DelMar PHARMACEUTICALS

Vancouver, BC | Menlo Park, CA

Jeffrey Bacha, B.Sc., MBA – President & CEO

September 11, 2012

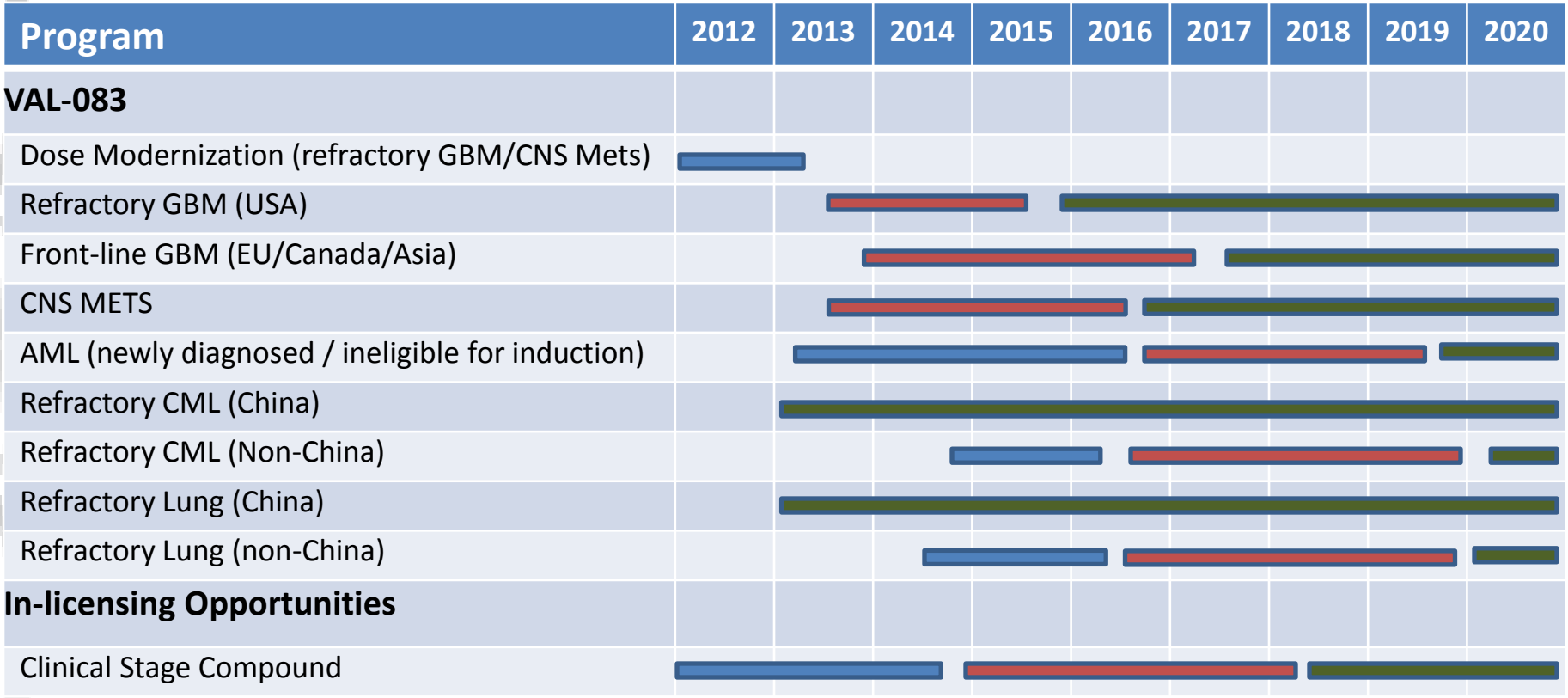
Corporate Overview

- Founded: 2010
- Ownership: Privately Held
- Operations:
  - Research / HQ: Vancouver, Canada
  - Clinical Operations: Menlo Park, USA

Mission

To build shareholder value by rapidly developing and commercializing proven anti-cancer therapies in high-impact orphan cancer indications where patients have failed modern therapy.

