NYMOX PHARMACEUTICAL CORP
Form 6-K
March 15, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

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

For the period ended December 31, 2006

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 _X_ 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)(l): ___

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 _X_

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 developing NX-1207, a novel treatment for benign prostatic hyperplasia. NX-1207 has shown positive results in Phase 1 and 2 clinical trials in the U.S. The Company successfully completed a 43 site randomized prospective placebo controlled U.S. clinical trial of NX-1207, which showed statistically significant efficacy and a good safety profile. The Company is developing new treatments for bacterial infections in humans and for the treatment of E. coli O157:H7 contamination in food products. Nymox has candidates which are under development as drug treatments aimed at the causes of Alzheimer s disease, and has several other drug candidates 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. Nymox developed and is currently offering its 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. The AlzheimAlert test is certified with a CE Mark, making the device eligible for sale in the European Union. Nymox has signed distribution deals for AlzheimAlert with several companies in Europe. 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) and is also certified with a CE Mark in Europe. TobacAlert is the first test of its kind to accurately measure second hand smoke exposure in individuals.

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CORPORATE INFORMATION

Directors & Corporate Officers

Paul Averback M.D., D.A.B.P.	- C.E.O., President and Chairman
Roy M. Wolvin	- CFO
Jack Gemmell LL.B.	- General Counsel and Director
Brian Doyle B.Sc., M.B.A.	- Senior Manager, Global Sales and Marketing
Celine Dupuis MD	- Chief Clinical Officer
Randall Lanham ESQ	- Director
Paul McDonald	- Director
Roger Guy, M.D.	- Director
Prof. David Morse Ph.D.	- Director
Auditors	KPMG LLP
Legal Counsel	Foley & Lardner
Transfer Agent	Computershare Investor Services
Bankers	CIBC / Bank of America
Stock Exchange Listings	The NASDAQ Stock Market
Stock Trading Symbol	NASDAQ - NYMX
Operating Facilities	777 Terrace Avenue Hasbrouck Heights, NJ, USA, 07604 9900 Cavendish Blvd. St.-Laurent, PQ, Canada H4M 2V2
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MESSAGE TO SHAREHOLDERS

Nymox is pleased to present its audited financial statements for its fiscal year ended December 31, 2006.

On January 23, Nymox reported that the Independent Data Monitoring Committee for the Company s pivotal trial of NX-1207 for benign prostatic hyperplasia (BPH) had given a positive recommendation based on evaluation of the data in the Company s Phase 2 trial. The Independent Data Monitoring Committee is an arm s length independent body which examined unblinded trial results and reached a favorable conclusion, and recommended continuation of the trial.

On May 16, Nymox reported new long term efficacy results from the earlier open-label Phase 1-2 testing of NX-1207. Patients in the trial of NX-1207 who were available for follow-up were administered AUA Symptom Score evaluations after periods of 29-34 months post treatment. The mean AUA score in patients treated with NX-1207 showed a 6.9 point greater improvement compared to controls. This exceeded results from the initial 30 day study of NX-1207 previously reported. 75% of the subjects in the trial were available for follow-up. Of these, 57% of the subjects treated with NX-1207 required no further treatment for BPH symptoms, and showed a mean improvement of 7.2 points in AUA scores. The remaining group of subjects (43%) received other BPH treatments (other approved available drugs or procedures) after their initial treatment with NX-1207. The latter group showed an initial mean improvement with NX-1207 of 10 points, which was greater than their subsequent response to other treatments (mean improvement of 0.3 points). There were no serious safety issues reported in individuals treated with NX-1207.

On June 9, Nymox announced that patient dosing in the Company s multi-center Phase 2 clinical trial of NX-1207 was completed. On June 27, Nymox reported that the Company s new updated Safety Committee review of safety data for the multi-center U.S. Phase 2 trial of NX-1207 had revealed no serious drug side effects.

