

## Executive Summary Q2 2011



Del Mar Pharmaceuticals is an oncology drug development company focused on commercializing new treatments for orphan drug cancers with a high-rate of recurrence following therapeutic intervention with the current standard of care.

According to published market research reports, the oncology market is projected generate revenues of more than \$100 billion annually by 2012. Our target orphan drug markets are attractive because of their size, growth rate, attractive pricing and rapid adoption of new therapeutics. FDA approval for the treatment of end-stage relapsed or refractory cancers can often be achieved based on pivotal Phase II or small Phase III studies in the target population involving fewer patients, reducing financial risk and shortening time-to-market compared to typical drug development programs.

VAL-083, our lead product candidate, has been marketed in China for over 20 years, primarily for the treatment of hematologic cancers and lung cancer. VAL-083 also benefits from an established North American safety and efficacy dossier comprising more than 1,000 patients and an investment of more than US\$50 million by the National Cancer Institute in the United States. VAL-083 is supported by numerous preclinical and more than 40 U.S.-based clinical research publications demonstrating efficacy as a potential treatment for glioblastoma multiforme (GBM) and other cancers.

Building upon this clinical experience, we have filed an IND with the United States FDA to conduct a dose-escalating Phase II human clinical trial in GBM patients who have failed front-line therapy (Radiation + Temodar™) and Avastin™. Temodar™ currently generates world-wide revenues of \$900 million and Avastin™ GBM sales are expected to exceed \$600 million in 2016. Approximately half of newly diagnosed GBM patients will fail both of these treatment regimens. Currently, here is no approved therapy for these individuals.

Based on published & commercial data, we believe that VAL-083 also has a strong potential to treat additional orphan cancers and may have application in the multi-billion market for solid tumors such as lung-cancer. We have also identified additional promising product candidates that have prior human clinical experience and could be rapidly advanced to approval the context of modern cancer care. By applying our unique insights about these product candidates, the results of prior clinical trials, and leveraging previous investments by others, we aim to establish a streamlined product development pipeline and optimize market opportunities.

We seek a minimum of \$3m in funding to support Phase II clinical development of VAL-083. We have filed new patent applications covering VAL-083 and also intend to rely on regulatory and orphan drug marketing exclusivity to secure a commercial position for VAL-083. If successfully developed, we will seek to directly market VAL-083 for the treatment of refractory GBM in North America with an option to co-market in Europe in collaboration with pharmaceutical partners.

We have established strong technical and management teams. Del Mar Pharma's co-founders have each contributed significantly to the establishment and growth of multiple biopharmaceutical firms and members of our drug development team have been involved in the successful development and commercialization of more than twenty cancer therapies.

### Corporate Comparables:

#### Salmedix

*Acquired by Cephalon for \$200m (2005)*

- Lead product Treanda™ originally developed and commercialized in East Germany (1960s) for the treatment of hematologic cancers and selected solid tumors.
- Salmedix acquired North American rights for Treanda™ in 2003 and
- Salmedix leveraged off-shore clinical data to initiate clinical trials in 2003.
- Salmedix acquired by Cephalon in 2005 for \$160m cash + \$40m milestone payments.
- Treanda™ obtained orphan drug status in 2007 & approved by FDA for refractory NHL in 2008. Current annual sales exceed \$450M.

#### BiPar Sciences

*Acquired by Sanofi Aventis for \$500m (2009).*

- Leveraged early-stage NCI data for 30-year old oncology drug.
- Established new intellectual property within sub-set of breast cancer market (triple-negative breast cancer).
- Initiated North American clinical trials in 2007.
- BiPar Sciences acquired by Sanofi Aventis for \$375m cash + \$125m milestone payments in April 2009.

#### ChemGenex

*Partnered exUS Rights for \$125m (2009); Option Agreement for Acquisition for \$220m (2010)*

- Established by Del Mar co-founder Dr. Dennis Brown.
- Lead product Omapro™ is based on previous clinical success in China and clinical data from NCI.
- RTO with AGT Biosciences (Melbourne) in 2004; Listed on Australian Stock Exchange (CX.S.AX)
- Omapro™ granted orphan drug status (2006) and FDA fast-track status (2009).
- \$125m Partnership with Hospira (2009); \$220m Acquisition Option by Cephalon (2010).
- Expected FDA approval for the treatment of CML in 2011.