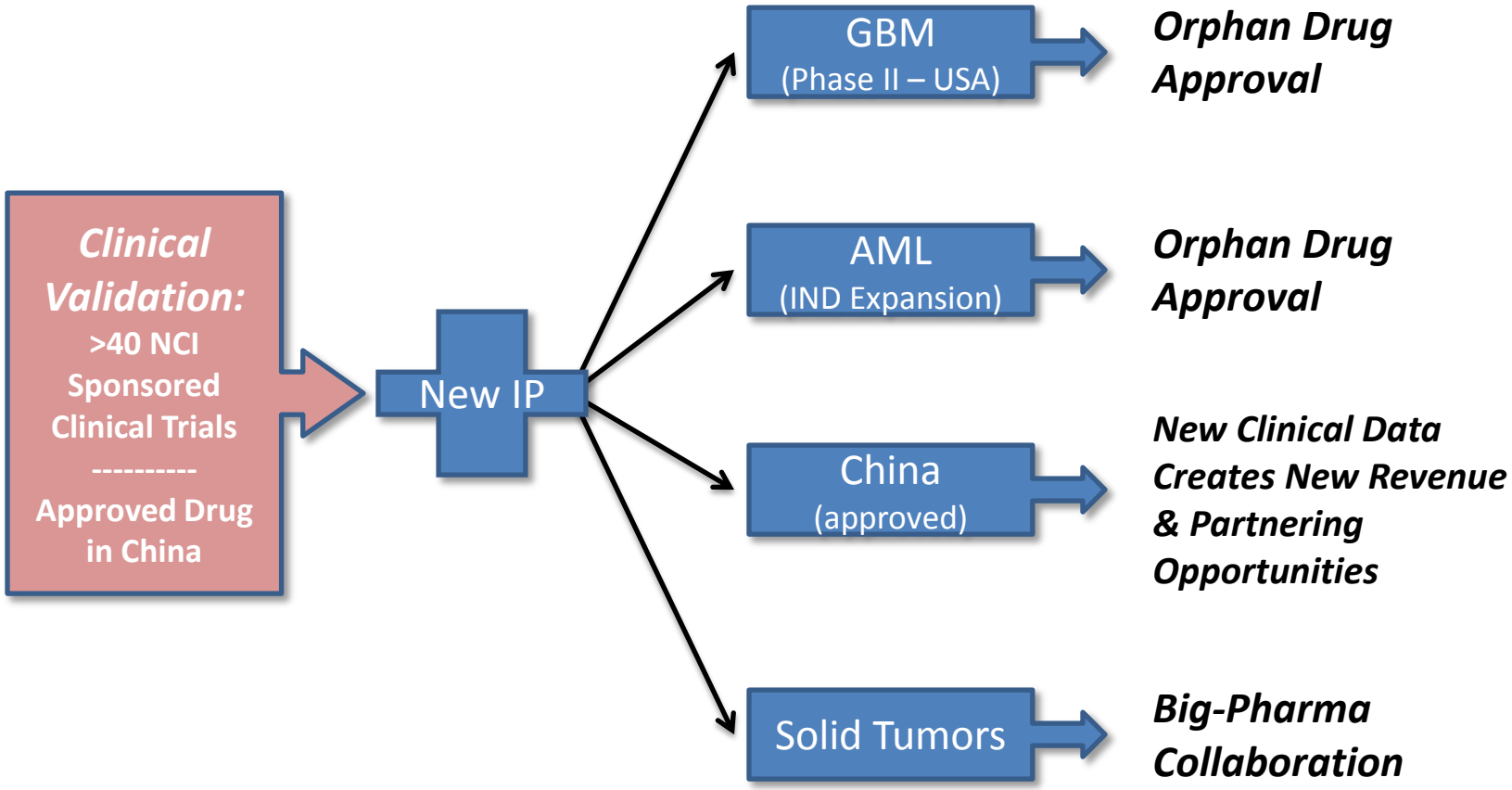
Clinical Development, Pipeline Expansion & Commercialization Strategy



LEGEND:

- **Approved / Revenue Generating**
- **Registration directed trial**
- **Phase I/II – Dose Finding in target patient population**