On September 19, Nymox announced positive efficacy and safety results from the completed Phase 2 trial of NX-1207 for benign prostatic hyperplasia (BPH). 43 clinical trial sites across the U.S. and 175 subjects participated in the prospective randomized double-blind, placebo controlled trial. Overall, patients treated with NX-1207 showed a total pooled mean improvement of 9.35 points in the primary outcome endpoint of AUA Symptom Score values, which reached statistical significance when compared with the placebo control (p=.017). The mean improvements in AUA Symptom Score for each of the 3 doses used in the trial ranged from 8.10 to 11.03 points with statistical significance measures of p=.015 to 0.17. Published studies of currently approved drugs for BPH show AUA Symptom Score improvement in the 3.5 to 5 point range. The AUA Symptom Score is a standardized measurement of BPH symptoms and 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). The treated subjects also showed an overall significant reduction in mean prostate volume (secondary outcome) of 11.7% (6.84 grams; p=.02). The results of the trial demonstrated the excellent safety and side effect profile of NX-1207. Subjects treated with NX-1207 had no serious side effects from the drug. In particular, patients given NX-1207 had no (0%) significant sexual side effects. Patients were enrolled who had AUA Symptom Score values of = 15 points and prostate volumes of = 40 grams. Patients were assessed by medical and symptom evaluation, prostate volume studies, uroflow measurements, laboratory and safety parameters at baseline and repeatedly over the course of 3 months. Outcome variables were based on analysis after 3 months.

On January 20, Nymox announced that positive results from successful clinical studies of the Company s AlzheimAlert test were presented at the Annual Symposium of the American Medical Directors Association in Dallas. Study results were presented by first author Dr. Ira Goodman of the Orlando Regional Healthcare System. Dr. Goodman was a principal investigator in the reported studies and is Chairman of the Department of Neurology of the Orlando Regional Healthcare System, and Director of the Memory Disorder Clinic and Associate Clinical Professor in the Department of Medicine at the University of Florida School of Medicine. In addition to data, several specific case histories in the presentation highlighted the usefulness of the AlzheimAlert technology. The presentation also included cases where the AlzheimAlert accuracy was confirmed by longer clinical follow-up and by brain biopsy. On May 2, Nymox announced that positive results from successful clinical studies of the Company s AlzheimAlert test were presented at the Annual Meeting of the American Psychiatric Association held in Toronto from May 20 to 25, 2006. Recognized worldwide, the American Psychiatric Association has over 35,000 U.S. and international member physicians.

On February 13, Nymox announced that it has entered into an agreement with Lab21 Limited for the provision of Nymox s AlzheimAlert testing in the U.K. Lab21 provides technically advanced clinical testing services for the pharmaceutical industry and healthcare providers in the U.K. through its extensive, fully accredited laboratory facilities in Cambridge, England. On June 14, Nymox announced that it had entered into an agreement with Kyung Min Meditech Co., Ltd. for the marketing and sale of the Company s AlzheimAlert kit in the Korean Republic. Kyung Min Meditech is a Korean medical device distributor headquartered in Seoul, Korea.

On October 4, Nymox announced the publication of a peer-reviewed report on the successful results of a multi-center double blind independent clinical study of the Company s urinary AlzheimAlert test in the *Journal of the American Medical Directors Association* (www.jamda.com). The newly published independent peer-review study from 8 prestigious centers across the U.S. found the level of accuracy of the Alzheimalert urine

test to be over 90%. The study was double-blind and involved expert assessments and state of the art clinical correlations and continued evaluations. The article, A Multi-Center Blinded Prospective Study of Urine Neural Thread Protein Measurements in Patients With Suspected Alzheimer s Disease, was authored by Dr. Ira Goodman of Orlando Regional Healthcare System, Dr. Greg Golden of Thomas Jefferson University Medical School, Dr. Stephen Flitman of 21st Century Neurology, Phoenix AZ, Dr. Kevin Xie of Centra Care Clinic, St. Cloud MN, Dr. Zinaida Lebedeva of University Hospitals Health Care System, Beachwood OH, Dr. Alireza Minagar of Louisiana State University Health Sciences Center, Shreveport LA, Dr. Earl Zimmerman of Albany Medical College, Albany NY, Dr. Ralph Richter of University of Oklahoma, Tulsa OK, and Dr. Susanna Levy, Matthew McConville and Dr. Paul Averback of Nymox Corp.

