FORM 6-K

SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934

For the financial year ended May 31, 2004

Lorus Therapeutics Inc.

	(1 ranslation of registrant's name into English)	
	2 Meridian Road, Toronto, Ontario M9W 4Z7 (Address of principal executive offices)	
	[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.]	
	Form 20-F Form 40-FX	
	[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.	
	Yes No <u>X</u>	
	[If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82	
	SIGNATURES	
Pursuant to the requirements of undersigned, thereunto duly autho	he Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by thized.	he
	Lorus Therapeutics Inc.	
Date: October 15, 2004	By:"Shane Ellis"_ Shane Ellis Vice President, Legal Affairs Corporate Secretary	







LORUS

LETTER TO SHAREHOLDERS

We are pleased to report that the third quarter of fiscal 2004 was defined

Dear Shareholder:
We are pleased to report that the third quarter of fiscal 2004 was defined by the excelent progress forus made in our distinct this's program for GT-2000 with the U.S. Mational Cancer Institute (MCD, the publication of additional peer seriesed papers in crieditic journals, our participation in initiatory conferences at which from presented the science supporting our pipeline, as well as the steady advances towards full erendiment, especide later this year, in our registration phase III clinical thial is hig Vintilatin' to treat patients with advanced paracestic cancer, currently enrolling patients at over 100 oncology sites workhinde.

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In Jaurany, tross analyzed intermit data from the phase II clinical that of GT-2000, the company patients at over 100 oncology sites workhinde.

In Jaurany, tross analyzed intermit data from the phase II clinical that of GT-2000, the company patients and advanced entail excentions. Disturbed data analysis showed that more than half of the 21 evaluable patients in this study enhibited diseases stabilization, raping up to eight months Tumor shirikages of index tumors compared to baseline measurements were also observed in some patients. The company looks to turbur the development of GT-2000 into a definitive phase III registration trial in renal cell carcinoma, likely in combination with a flast-line approved the page versus first-line the epy alone, in newly disquosed patients.

A was noted in our fast letter to shareholders, toms instituted a phase II clinical tatal afthe Samphorous Particular and the Samphorous Particular and the Samphorous Particular and Samphoro

community in the U.S.

As Lorus makes substantial progress in its clinical development programs, we continue to build out the necessary expertise and staff required to fulfill our ultimate objective, which is the commercialization of our products for the successful management of cancer by well-oberated therapies. During the third quartet, torus added personnel in the areas of clinical development, regulatory affairs, compliance research, manufacturing and legal affars. And of these individuals bring their unique skill sets to complement the team already in place.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following information should be read in conjunction with the unaudited consolidated financial statements and notes prepared in accordance with Canadian generally accepted accounting principles (6AAP) in this quarterly report, and should also be read in conjunction with the audited consolidate financial statements and notes, and management's discussion and analysis

tained in the Company's annual report for the year ended May 31, 2003. amounts are expressed in Canadian dollars unless otherwise noted.

Revenue
Lorus recorded product, royalty and license revenue of \$2,000 for the quarter
and \$666,000 for the intermentals ended February 29, 2004 congared to
\$27,000 for the same periods last year. Included in the nine month revenue is
an initial license fee of \$566,000 received from Cyclacel United in cornection
with the out-licensing of the Lorus's small molecular program. The Company
had no Virulizin' revenue for the current quarter as Lorus' partner filed a
change in formitabito for Virulizin' with the Mexican regulatory authority. The
Company does not antilopate revenue in 2004 from any of its other anticancer
drugs currently under development.

Research and Development
Besearch and development expenses for the third quarter of fiscal 2004 increased
to \$73,30,000 compared to \$2,878,000 for the same quarter last year for the
nine months ended febrausy 27,004, research and development expenses
increased to \$20,189,000 compared to \$93,246,000 for the same period last year.
The increase is nepositive or nearenth and development actritise relates
primarily to higher clinical third and regulatory expenditures for the continuation
of the protal Fhese Ill distinct that of Verifialty for the treatment of advanced
pancrastic cancer at over 100 worldwide sites; increased manufacturing and
compliance actritise in developing commercial scale production processes for
Virtularia," and the upfront procurement of GTI-2000 duty for the US KCI in
establish to the NiC-sportneed Place Ill clinical third programs. As the Virtularia"
phase III this hars full enrollment, our research and development costs have
increased to the current levels. The Company espects that Virtularia "tall costs will
continue at its current level for the next quarter and believes that it will decrease
in subsequent quarters.