VAL-083: Development Strategy



VAL-083: *DelMar's First Product Opportunity*

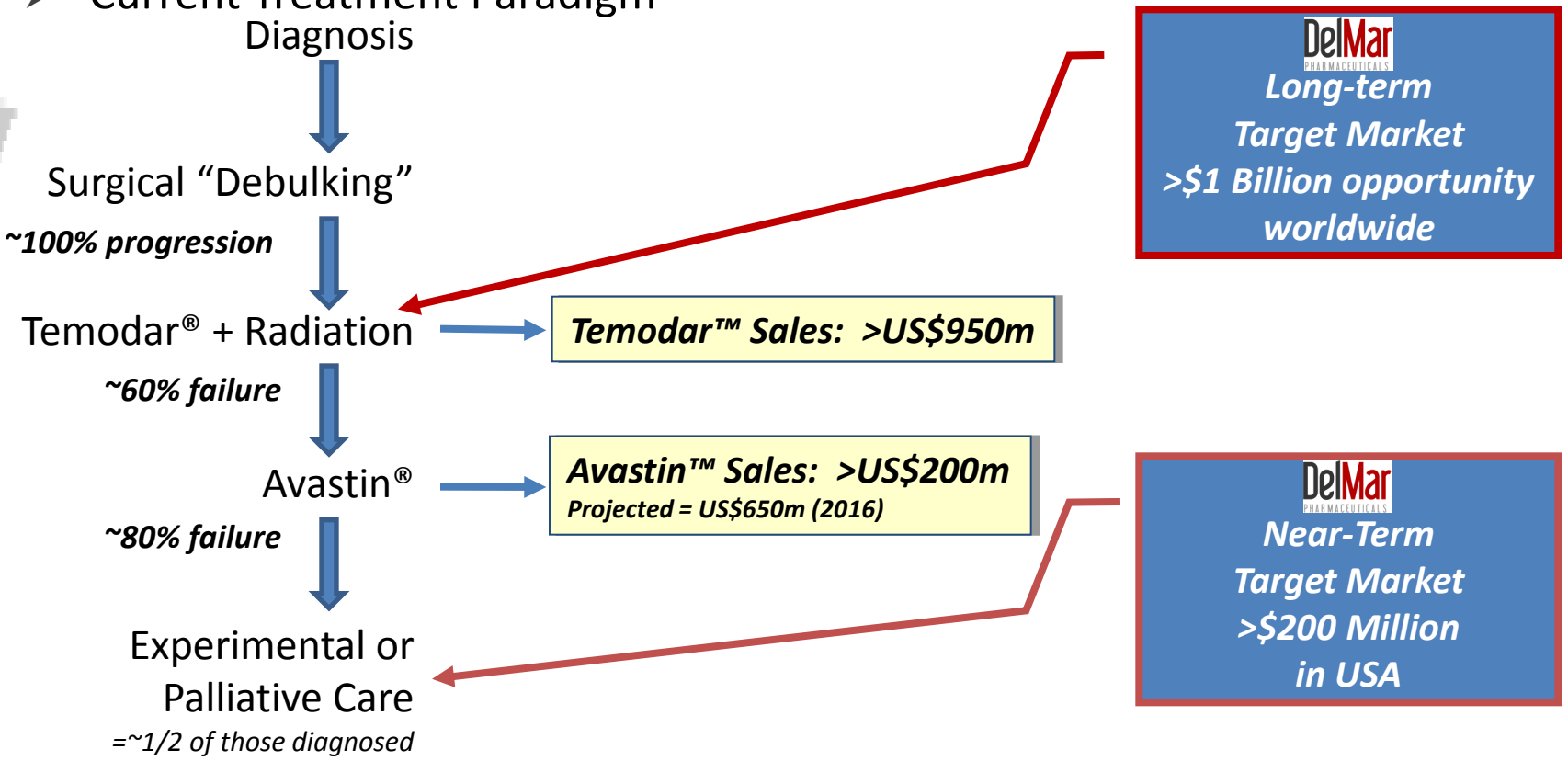
- **Small-molecule chemotherapeutic**
  - First-in-class chemistry
- **Well studied in previous human clinical studies**
  - >40 NCI-sponsored published clinical trials in multiple indications, including GBM
  - Approved cancer chemotherapy in China for treatment of CML & Lung Cancer
- **Pharmacokinetics/Pharmacodynamics**
  - Orally bioavailable
  - Readily crosses blood-brain-barrier; long half-life in CNS
  - Selective for brain tumors vs. normal tissue
- **Well characterized mechanism of action**
  - Distinct from other alkylating agents used as foundation of therapy in GBM
- **Commercial scale manufacturing in place (China)**
  - DelMar has patented improvements & analytical methods required for FDA cGMP