Researchers at the Centers for Disease Control and Prevention (CDC) authored a study in the peer-review literature using NicAlert (*Journal of Analytical Toxicology* November/December, 2005; 29: 814-818). In the CDC study, NicAlert measurements correlated well with the far more complex laboratory testing (liquid chromatography-mass spectrometry) used in the CDC laboratory.

Other independent peer-reviewed studies have also found the technology employed in NicAlert to be accurate, rapid and cost-effective. One study, (*Cancer Epidemiology, Biomarkers & Prevention* 2002; 11: 1123-1125) found that the results obtained using Nymox s tobacco product exposure test had an excellent agreement with state-of-the-art sophisticated laboratory measurements but at a substantially lower cost (over 90% less). Another study, (*Nicotine & Tobacco Research* 2002; 4: 305-9) found Nymox s product to be an inexpensive and rapid method to routinely biochemically confirm smoking status at a clinical visit .

On January 25, Nymox announced that NicAlert , the Company s tobacco exposure test, had achieved certification with the CE Mark. The CE Mark indicates that the product complies with EU safety, environmental, and quality standards and makes the product eligible for sale in the European Union. NicAlert previously received clearance from the U.S. Food and Drug Administration for determining smoking status for medical uses in the U.S. Nymox has satisfactorily completed the testing and registration required to obtain CE Marking for the NicAlert test. In the same month, Nymox announced that it has entered into an agreement with g-Nostics Ltd in the U.K. for the sale and marketing of Nymox s NicAlert .

On February 17, Nymox announced that the results from the successfully completed clinical studies of the Company s saliva version of the NicAlert test for tobacco exposure was presented at the 12th Annual Meeting of the Society for Research on Nicotine and Tobacco (SRNT) in Orlando, FL. The Society currently has over a thousand members, including many of the top experts on nicotine and tobacco from over 20 countries around the world. The independent research studies were carried out in family practice medical clinics under the supervision of principal investigators, Dr. N. Montalto and Dr. W. Wells. Dr. Montalto is a clinical expert in the field of tobacco use and dependency, and is Professor in the Department of Family Medicine at West Virginia University in Charleston, WV, and Director of the Freedom from Tobacco Use Program in Charleston. Dr. Wells is Principal Investigator and Medical Director of Clinical Research Centers of Tennessee in Lebanon, TN, with expertise in tobacco dependency. The studies clearly showed that the saliva test is easily performed without training, and is accurate, reproducible and highly useful in the general medical setting. In July, Nymox announced that results from clinical studies of the Company s NicAlert Saliva test for tobacco product use and exposure were presented at the 13th World Conference on Tobacco or Health in Washington DC. The World Conference included the top experts on nicotine and tobacco from around the world. The presentation of the NicAlert saliva study results were made by Dr. Norman J. Montalto, one of the principal investigators in the studies.

On May 5, Nymox announced that the Company s saliva-based version of its NicAlert product for testing for tobacco use or exposure had achieved certification in Europe with the CE Mark. On May 3, Nymox announced the launch of its TobacAlert product in the U.K. by Adastra Medical Ltd. The country-wide marketing campaign includes a new web site, www.tobacalert.co.uk, devoted to the second-hand smoke test. On May 4, Nymox announced that it had entered into a new distribution agreement with Alifax S.p.A., a leading Italian medical diagnostic company, for the marketing and sales of its NicAlert product in Italy. On July 28, Nymox announced that the Company s NicAlert product will be used in a large smoking cessation study in collaboration with g-Nostics Ltd. in the U.K. The program will involve approximately 1,200 patients and 36 pharmacies assessing the clinical and cost effectiveness of g-Nostics Ltd. s innovative pharmacogenetic smoking intervention, when used in a primary care setting. NicAlert will be used both for the initial measurement of cotinine levels in the subjects and to validate smoking status throughout the program.

