$ (2,526,276)
Adjustments for:						
Depreciation and amortization	113,762	102,982	101,528	320,282	300,138	291,936
Stock-based compensation	4,055	--	--	12,165	--	--
Write-down of deferred share issue costs	--	--	17,699	--	--	88,495
Services paid with common shares	--	--	--	--	--	32,420
Gain on disposal of property and equipment	--	--	--	--	--	(32,900)
Net change in operating						

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assets and liabilities	(254,108)	193,964	(32,099)	121,385	(25,378)	194,068
	(831,322)	(550,217)	(712,553)	(2,347,521)	(2,623,782)	(1,952,257)
Cash flows from financing activities:						
Proceeds from issuance of share capital	1,020,000	960,000	803,400	2,824,033	3,066,000	2,282,400
Share issue costs	(52,305)	(26,458)	(63,705)	(155,829)	(132,727)	(125,809)
Repayment of notes payable	--	--	(19,645)	--	(322,436)	(396,775)
Proceeds from issuance of notes payable	--	300,000	--	--	300,000	344,872
	967,695	1,233,542	720,050	2,668,204	2,910,837	2,104,688
Cash flows from investing activities:						
Additions to property and equipment and intangibles	(149,432)	(99,808)	(143,351)	(575,438)	(178,220)	(295,089)
Proceeds on disposal of property and equipment	--	--	--	--	--	32,900
	(149,432)	(99,808)	(143,351)	(575,438)	(178,220)	(262,189)
Net increase (decrease) in cash	(13,059)	583,517	(135,854)	(254,755)	108,835	(109,758)
Cash, beginning of period	363,907	185,947	515,083	605,603	660,629	488,987
Cash, end of period	\$ 350,848	\$ 769,464	\$ 379,229	\$ 350,848	\$ 769,464	\$ 379,229
Supplemental disclosure to statements of cash flows:						
(a) Interest paid	\$ 9,656	\$ 6,950	\$ --	\$ 29,931	\$ 19,253	\$ 32,286
(b) Non-cash transactions:						
Acquisition of Serex, Inc. by issuance of common shares	--	--	--	--	--	3,098
Cashless exercise of warrants	--	--	--	375,717	--	--

See accompanying notes to unaudited consolidated financial statements.

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

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Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

Nymox Pharmaceutical Corporation (the Corporation), incorporated under the Canada Business Corporations Act, including its subsidiaries, Nymox Corporation, a Delaware Corporation, and Serex Inc. of New Jersey, is a biopharmaceutical corporation which specializes in the research and development of products for the diagnosis and treatment of Alzheimer's disease. The Corporation is currently marketing AlzheimerAlert, a urinary test that aids physicians in the diagnosis of Alzheimer's disease. The Corporation also markets NicAlert and TobacAlert, tests that use urine or saliva to detect the use of tobacco products. The Corporation is also developing therapeutics for the treatment of Alzheimer's disease, new treatments for benign prostate hyperplasia, and new anti-bacterial agents for the treatment of urinary tract and other bacterial infections in humans, including a treatment for E-coli 0157:H7 bacterial contamination in meat and other food and drink products.

Since 1989, the Corporation's activities and resources have been primarily focused on developing certain pharmaceutical technologies. The Corporation is subject to a number of risks, including the successful development and marketing of its technologies. In order to achieve its business plan and the realization of its assets and liabilities in the normal course of operations, the Corporation anticipates the need to raise additional capital and/or achieve sales and other revenue generating activities. Management believes that funds from operations as well as existing financing facilities will be sufficient to meet the Corporation's requirements for the next year.

The Corporation is listed on the NASDAQ Stock Market.

1. Basis of presentation:

(a) Interim financial statements:

The consolidated financial statements of the Corporation have been prepared under Canadian generally accepted accounting principles. The unaudited consolidated balance sheet as at September 30, 2004 and the unaudited consolidated statements of operations, deficit and cash flows for the three and nine-month periods ended September 30, 2004, 2003 and 2002 reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results of the interim periods presented. The results for any quarter are not necessarily indicative of the results for the full year. The interim consolidated financial statements follow the same accounting policies and methods of application as described in note 2 of the annual consolidated financial statements for the year ended December 31, 2003, except as described below. The interim consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the most recent annual consolidated financial statements of the Corporation as at and for the year ended December 31, 2003.