VAL-083: Technical Advantages & Risk Reduction

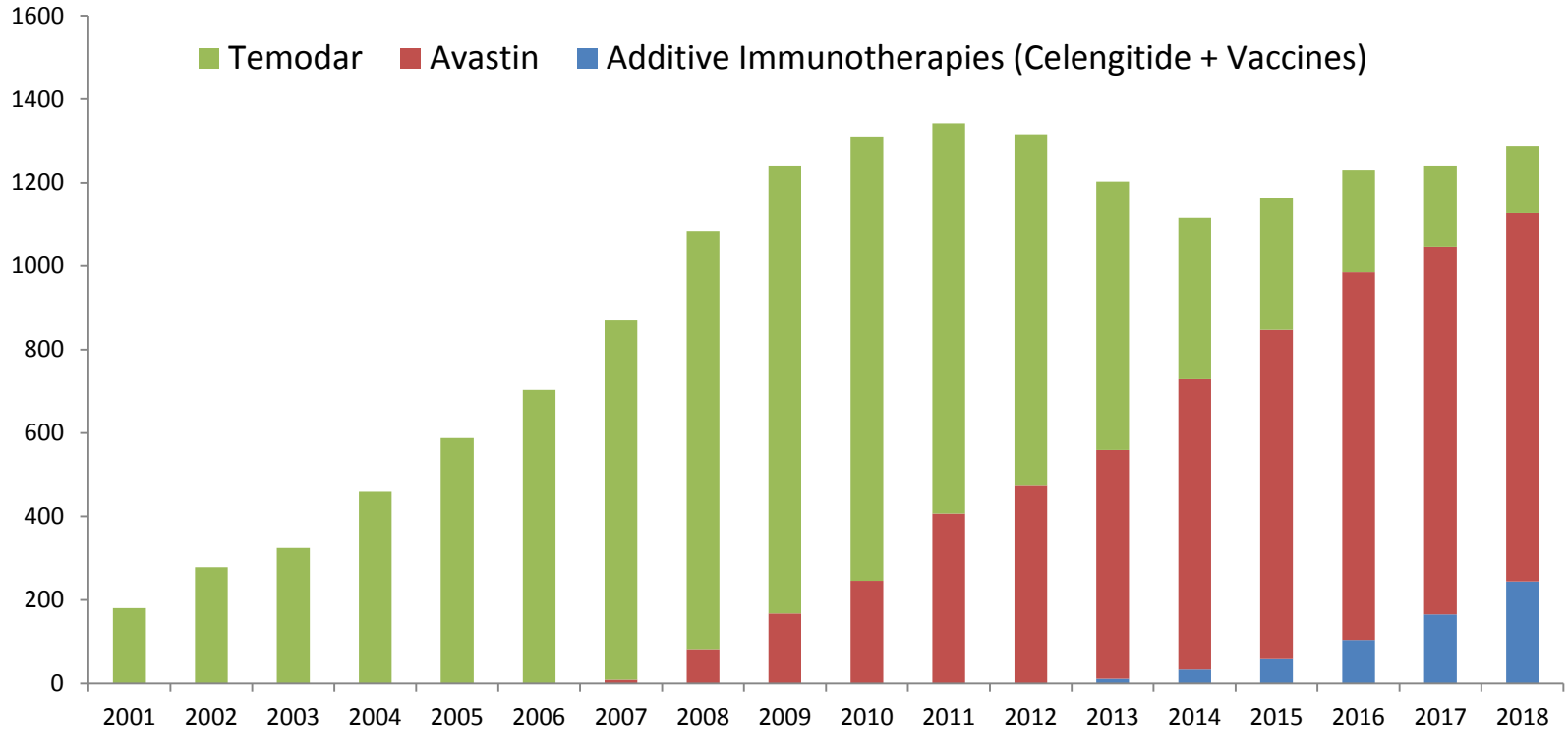
- *Proven safety & efficacy profile*
- *>$50 million pre-clinical & clinical investment by NCI*
- *Differentiated mechanism vs. standard of care*
- *Established commercial-scale manufacturing*
- *Streamlined regulatory pathway in USA / EU*
- *Attractive pricing & reimbursement paradigm*
- *Commercial experience in China*
- *Highly experienced team*