On June 8, the new members of the Nymox Board of Directors were elected at the annual general meeting of the shareholders; namely, Professor David Morse, Ph.D., Roger Guy, M.D., Paul F. McDonald, and Randall Lanham. Randall Lanham is an Orange County attorney with extensive experience in securities law and corporate finances. Mr. Lanham has vast experience in both domestic and international corporate legal matters. Paul F. McDonald, a graduate in law of McGill University, has been Vice-President of the Montreal Exchange, principal owner and president of a stock-exchange firm, and a longtime director of the Quebec Industrial Development Corporation, and brings a lifetime of experience as a member of the investment industry to the Nymox board. Professor David Morse, Ph.D. is a Professor at the University of Montreal and a world expert in the biochemistry, proteomics and genomics of cell function. Professor Morse has published extensively in the peer-reviewed scientific literature, including papers in journals such as Science, Nature, Cell, Proceedings of the National Academy of Science, and the Journal of

Biological Chemistry. Roger Guy, M.D., is a highly experienced medical doctor who has served as a national examiner. Dr. Guy has broad human clinical trial and business managerial experience.

We wish to thank our over 4,000 Nymox shareholders for your strong support. The Nymox team is working steadily to advance our many projects. We look forward with enthusiasm to the important upcoming year for the Company.

/s/ Paul Averback, MD
Paul Averback MD
President

March 15, 2007

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 judgment.

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 judgments 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 Company. 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 AlzheimAlert 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 AlzheimAlert 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 $13.5 million as of December 31, 2006, 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 2006

Selected Annual Information	2006	2005	2004
Total Revenues	$442,861	$426,282	$321,948
Net Loss	$(4,893,685)	$(3,584,528)	$(3,745,625)
Loss per share (basic & diluted)	$(0.18)	$(0.14)	$(0.15)
Total Assets	$3,970,845	$3,719,039	$4,066,021

Quarterly Results 2006	Q1	Q2	Q3	Q4
Total Revenues	$96,009	$120,360	$141,817	$84,675
Net Loss	$(1,059,246)	$(1,360,621)	$(1,238,833)	$(1,234,985)
Loss per share (basic & diluted)	$(0.04)	$(0.05)	$(0.04)	$(0.04)

Quarterly Results 2005	Q1	Q2	Q3	Q4
Total Revenues	$101,931	$117,067	$100,757	$106,527
Net Loss	$(957,677)	$(847,299)	$(958,464)	$(821,088)

Quarterly Results 2005	Q1	Q2	Q3	Q4
Loss per share (basic & diluted)	$(0.04)	$(0.03)	$(0.04)	$(0.03)

Results of Operations 2006 compared to 2005

Net losses were $1,234,985, or $0.04 per share, for the quarter and $4,893,685, or $0.18 per share, for the year ended December 31, 2006, compared to $821,088, or $0.03 per share, and $3,584,528, or $0.14 per share, respectively, for the corresponding periods in 2005. The weighted, diluted, average number of common shares outstanding for the year ended December 31, 2006 was 27,711,981 compared to 26,103,704 for the same period in 2005.

Revenues

Revenues from sales amounted to $83,478 for the quarter and $437,440 for the year ended December 31, 2006, compared with $106,082 for the quarter and $424,506 for the year ended December 31, 2005. Higher sales of AlzheimAlert (increase of 29%) accounted for the increase in 2006 compared to 2005. The Company anticipates that revenues will increase if and when product candidates pass regulatory milestones and are launched on the market.