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

1. Basis of presentation (continued):

(b) Changes in accounting policies:

(i) Stock-based compensation:

Prior to January 1, 2004, the Corporation applied the fair value based method of accounting prescribed by the Canadian Institute of Chartered Accountants (CICA) only to stock-based payments to non-employees, employee awards that were

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direct awards of stock, call for settlement in cash or other assets, and to employee stock appreciation rights; the Corporation applied the settlement method of accounting to employee stock options. Under the settlement method, any consideration paid by employees on the exercise of stock options is credited to share capital and no compensation cost is recognized.

The CICA has amended Handbook Section 3870, *Stock-based Compensation and Other Stock-based Payments*, to require entities to account for employee stock options using the fair value based method, beginning January 1, 2004. Under the fair value based method, compensation cost is measured at fair value at the date of grant and is expensed over the award's vesting period. In accordance with one of the transitional options permitted under amended Section 3870, the Corporation has retroactively applied the fair value based method to all employee stock options granted on or after January 1, 2002 without restatement of prior periods. The cumulative effect of the change in accounting policy of \$548,164 has been recorded as an increase in the opening deficit and additional paid-in capital at January 1, 2004.

(ii) Amortization of patents:

The Corporation has amended its method of amortizing patent costs to be consistent with the treatment followed by the Corporation under United States generally accepted accounting principles (GAAP). Certain patents were initially amortized by the Corporation commencing in the year of commercialization of the developed products for Canadian GAAP purposes. The Corporation now amortizes all patents over the legal life of the patents from the date the patent is secured. This change has been applied retroactively and has decreased amounts previously reported for patents and intellectual property on the consolidated balance sheet at December 31, 2003 by \$119,714 and increased the accumulated deficit at December 31, 2003 by \$119,714. The change did not have a material impact on the statements of operations for the periods presented.

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NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

1. Basis of presentation (continued):

(b) Changes in accounting policies (continued):

(iii) Impairment and disposal of long-lived assets:

In December 2002, the CICA issued Handbook Section 3063, *Impairment or Disposal of Long-Lived Assets* and revised Section 3475, *Disposal of Long-Lived Assets and Discontinued Operations*. Together, these two sections supersede the write-down and disposal provisions of Section 3061, *Property, Plant and Equipment* as well as Section 3475, *Discontinued Operations*.

Section 3063 amends existing guidance on long-lived asset impairment measurement and establishes standards for the recognition, measurement and disclosure of the impairment of long-lived assets held for use by the Corporation. It requires that an impairment loss be recognized for long-lived assets, consisting of property and equipment and intangible assets with definite useful lives, when the carrying amount of an asset to be held and used exceeds the sum of the undiscounted cash flows expected from its use and disposal; the impairment recognized is measured as the amount by which the carrying amount of the net asset exceeds its fair value. Section 3475 provides a single accounting model for long-lived assets to be disposed of by sale. Section 3475 provides specified criteria for classifying an asset as held-for-sale and requires assets

classified as held-for-sale to be measured at the lower of their carrying amounts or fair value, less costs to sell. Section 3475 also broadens the scope of businesses that qualify for reporting as discontinued operations to include any disposals of a component of an entity, which comprises operations and cash flows that can be clearly distinguished from the rest of the Corporation and changes the timing of recognizing losses on such operations.

On January 1, 2004, the Corporation adopted Section 3063 on the impairment of long-lived assets held for use and the revised standards contained in Section 3475 on disposal of long-lived assets and discontinued operations. There was no impact on the Corporation's financial statements as a result of adopting these recommendations.

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

2. Share capital:

- (a) Share capital transactions during the period were as follows:

	Number	Dollars
Balance, December 31, 2003	24,401,159	\$ 32,503,600
Issued for cash pursuant to common stock private purchase agreement (i)	757,909	2,820,000
Issued pursuant to the exercise of warrants (ii):		
For cash	1,090	4,033
Ascribed value from other capital and cashless exercise	21,351	375,717
Balance, September 30, 2004	25,181,509	\$ 35,703,350

- (i) Common Stock Private Purchase Agreement:

In August 2003, the Corporation entered into a Common Stock Private Purchase Agreement with an investment company (the Purchaser) that establishes the terms and conditions for the purchase of common shares by the Purchaser. In general, the Corporation can, at its discretion, require the Purchaser to purchase up to \$12 million of common shares over a twenty-four-month period based on notices given by the Corporation.

The number of shares to be issued in connection with each notice shall be equal to the amount specified in the notice divided by 97% of the average price of the Corporation's common shares for the five days preceding the giving of the notice. The maximum amount of each notice is \$500,000 and the minimum amount is \$150,000. The Corporation may terminate the agreement before the 24-month term if it has issued at least \$8 million of common shares under the agreement.

