

IntelGenx Technologies Corp.
Form 424B3
August 15, 2011

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-175465

PROSPECTUS SUPPLEMENT NO. 2

to Prospectus declared
effective on July 22, 2011
(Registration No. 333-175465)

INTELGEX TECHNOLOGIES CORP.

This Prospectus Supplement No. 2 supplements our Prospectus dated July 11, 2011 and should be read in conjunction therewith. The shares that are the subject of the Prospectus have been registered to permit their resale to the public by the selling stockholders named in the Prospectus. We are not selling any shares of common stock in this offering and therefore will not receive any proceeds from this offering.

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

- the attached Quarterly Report on Form 10-Q, for the fiscal quarter ended June 30, 2011

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

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

The date of this Prospectus Supplement is August 15, 2011.

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

FORM 10-Q

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

For the quarterly period ended June 30, 2011

or

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

For the transition period from _____ to _____

Commission File Number 000-31187

INTELGEX TECHNOLOGIES CORP.

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

Delaware

*(State or other jurisdiction of
incorporation or organization)*

87-0638336

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

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

(Address of principal executive offices)

(514) 331-7440

(Issuer's telephone number)

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

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

Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

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

Yes [] No []

APPLICABLE TO CORPORATE ISSUERS:

46,215,511 shares of the issuer's common stock, par value \$.00001 per share, were issued and outstanding as of August 4, 2011.

IntelGenx Technologies Corp.
Form 10-Q

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IntelGenx Technologies Corp.

Consolidated Interim Financial Statements

June 30, 2011

(Expressed in U.S. Funds)

(Unaudited)

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

	June 30, 2011	December 31, 2010
Assets		
Current		
Cash and cash equivalents	\$ 3,201	\$ 1,144
Accounts receivable	76	278
Prepaid expenses	66	47
Investment tax credits receivable	286	197
	3,629	1,666
Property and Equipment	150	159
	\$ 3,779	\$ 1,825
Liabilities		
Current		
Accounts payable and accrued liabilities	382	349
Shareholders' Equity		
Capital Stock (note 4)	0	0
Additional Paid-in-Capital	14,090	11,087
Accumulated Deficit	(10,941)	(9,761)
Accumulated Other Comprehensive Income	248	150
	3,397	1,476
	\$ 3,779	\$ 1,825

See accompanying notes

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

IntelGenx Technologies Corp.**Consolidated Statement of Shareholders' Equity****For the Period Ended June 30, 2011****(Expressed in Thousands of U.S. Dollars (\$000 s) Except Share and Per Share Data)****(Unaudited)**

	Capital Stock Number	Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Shareholders' Equity
Balance - December 31, 2010	39,581,271	\$ 0	\$ 11,087	\$ (9,761)	\$ 150	\$ 1,476
Foreign currency translation adjustment	-	-	-	-	98	98
Issue of common stock, net of transaction costs of \$390,017 (note 4)	4,821,342	-	2,024	-	-	2,024
Warrants issued, net of transaction costs of \$131,936 (note 5)	-	-	685	-	-	685
Agents warrants	-	-	153	-	-	153
Warrants exercised (note 5)	297,138	-	-	-	-	-
Agents options exercised (note 5)	246,156	-	117	-	-	117
Stock-based compensation (note 5)	-	-	24	-	-	24
Net loss for the period	-	-	-	(1,180)	-	(1,180)
Balance June 30, 2011	44,945,907	\$ 0	\$ 14,090	\$ (10,941)	\$ 248	\$ 3,397
See accompanying notes						

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

	For the Three-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2011	2010	2011	2010
Revenue	\$ 45	\$ 115	\$ 141	\$ 297
Other income	1	11	3	11
	46	126	144	308
Expenses				
Research and development	305	249	634	579
Research and development tax credits	(42)	(24)	(83)	(48)
Management salaries	129	169	268	316
General and administrative	53	40	163	105
Professional fees	121	625	274	1,050
Depreciation	9	10	17	20
Foreign exchange	50	(1)	49	-
Interest and financing fees	1	1	2	1
	626	1,069	1,324	2,023
Net Loss	(580)	(943)	(1,180)	(1,715)
Other Comprehensive Loss				
Foreign currency translation adjustment	56	(45)	98	10
Comprehensive Loss	\$ (524)	\$ (988)	\$ (1,082)	\$ (1,705)
Basic Weighted Average Number of Shares Outstanding	40,396,305	33,081,271	40,024,995	33,081,271
Basic and Diluted Loss Per Common Share (note 7)	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.05)