Research and Development

Research and development expenditures were $2,594,714 for the year ended December 31, 2006, compared with $1,831,591 for the year ended December 31, 2005. Increased expenses relating to moving product candidates through clinical trials explains the increase. In 2006, research tax credits amounted to $53,618 compared to $3,075 in 2005 as a result of additional expenditures claimed for refundable tax credits in 2006 compared to 2005. The Company anticipates that research and development expenditures will not increase significantly as product candidates finish development and clinical trials. However, because of the early stage of development of the Company s R&D projects, it is impossible to outline the nature, timing or estimated costs of the efforts necessary to complete these projects, nor the anticipated completion dates for these projects. The facts and circumstances indicating the uncertainties that preclude us from making a reasonable estimate of the costs and timing necessary to complete projects include the risks inherent in any field trials, the uncertainty as to the nature and extent of regulatory requirements both for safety and efficacy, and the ability to manufacture the products in accordance with current good manufacturing requirements (cGMP) and in sufficient quantities both for large scale trials and for commercial use. A drug candidate that shows efficacy can take a long period (7 years or more) to achieve regulatory approval. There is also uncertainty whether we will be able to successfully adapt our patented technologies or whether any new products we develop will pass proof-of-principle testing both in the laboratory and in clinical trials, and whether we will be able to manufacture such products at a commercially competitive price. In addition, given the very high costs of development of therapeutic products, we anticipate having to partner with larger pharmaceutical companies to conduct and finance clinical trials. The terms of such partnership arrangements along with our related financial obligations cannot be determined at this time and the timing of completion of the approval of such products will likely not be within our sole control.

Marketing Expenses

Marketing expenditures were $236,054 for the year ended December 31, 2006, in comparison to expenditures of $273,392 for the year ended December 31, 2005 due to a reduction in advertising expenses. The Company anticipates that marketing expenditures will increase if and when new products are launched on the market.

Administrative Expenses

General and administrative expenses amounted to $954,397 for the year ended December 31, 2006, compared with $1,202,080 in the year ended December 31, 2005, due to lower expenditures for salaries (decrease of 17.6%), shareholder relations (decrease of 35.6%), insurance (decrease of 37.9%), and courier and shipping charges (decrease of 61.7%). The Company anticipates 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 2006 expenses (70% in 2005) were in U.S. dollars. Foreign exchange fluctuations had no meaningful impact on the Company s results in 2006 or 2005.

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 $19,582 per month.

Contractual Obligations	**Total**	**Current**	**2-4 years**	**5+ years**
Rent	$852,630	$225,991	$626,639	$0
Operating Leases	$54,679	$20,067	$34,612	$0
Total Contractual Obligations	$907,309	$246,058	$661,251	$0

Results of Operations 2005 compared to 2004

Net losses were $821,088, or $0.03 per share, for the quarter and $3,584,528, or $0.14 per share, for the year ended December 31, 2005, compared to $944,272, or $0.04 per share, and $3,745,625, or $0.15 per share, respectively, for the corresponding periods in 2004. The weighted, diluted, average number of common shares outstanding for the year ended December 31, 2005 were 26,103,704 compared to 25,103,252 for the same period in 2004.

Revenues

Revenues from sales amounted to $106,082 for the quarter and $424,506 for the year ended December 31, 2005, compared with $78,316 for the quarter and $321,895 for the year ended December 31, 2004. A steady rise in the number of new clients ordering the NicAlert / TobacAlert product (increase of 31%) and the launch of the AlzheimAlert product in Europe (increase of 40%) account for the increase in sales.

Research and Development

Research and development expenditures remained constant at $1,831,591 for the year ended December 31, 2005, compared with $1,861,239 for the year ended December 31, 2004. In 2005, research tax credits amounted to $3,075 compared to $9,358 in 2004.

Marketing Expenses

Marketing expenditures were $273,392 for the year ended December 31, 2005, in comparison to expenditures of $291,429 for the year ended December 31, 2004 due to a reduction in advertising expenses.

Administrative Expenses

General and administrative expenses remained relatively constant at $1,202,080 for the year ended December 31, 2005, compared with $1,158,750 in the year ended December 31, 2004.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure. The Company s Chief Executive Officer and its Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures. They are assisted in this responsibility by the Company s disclosure committee, which is composed of members of senior management. Based on an evaluation of the Company s disclosure controls and procedures, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures were effective as of December 31, 2006.

Recent Accounting Pronouncements

Financial instruments:

On January 1, 2007, the Corporation will adopt CICA Handbook Section 1530, *Comprehensive Income*, CICA Handbook Section 3251, *Equity*, CICA Handbook Section 3855, *Financial Instruments Recognition and Measurement*, CICA Handbook Section 3862, *Financial Instruments Disclosures*, and CICA Handbook Section 3865, *Hedges*. The Corporation does not expect the adoption of the standards to have a material effect on its financial statements.