Market Opportunity: Glioblastoma Multiforme (GBM)

- Most common & most aggressive of primary brain tumors
  - ~15,000 cases in North America annually
- Current Treatment Paradigm



GBM Market Projections



2005
Temodar
Front-line Approval

2009
Avastin
2nd line Approval

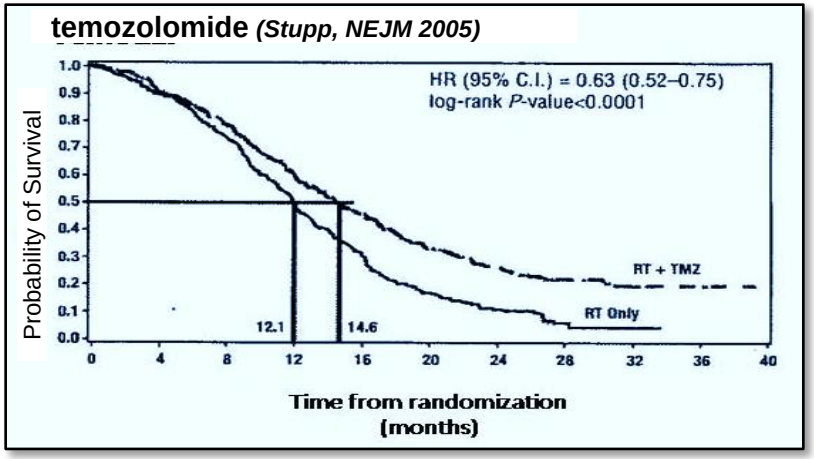
2013
Temodar Patent
Expiry

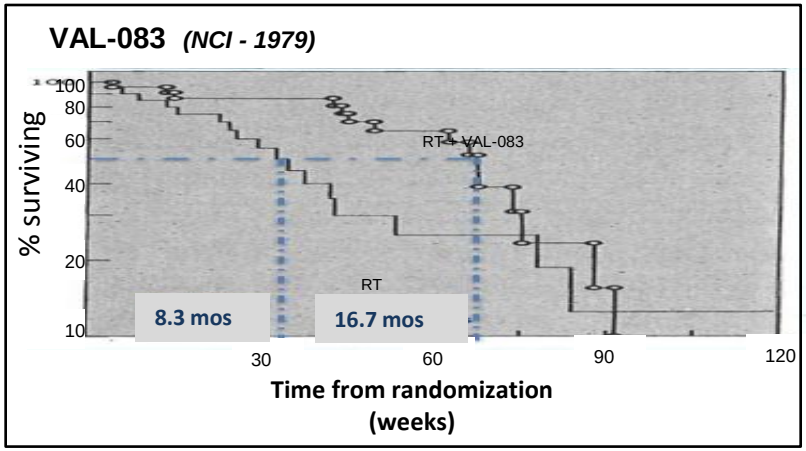
VAL-083

Evidence of Clinical Efficacy in GBM

- VAL-083 demonstrates comparable incremental survival benefit and overall survival compared to standard of care

Treatment of GBM	**temozolomide** *(Phase III 2005)*	**VAL-083** *(Phase II 1979)*
Median Overall Survival *RT + Chemo*	58 weeks	67 weeks
OS Benefit of adding Chemo: *RT & Chemo vs. XRT Only*	2.5 months (p<0.01)	8.4 months (p=0.02)
Sample (n=) *Randomization*	573 1:1	42 1:1