See accompanying notes

IntelGenx Technologies Corp.**Consolidated Statement of Cash Flows**

(Expressed in thousands of U.S. Dollars (\$000 s) Except Share and Per Share Data)

(Unaudited)

	For the Three-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2011	2010	2011	2010
Funds Provided (Used) -				
Operating Activities				
Net loss	\$ (580)	\$ (943)	\$ (1,180)	\$ (1,715)
Depreciation	9	10	17	20
Investor relations services	3	4	7	7
Stock-based compensation	9	29	17	37
Accounts receivable write-off	-	-	52	-
	(559)	(900)	(1,087)	(1,651)
Changes in non-cash operating elements of working capital	258	277	74	494
	(301)	(623)	(1,013)	(1,157)
Financing Activities				
Issue of capital stock	3,239	-	3,347	-
Transaction costs	(369)	-	(369)	-
	2,870	-	2,978	-
Investing Activities				
Additions to property and equipment	-	(2)	(3)	(5)
	-	(2)	(3)	(5)
Increase (Decrease) in Cash and Cash Equivalent	2,569	(625)	1,962	(1,162)
Effect of Foreign Exchange on Cash and Cash Equivalents	57	(37)	95	12
Cash and Cash Equivalents				
Beginning of Period	575	1,037	1,144	1,525
End of Period	\$ 3,201	\$ 375	\$ 3,201	\$ 375

See accompanying notes

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

June 30, 2011

(Expressed in U.S. Funds)

(Unaudited)

1. Basis of Presentation

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

These financial statements should be read in conjunction with the audited consolidated financial statements at December 31, 2010. Operating results for the three and six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). This basis of accounting involves the application of accrual accounting and consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

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

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

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

2. Adoption of New Accounting Standards

Revenue Recognition and Disclosures

In October 2009, the FASB issued Update No. 2009-13, "Revenue Recognition (Topic 605)—Multiple-Deliverable Revenue Arrangements, a consensus of the FASB Emerging Issues Task Force" (ASU 2009-13). ASU 2009-13 provides amendments to the criteria in ASC 605-25 for separating consideration in multiple-deliverable arrangements. As a result of those amendments, multiple-deliverable arrangements will be separated in more circumstances than under existing U.S. GAAP. ASU 2009-13: 1) establishes a selling price hierarchy for determining the selling price of a deliverable, 2) eliminates the residual method of allocation and requires that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method, 3) requires that a vendor determine its best estimate of selling price in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis, 4) significantly expands the disclosures related to a vendor's multiple-deliverable revenue arrangements. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The adoption of ASU 2009-13 did not have a material effect on the Company's financial position or results of operations.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

June 30, 2011

(Expressed in U.S. Funds)

(Unaudited)

2. Adoption of New Accounting Standards (Cont'd)

In April 2010, the FASB issued Update No. 2010-17, "Revenue Recognition—Milestone Method (Topic 605): Milestone Method of Revenue Recognition". This ASU provides guidance on defining a milestone under Topic 605 and determining when it may be appropriate to apply the milestone method of revenue recognition for research or development transactions. Consideration that is contingent on achievement of a milestone in its entirety may be recognized as revenue in the period in which the milestone is achieved only if the milestone is judged to meet certain criteria to be considered substantive. Milestones should be considered substantive in their entirety and may not be bifurcated. An arrangement may contain both substantive and non substantive milestones that should be evaluated individually. ASU 2010-17 is effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. The adoption of ASU 2010-07 did not have a material effect on the Company's financial position or results of operations.

3. Significant Accounting Policies

Recently Issued Accounting Pronouncements

In January 2011, the FASB issued Update No. 2011-01, "Receivables (Topic 310): Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20". ASU 2010-20 amends Topic 310 to improve the disclosures that an entity provides about the credit quality of its financing receivables and the related allowance for credit losses. As a result of these amendments, an entity is required to disaggregate by portfolio segment or class certain existing disclosures and provide certain new disclosures about its financing receivables and related allowance for credit losses. ASU 2011-01 temporarily delays the effective date of the disclosures about troubled debt restructurings in ASU 2010-20 for public entities.