General and Administrative

In Banacopana, quantum General and Administrative General and administrative expenses for the third quarter of fiscal 2004 increased to \$1,010,000 organed to \$900,000 for the same quarter last years for the nine months ended referency 29, 2004, general and administrative expenses increased modestly to \$3,417,000 compared to \$3,060,000.

Depreciation and Amortization
Depreciation and amortization for the third quarter of fiscal 2004 decreased to
S108,000 compared to \$224,000 for the same quarter last year. For the nine
months ended February 29, 2004, depreciation and amortization was \$306,000
compared to \$638,000 for the same provid last year. However, the second was supported to the provided of t

Meet Loss

Net loss for the third quarter this year totaled \$8,159,000 (\$0.05 per share) compared to a loss of \$5,802,000 (\$0.02 per share) for the same quarter list year. The increased to a loss of \$5,802,000 (\$0.02 per share) for the same quarter list year. The increase in net loss for the current quarter relates primarily to the continuation of the expanded Virulizin' Phase III clinical trial. On a year to-date basis, the loss was \$22,232,000 compared to \$11,807,000 for the comparable period last year. The expanded Virulizin' Phase III clinical trial program, the increased manufacturing and compliance activities and the procurement of drug supply for the U.S. NL's-oponoced Phase III clinical trial programs for GTI-200 contributed to the increase in the nine-month period ended February 22, 2004.

The Company has incurred annual operating losses since inception related to the research, manufacturing, and clinical development of its progrietary compounds. Losses will continue as Lows further invests in its drug development programs.

Liquidity and Capital Resources
Since inception, Lorus has financed its operations and technology acquisitions
primarily from equity financing, the exercise of warrants and stock options,
and interest income on funds held for future investment. The Company believes
that its available cash, cash equivalents and short-term investments, and the
interest earned thereon, should be sufficient to finance its operations and
capital needs for at least twelve months.

Operating Cash Requirements

Operating cash Requirements Lons' cash used in operating activities for the third quarter of fiscal 2004 increased to \$6,244,000 compared to \$3,247,000 for the same quarter last year for the nine months period ended february 29, 2004, cash used in operations increased to \$18,570,000 compared to \$8,994,000 for the same period last year. The increase in the quarter and for the nine-month period is attributed to higher clinical third and development costs compared to the same period last year.

Cash Position

Cash resistion Af February 29, 2004 Lorus had cash and cash equivalents and short-term investments soluting \$56.3 million compared to \$25.1 million at May 31, 2003. Working capital was \$59.8 million at February 29, 2004 compared to \$20.9 million at May 31, 2003.

Risks and Uncertainties

Economic, sector and company specific risks are the same as those identified in the "Management Discussion and Analysis" contained in the company's 2003 Amual Report.

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Dr. Jim A. Wright

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Ferward Locking Statements

Except for Instruction Information, this quarterly report contains formand-locking
statements, which reflect the Company's current expectation and assumptions, and
are subject to a norther of ricks and contrainties that could cause actual results to
differ materially from those articipated. These forward-locking statements involted
ricks and incentrations, enclocking, but not intended to, changes market conditions, the
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whether as a result of new information, future events or otherwise.

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

Revenues (note 2)

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CONSOLIDATED STATEMENTS OF CASH FLOWS

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Investing Activities Sale (p-situse) of short-term investments, not

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Financine Activities

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Additions to deterred financing cests Cash provided for financing activities

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CONSOLIDATED BALANCE SHEETS

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Assets					
Current assets					
Easts and east esperatories	\$	2,162	\$	505	
Short-farm Investments		34,107		24,218	
Proposed experience and amounts resolvable		1,286		1,104	
Total current assets		37,555		26,729	
Fixed assets		1,492		1,507	
Gondell		686		606	
Auguited research and development		4,359		5,638	
Befored financing costs		245		245	
	S	44,257	8.	34,255	

Liabilities and Shareholdors' Equity Current liabilities Accounts payable

s 2,670 \$ 1,910 Armied Fabilities 7,728 4,942 Total convent liabilities

Shareholdeni equity Share expital (note 2) Common shares

Authorized: undimited rumber of shares; bound and nationaling (9994); February 25, 2001 - 171,704

May 31, 2009 - 145 205

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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