VAL-083

Efficacy: GBM – comparison to standard of care

Chemotherapy	Comparative Therapy Survival		Median Survival Benefit vs. XRT
	Radiation	Radiation + Chemotherapy	
Temodar™	12.1 months	58 weeks (14.6 months)	2.5 months
VAL-083	8.3 months	67 weeks (16.7 months)	8.0 months

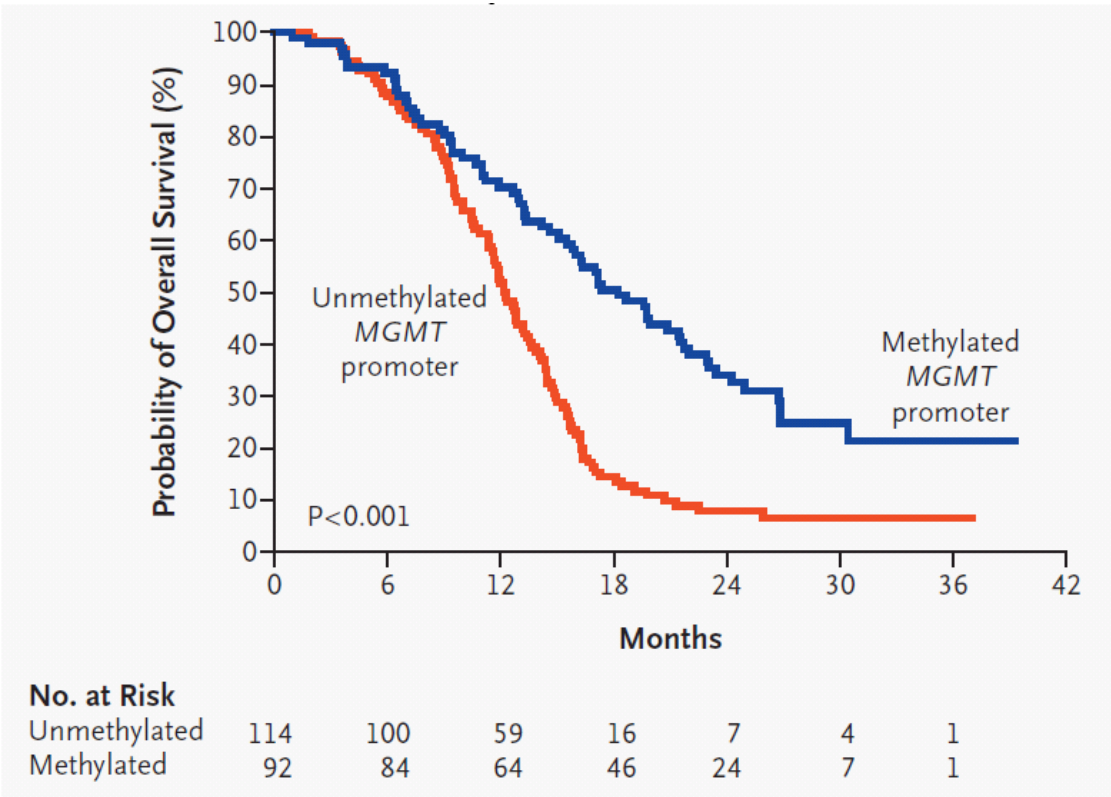
Reported Radiation + Chemo Survival w/ other chemotherapeutic agents in GBM

Carmustine™ (BCNU)	40-50 weeks
Lormustine™ (CCNU)	52 weeks
Nimustine™ (ACNU)	35 weeks
Avastin™	No reported benefit to survival

GBM

Importance of MGMT Status

- Expression of MGMT is highly correlated with response to standard of care *(temozolomide + RT)*



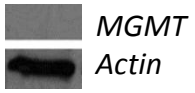
Source: Hegi ME et al. N Engl J Med. 2005; 352(10):997-1003.