Accounting for uncertainty in income taxes:

In June 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48)*, which clarifies the accounting for uncertainty in income taxes recognized in an entity s financial statements. The Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken on a tax return. This FASB interpretation is effective for the Company beginning January 1, 2007. The adoption of FIN 48 is not expected to have a material effect on the Company s financial condition or results of operation.

Fair value measurements:

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements*. SFAS No. 157 clarifies the principle that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years, with early adoption permitted. The Company does not expect the adoption of SFAS No. 157 to materially impact its financial statements.

Financial Position

Liquidity and Capital Resources

As of December 31, 2006, cash totaled $235,124 and receivables including tax credits totaled $99,925. In October 2005, the Corporation signed a common stock private purchase agreement, whereby an investor is committed to purchase up to $13 million of the Corporation s common shares over a twenty-four month period commencing October 21, 2005. As at December 31, 2006, 23 drawings were made under this purchase agreement, for total proceeds of $4,655,000. On November 18, 2005, 49,020 common shares were issued at a price of $2.04 per share. On December 8, 2005, 46,729 common shares were issued at a price of $2.14 per share. On December 14, 2005, 47,847 common shares were issued at a price of $2.09 per share. On January 10, 2006, 50,000 common shares were issued at a price of $2.00 per share. On January 18, 2006, 51,020 common shares were issued at a price of $1.96 per share. On January 24, 2006, 52,083 common shares were issued at a price of $1.92 per share. On February 3, 2006, 51,020 common shares were issued at a price of $1.96 per share. On February 10, 2006, 51,546 common shares were issued at a price of $1.94 per share. On February 16, 2006, 103,093 common shares were issued at a price of $1.94 per share. On March 6, 2006, 52,632 common shares were issued at a price of $1.90 per share. On March 16, 2006, 51,813 common shares were issued at a price of $1.93 per share. On March 27, 2006, 246,914 common shares were issued at a price of $4.05 per share. On April 12, 2006, 188,917 common shares were issued at a price of $3.97 per share. On May 2, 2006, 82,645 common shares were issued at a price of $3.63 per share. On July 25, 2006, 37,488 common shares were issued at a price of $2.67 per share. On August 7, 2006, 37,879 common shares were issued at a price of $2.64 per share. On August 24, 2006, 39,063 common shares were issued at a price of $2.56 per share. On September 12, 2006, 40,000 common shares were issued at a price of $2.50 per share. On September 26, 2006, 73,260 common shares were issued at a price of $2.73 per share. On October 3, 2006, 56,022 common shares were issued at a price of $3.57 per share. On October 18, 2006, 33,943 common shares were issued at a price of $3.83 per share. On October 25, 2006, 73,529 common shares were issued at a price of $4.08 per share. On November 20, 2006, 43,103 common shares were issued at a price of $4.06 per share.

The Company negotiated a new agreement with the same investor on November 13, 2006, 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. As at December 31, 2006, three drawings were made under this purchase agreement, for total proceeds of $600,000. On December 6, 2006, 29,499 common shares were issued at a price of $3.39 per share. On December 13, 2006, 56,818 common shares were issued at a price of $3.52 per share. On December 20, 2006, 91,185 common shares were issued at a price of $3.29 per share.

Subsequent Events

As at February 16, 2007, two drawings were made under this purchase agreement, for total proceeds of $1,350,000. On January 24, 2007, 121,294 common shares were issued at a price of $3.71 per share. On February 14, 2007, 181,087 common shares were issued at a price of $4.97 per share. The Company can draw down a further $11,050,000 over the remaining 20 months under the 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.

MANAGEMENT S REPORT

The accompanying consolidated financial statements have been prepared by management and were approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and other sections of this Annual Report. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The reconciliation to U.S. GAAP is presented in Note 12 to the Consolidated Financial Statements. In preparing these consolidated financial statements, management selects appropriate accounting policies and uses its judgment and best estimates to report events and transactions as they occur. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects. Financial data included throughout this Annual Report is prepared on a basis consistent with that of the financial statements.