The FASB believes this guidance will be effective for interim and annual periods ending after June 15, 2011. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

In April 2011, the FASB issued Update No. 2011-02, "Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring". The amendments in ASU 2011-02 apply to all creditors that restructure receivables that fall within the scope of Subtopic 310-40, Receivables—Troubled Debt Restructurings by Creditors. The amendments in this ASU provide additional guidance to assist creditors in determining whether a restructuring of a receivable meets the criteria to be considered a troubled debt restructuring. ASU 2011-2 is effective for public companies for interim and annual periods beginning on or after June 15, 2011 and is to be applied retrospectively to restructurings occurring on or after the beginning of the fiscal year of adoption. Early application is permitted. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

June 30, 2011

(Expressed in U.S. Funds)

(Unaudited)

3. Significant Accounting Policies (Cont'd)

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

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

IntelGenx Technologies Corp.**Notes to Consolidated Interim Financial Statements****June 30, 2011****(Expressed in U.S. Funds)****(Unaudited)****4. Capital Stock**

	March 31, 2011	December 31, 2010
Authorized -		
100,000,000 common shares of \$0.00001 par value		
20,000,000 preferred shares of \$0.00001 par value		
Issued -		
44,945,907 (December 31, 2010 - 39,581,271) common shares	\$ 449	\$ 396

On June 21, 2011, as part of two concurrent private placement offerings, the Company issued approximately 4.8 million shares of common stock, and three-year warrants to purchase up to approximately 2.4 million shares of common stock, for aggregate gross proceeds of approximately US\$3.2 million. Each warrant entitles the holder to purchase one half of one common share at an exercise price of \$0.74 per common share and expires 36 months after the date of issuance. Proceeds were allocated between the common shares and the warrants based on their relative fair value. The common shares were recorded at a value of \$2,024 thousand. (See note 5 for the portion allocated to the warrants).

The private placements consisted of a definitive securities purchase agreement with certain accredited and institutional investors for the issuance and sale in a private placement transaction (the "US Private Offering") of 2,582,536 shares and warrants to purchase up to 1,291,268 shares of common stock, for aggregate gross proceeds of approximately \$1.7 million, and a definitive subscription agreement solely with Canadian investors for the issuance and sale in a concurrent non-brokered private placement transaction (the "Canadian Private Offering") of 2,238,806 shares and warrants to purchase up to 1,119,403 shares of common stock, for aggregate gross proceeds of approximately \$1.5 million.

The Company paid an agent cash commissions in the amount of approximately \$121 thousand, representing 7% of the aggregate gross proceeds received by the Company in the US Private Offering, plus expenses in the amount of approximately \$28 thousand, and issued warrants to the agent to purchase 180,778 shares of common stock, representing 7% of the amount of shares sold in the US Private Offering. The Company also paid cash finder's fees in the amount of approximately \$105 thousand, representing 7% of the aggregate gross proceeds received by the Company in the Canadian Private Offering; and issued warrants to purchase 156,716 shares of common stock, representing 7% of the amount of shares sold in the Canadian Private Offering. Each warrant entitles the holder to purchase one half of one common share at an exercise price of \$0.74 per common share and expires 36 months after the date of issuance.

In addition, the Company paid approximately \$114 thousand in cash consideration for other transaction costs, which have been reflected as a reduction of the common shares and the warrants based on their relative fair values.

All of the above transaction costs have been reflected as a reduction to the common shares and the warrants based on their relative fair values.

IntelGenx Technologies Corp.**Notes to Consolidated Interim Financial Statements****June 30, 2011****(Expressed in U.S. Funds)****(Unaudited)****5. Additional Paid-In Capital****Stock options**

On May 12, 2011 the Company granted 50,000 stock options to an employee to purchase common shares. The stock options are exercisable at \$0.52 per share and vest over 2 years at 25% every six months. The stock options were accounted for at their fair value, as determined by the Black-Scholes valuation model, of approximately \$16 thousand, using the following assumptions:

Expected volatility	115%
Expected life	3.1 years
Risk-free interest rate	0.96%
Dividend yield	Nil

Compensation expenses for stock-based compensation of \$24 thousand and \$44 thousand were recorded during the six-month period ended June 30, 2011 and 2010 respectively. Of the amount expensed in 2011, \$7 thousand (2010 - \$7 thousand) relates to stock options granted to investor relations firms as compensation for investor relation services, and \$17 thousand (2010 - \$37 thousand) relates to stock options granted to employees and directors. As at June 30, 2011, the Company has \$45 thousand (2010 - \$62 thousand) of unrecognized stock-based compensation.