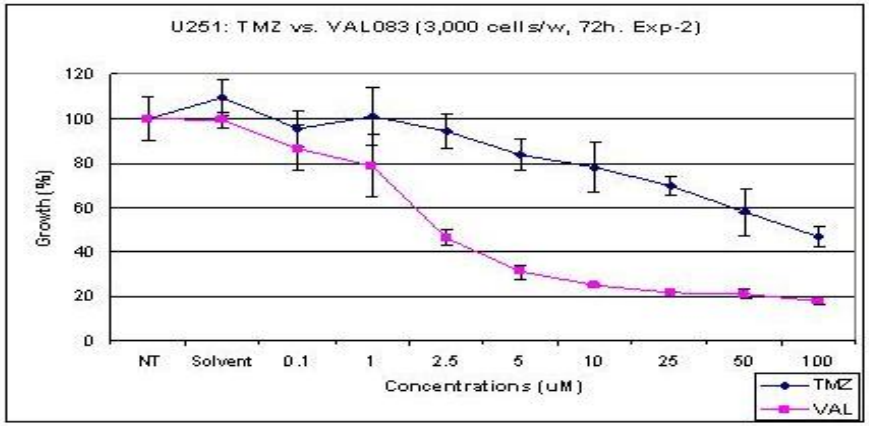
VAL-083

Active Independent of MGMT Repair Mechanism

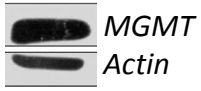
- VAL-083 is active independent of MGMT chemo-resistance mechanism *in vitro* *(Dunn, AACR 2012)*

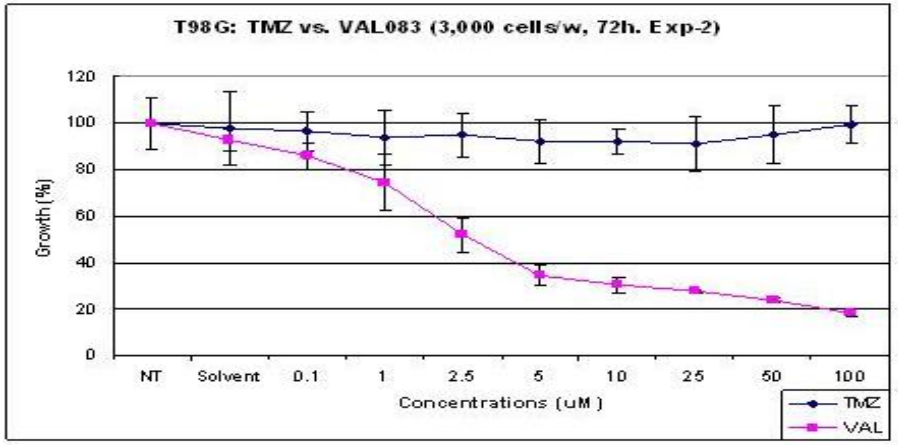
U251 cell line
Adult GBM
MGMT negative, TMZ sensitive





T98G
Adult GBM
MGMT positive, TMZ resistant





Toxicity Comparison

	Temodar	BCNU	VAL-083
Severe toxicity reported (>2%)	Hematologic*, nausea, vomiting, fatigue, asthenia, neuropathy	Hematologic*, pulmonary, nausea, vomiting, encephalopathy, renal	Hematologic*
*DLT			
NADR	21-28 days	21-35 days	18-21 days
Recovery	Within 14 days	42-56 days	Within 7-8 days

As reported by BC Cancer Agency monograph (2010)