To assist management in discharging these responsibilities, the Company maintains a system of internal controls which are designed to provide reasonable assurance that its assets are safeguarded, that transactions are executed in accordance with management s authorization and that the financial records form a reliable base for the preparation of accurate and timely financial information.

KPMG LLP, the Company s auditors, are appointed by the shareholders. They independently review the Company s system of internal controls and perform the necessary tests of accounting records and procedures to enable them to report their opinions as to the fairness of the consolidated financial statements and their conformity with generally accepted accounting principles.

The Board of Directors ensures that the management fulfills its responsibilities for financial reporting and internal control. The Board exercises this responsibility through an Audit Committee composed of three independent Directors. The Audit Committee meets periodically with management and with the external auditors, to review audit recommendations and any matters, which the auditors believe, should be brought to the attention of the Board of Directors. The Audit Committee also reviews the consolidated financial statements and recommends to the Board of Directors that the statements be approved for issuance to the shareholders.

/s/ Paul Averback, MD
Paul Averback
Chief Executive Officer &
President
February 16, 2007

/s/ Roy Wolvin
Roy Wolvin
Chief Financial Officer
& Secretary-Treasurer

kpmg

Consolidated Financial Statements of

NYMOX PHARMACEUTICAL CORPORATION

Years ended December 31, 2006, 2005 and 2004

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AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the consolidated balance sheets of Nymox Pharmaceutical Corporation as at December 31, 2006 and 2005 and the consolidated statements of operations, deficit and cash flows for each of the years in the three-year period ended December 31, 2006. These financial statements are the responsibility of the Corporation s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2006 and 2005 and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2006, in accordance with Canadian generally accepted accounting principles.

/s/ KPMG LLP

Chartered Accountants

Montréal, Canada
February 16, 2007

NYMOX PHARMACEUTICAL CORPORATION
Consolidated Financial Statements

Years ended December 31, 2006, 2005 and 2004

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NYMOX PHARMACEUTICAL CORPORATION
Consolidated Balance Sheets

December 31, 2006 and 2005
(in US dollars)

	2006	2005
Assets		
Current assets:		
Cash	$ 235,124	$ 151,476
Accounts receivable	46,307	62,721
Research tax credits receivable	53,618	3,075
Inventories	44,145	74,182
	379,194	291,454
Long-term security deposit	35,993	35,993
Long-term receivables (note 6)	70,000	70,000
Property and equipment (note 3)	7,839	11,463
Patents and intellectual property (note 4)	3,477,819	3,310,129
	$ 3,970,845	$ 3,719,039
Liabilities and Shareholders Equity		
Current liabilities:		
Accounts payable	$ 1,430,987	$ 1,704,369
Accrued liabilities	158,801	205,424
Deferred lease inducement (note 8 (a))	9,623	9,576
Notes payable (note 5)	500,000	500,000
Deferred revenue	15,907	42,202
	2,115,318	2,461,571
Long-term deferred revenue	3,333	10,000
Deferred lease inducement (note 8 (a))	25,661	35,331
Non-controlling interest (note 6)	800,000	800,000
Shareholders equity:		
Share capital (note 7)	44,443,350	39,488,350
Additional paid-in capital (note 7 (d))	1,463,833	626,525
Deficit	(44,880,650)	(39,702,738)
	1,026,533	412,137
Commitments and contingencies (note 8)		
Subsequent events (note 15)		
	$ 3,970,845	$ 3,719,039

See accompanying notes to consolidated financial statements.

On behalf of the Board:

/s/ Paul Averback MD Director

/s/ Paul McDonald Director

NYMOX PHARMACEUTICAL CORPORATION
Consolidated Statements of Operations

Years ended December 31, 2006, 2005 and 2004
(in US dollars)

	2006	2005	2004
Revenues:			
Sales	$ 437,440	$ 424,506	$ 321,895
Interest	5,421	1,776	53
	442,861	426,282	321,948
Expenses:			
Research and development	2,594,714	1,831,591	1,861,239
Less research tax credits	(53,618)	(3,075)	(9,358)
	2,541,096	1,828,516	1,851,881
General and administrative	954,397		