Warrants

On June 21, 2011 the Company issued approximately 4.8 million stock purchase warrants exercisable into approximately 2.4 million common shares at \$0.74 per share which expire on June 21, 2014. The stock purchase warrants were issued in connection with the June 21, 2011 private placements described in note 4. The stock purchase warrants were valued at \$817 thousand based on their relative fair value, as determined by the Black-Scholes valuation model using the assumptions below:

Expected volatility	117%
Expected life	3 years
Risk-free interest rate	0.69%
Dividend yield	Nil

On June 21, 2011 the Company issued approximately 0.3 million agents stock purchase warrants exercisable into approximately 0.3 million common shares at \$0.74 per share which expire on June 21, 2014. The stock purchase warrants were issued in connection with the June 21, 2011 private placements described in note 4. The stock purchase warrants were valued at \$153 thousand based on their relative fair value, as determined by the Black-Scholes valuation model using the assumptions below:

Expected volatility	117%
Expected life	3 years
Risk-free interest rate	0.69%
Dividend yield	Nil

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

June 30, 2011

(Expressed in U.S. Funds)

(Unaudited)

5. Additional Paid-In Capital (Cont'd)

During the six month period ended June 30, 2011 a total of 246,156 agents' warrants were exercised for 246,156 common shares having a par value of \$0 thousand in aggregate, for cash consideration of approximately \$117 thousand, resulting in an increase in additional paid-in capital of approximately \$117 thousand.

During the second quarter of 2011, 964,286 warrants were exercised for 297,138 common shares in a cashless exercise, resulting in an increase in additional paid-in capital of \$Nil.

6. Related Party Transactions

Included in management salaries are \$2 thousand (2010 - \$12 thousand) for options granted to the Chief Financial Officer and \$2 thousand (2010 - \$2 thousand) for options granted to the Chief Executive Officer under the 2006 Stock Option Plan and \$4 thousand (2010 - \$21 thousand) for options granted to non-employee directors.

Also included in management salaries are director fees of \$40 thousand (2010 - \$46 thousand) for attendance to board meetings and audit committee meetings.

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

7. Basic and Diluted Loss Per Common Share

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

8. Subsequent events

On July 5, 2011, 12,500 warrants were exercised for 12,500 common shares having a par value of \$0 thousand for cash consideration of approximately \$6 thousand, resulting in an increase in additional paid-in capital of approximately \$6 thousand.

On July 6, 2011, 62,000 stock options were exercised for 62,000 common shares having a par value of \$0 thousand for cash consideration of approximately \$25 thousand, resulting in an increase in additional paid-in capital of approximately \$25 thousand.

On July 8, 2011, 53,250 agents' warrants were exercised for 53,250 common shares having a par value of \$0 thousand for cash consideration of approximately \$25 thousand, resulting in an increase in additional paid-in capital of approximately \$25 thousand.

IntelGenx Technologies Corp.

Notes to Consolidated Interim Financial Statements

June 30, 2011

(Expressed in U.S. Funds)

(Unaudited)

8. Subsequent events (Cont'd)

On July 8, 2011, 142,857 warrants were exercised for 68,902 common shares having a par value of \$0 thousand in a cashless exercise, resulting in an increase in additional paid-in capital of \$Nil.

On July 8, 2011, 100,000 warrants were exercised for 100,000 common shares having a par value of \$0 thousand for cash consideration of approximately \$80 thousand, resulting in an increase in additional paid-in capital of approximately \$80 thousand.

On July 13, 2011, 150,000 warrants were exercised for 150,000 common shares having a par value of \$0 thousand for cash consideration of approximately \$120 thousand, resulting in an increase in additional paid-in capital of approximately \$120 thousand.

On July 13, 2011, 120,000 warrants were exercised for 120,000 common shares having a par value of \$0 thousand for cash consideration of approximately \$57 thousand, resulting in an increase in additional paid-in capital of approximately \$57 thousand.

On July 14, 2011, 7