In the three-month period ended September 30, 2004, the Corporation issued 323,931 common shares to the Purchaser for aggregate proceeds of \$1,020,000 under the agreement. In the nine-month period ended September 30, 2004, the Corporation issued 757,909 common shares to the Purchaser for aggregate proceeds of \$2,820,000. At September 30, 2004, the Corporation can require the Purchaser to purchase up to \$7,650,000 of common shares over the remaining 10 months of the agreement.

On October 6, 2004, the Corporation signed a new Common Stock Private Purchase Agreement with the Purchaser. See subsequent event note 7.

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

2. Share capital (continued):

(a) Share capital transactions during the period were as follows (continued):

(ii) Exercise of warrants:

In the nine-month period ended September 30, 2004, the Corporation issued 1,090 common shares upon the exercise of 1,090 Series J warrants. In addition, the Corporation issued 16,953 common shares pursuant to a cashless exercise of 109,879 Series G warrants and 4,398 common shares pursuant to a cashless exercise of 22,061 Series J warrants. The value credited to share capital of \$375,717 represents the ascribed value of \$281,054 of the warrants exercised previously recorded by the Corporation on the consolidated balance sheet, as well as the fair value of \$94,663 of the 21,351 common shares issued to the warrant holders upon exercise.

The fair value of the common shares issued to settle the exercise of the warrants was recorded as an increase to additional paid-in capital.

(b) Warrants and options:

Changes in outstanding warrants and options during the period were as follows:

	Warrants	Options
Outstanding warrants and options, December 31, 2003	611,860	2,130,500
Exercised	(133,030)	--
Expired	(93,334)	(79,000)
Outstanding warrants and options, September 30, 2004	385,496	2,051,500

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During the period, 109,879 Series G and 23,151 Series J warrants were exercised. In addition, the 66,667 Series H and 26,667 Series I warrants expired, as well as 79,000 options with a weighted average exercise price of \$6.41 per share.

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NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

3. Stock-based compensation:

No options were granted by the Corporation in the three and nine-month periods ended September 30, 2004. The Corporation recorded total stock-based compensation of \$4,055 for the three months ended September 30, 2004 and \$12,165 for the nine months ended September 30, 2004 for options granted to employees in 2003, which are included in marketing expenses on the consolidated statement of operations. Stock-based compensation in fiscal 2004 relates to the amortization of compensation cost for options granted in 2003 over the vesting periods.

If the fair value-based accounting method had been used to measure and account for stock-based compensation costs relating to exempt options issued to employees in the periods ended June 30, 2003 and 2002, the net earnings and related earnings per share figures would be as follows:

	Three months ended September 30		Nine months ended September 30	
	2004	2003	2004	2003
Reported net loss	\$ (695,031)	\$ (847,163)	\$ (2,801,353)	\$ (2,898,542)
Pro forma adjustments to compensation expense	--	(5,064)	--	(7,691)
Pro forma net loss	\$ (695,031)	\$ (852,227)	\$ (2,801,353)	\$ (2,906,233)
Pro forma loss per share (basic and diluted)	\$ (0.03)	\$ (0.04)	\$ (0.11)	\$ (0.12)

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

4. Canadian/US reporting differences:

- (a) Consolidated statements of earnings:

The reconciliation of earnings reported in accordance with Canadian GAAP with U.S. GAAP is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2004	2003	2002	2004	2003	2002
Net loss, Canadian GAAP	\$ (695,031)	\$ (847,163)	\$ (799,681)	\$ (2,801,353)	\$ (2,898,542)	\$ (2,526,276)
Stock-based compensation options granted to non-employees (i)	(10,285)	(10,285)	(10,285)	(30,855)	(30,855)	(30,855)
Net loss, U.S. GAAP	\$ (705,316)	\$ (857,448)	\$ (809,966)	\$ (2,832,208)	\$ (2,929,397)	\$ (2,557,131)
Loss per share, U.S. GAAP	\$ (0.03)	\$ (0.04)	\$ (0.04)	\$ (0.11)	\$ (0.12)	\$ (0.11)

The weighted average number of common shares outstanding for purposes of determining basic and diluted loss per share is the same amount as the one disclosed for Canadian GAAP purposes.

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

4. Canadian/US reporting differences (continued):

(b) Consolidated shareholders' equity:

The reconciliation of shareholders' equity reported in accordance with Canadian GAAP with U.S. GAAP is as follows:

	September 30, 2004	December 31, 2003
Shareholders' equity, Canadian GAAP, restated, note 1 (b) (ii)	\$ 1,357,714	\$ 1,478,698
Adjustments:		
Stock-based compensation - options granted to non-employees (i):		
Cumulative compensation expense	(1,373,718)	(1,342,863)
Additional paid-in capital	1,426,281	1,395,426
Change in reporting currency (ii)	(62,672)	(62,672)
	(10,109)	(10,109)
Shareholders' equity, U.S. GAAP	\$ 1,347,605	\$ 1,468,589

(i) In accordance with FAS 123, *Accounting for Stock-Based Compensation*, compensation related to the stock options granted to non-employees prior to January 1, 2002 has been recorded in the accounts based on the fair value of the stock options at the grant date.

(ii) The Corporation adopted the US dollar as its reporting currency effective January 1, 2000. For Canadian GAAP purposes, the financial information for prior periods has been translated into US dollars at the December 31, 1999 exchange rate. For United States GAAP reporting purposes, assets and liabilities for periods prior to January 1, 2000 have been translated into US dollars at the ending exchange rate for the respective period and the statement of operations at the average exchange rate for the respective period.

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

5. Segment disclosures:

Geographic segment information is as follows:

	Canada	United States
Revenues:		
2004	\$ 2,213	\$ 241,366
2003	3,231	164,910
2002	5,334	305,516
Net loss:		
2004	(2,368,841)	(432,512)
2003	(2,471,743)	(426,799)
2002	(2,162,745)	(363,531)
Property and equipment, patents and intellectual property:		
September 30, 2004	3,135,430	287,416
December 31, 2003	2,875,205	292,485

6. Contingencies:Litigation

A shareholder served the Corporation with a Statement of Claim filed with the Ontario Superior Court of Justice claiming to be entitled to the issuance of 388,797 additional shares in accordance with repricing provisions contained in a 2000 private placement agreement and to damages of \$4,000,000 for lost opportunity to sell these shares. In October 2003, the Corporation filed an action against the shareholder, certain private investors, their agents and others in the United States District Court of the Southern District of New York. The complaint alleged that the defendants, *inter alia*, violated federal securities laws, breached their contractual commitments and/or breached their fiduciary duties toward the Corporation.

The Corporation reached an agreement to settle its litigation in Ontario and in the United States District Court of the Southern District of New York with a shareholder and certain private investors, their agents and others. The agreement resulted in the dismissal of all outstanding actions between the parties. The terms of the settlement are confidential but do not require the Corporation to issue further shares or pay any damages or significant legal fees.

NYMOX PHARMACEUTICAL CORPORATION

Notes to Consolidated Financial Statements
(Unaudited)

Periods ended September 30, 2004, 2003 and 2002
(in US dollars)

6. Contingencies (continued):

Demand of arbitration

In March 2002, a former employee filed a demand for arbitration with the American Arbitration Association concerning the termination of her employment with the Corporation. The employee was claiming damages of up to \$498,000 plus attorney's fees and costs, based upon alleged violations of New Jersey law and breach of an employment agreement. Subsequently, in October 2002, the former employee filed a complaint in the New Jersey Superior Court concerning the termination of her employment with the Corporation. The complaint claimed unspecified damages.

The Corporation reached a confidential settlement agreement in its litigation in New Jersey with the former employee. The settlement of these claims was recorded in the accounts in the second quarter.

7. Subsequent events:

On October 6, 2004, the Corporation entered into a new Common Stock Private Purchase Agreement (the Agreement) with the Purchaser referred to in note 2 (a) (i). Under the agreement, the Corporation can, as its discretion, require the Purchaser to purchase up to \$13 million of common shares, from the date of the agreement to October 2006, under the same terms and conditions as the previous agreement.

On October 18, 2004, the Corporation issued 95,238 common shares, pursuant to the Agreement, for a cash consideration of \$200,000.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NYMOX PHARMACEUTICAL CORPORATION
(Registrant)

By: /s/ Paul Averbach

SIGNATURES

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**NYMOX PHARMACEUTICAL CORPORATION
(Registrant)**

Paul Averback
President and Chief Executive Officer

Date: November 15, 2004

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Common Stock Private Purchase Agreement, dated as of October 6, 2004, by and between Nymox Pharmaceutical Corporation and Lorros-Greyse Investments, Ltd.