literature (1970s) & China commercial experience

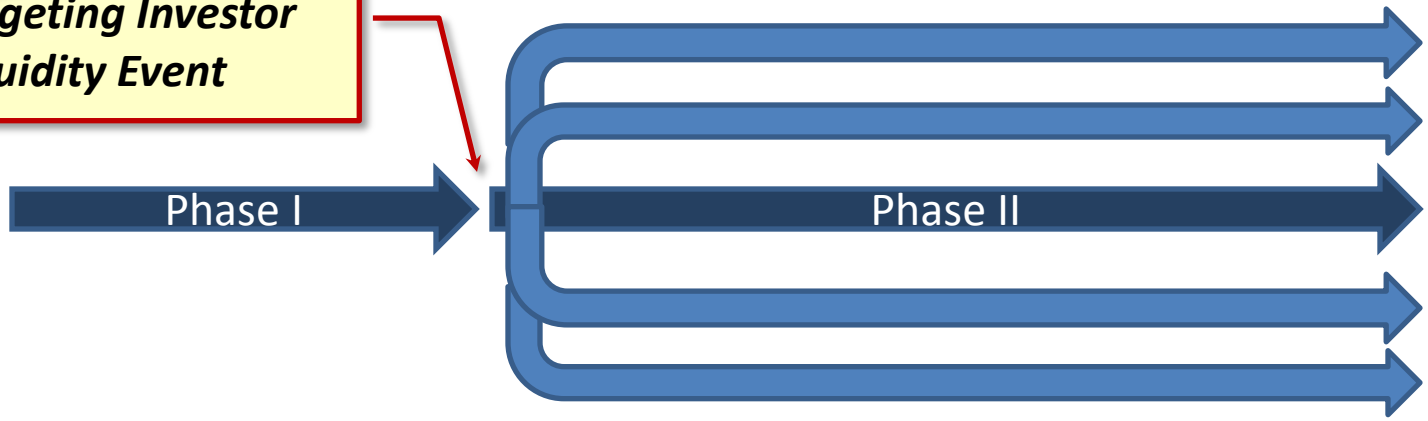
VAL-038:
Clinical Development

- **Phase I/II Study of VAL-083 in Patients With Recurrent Malignant Glioma or Progressive Secondary Brain Tumor**
  - **Clinicaltrials.gov identifier:** NCT01478178
- **Currently Recruiting at Two Clinical Sites in USA**
  - **SCRI – Nashville**
  - **SCRI – Sarasota**
- **Interim Data to be presented at scientific meetings in Q4'2012**

VAL-083: *Clinical Development in GBM*

- Phase I/II Study ➔ multi center registration trial

Targeting Investor Liquidity Event



Sale of Company or Public Offering to raise sufficient capital for VAL-083 approval & pipeline expansion

- ✓ **Re-confirmed published activity against GBM**
- ✓ **Well defined registration trial**
- ✓ **Registration-ready commercial scale CMC**
- ✓ **New patents claims / Orphan drug protection**
- ✓ **Additional indications under development**

~12 months

VAL-083:

Future Development: Refractory GBM (USA)

- **80-100 Patient Multicenter Registration Study**
  - Single-arm open label design
  - PFS = Primary endpoint for approval based, on 2006 guidance and historical precedence
    - Temodar™ (56 subjects)
    - Avastin™ (85 subjects)
  - Special Protocol Agreement (SPA) with FDA
  - Cost = $10 - 12 million
  - Study duration: 18-24 months

VAL-083:

Future Development: Front-line GBM (EU/Canada/Asia)

- ***Registration-directed trial design based on Stupp temozolomide Ph III trial***
  - N Engl J Med 2005;352:987-96.
- Multinational Study: 500 – 600 patients
- Unmethylated MGMT: Measured by current EORTC standard as per cilengitide Ph III enrollment criteria
- 1:1 randomization: Radiotherapy vs. Radiotherapy + VAL-083
- Endpoints
  - Primary: Overall Survival
  - Secondary: Progression-free survival, safety, quality of life

VAL-083:

Future Development: AML

- 12,000 new and 8,000 relapsed patients annually
- Patients have limited treatment options
- Recent AML study with DNA-alkylating agents demonstrated promising efficacy
  - Laromustine: 48% overall response rate (CR + CRp)
  - Temozolomide: Activity against AML dependent on MGMT status
- VAL-083 opportunity:
  - Does not exhibit pulmonary or liver toxicity (NCI/China commercial data)
  - Active independent of MGMT repair & resistance mechanism
  - VAL-083 demonstrated historical activity in Leukemia
- Attractive reimbursement potential: Mylotarg was priced at $11,700/month
- Straight forward regulatory pathway: Single-arm open-label objective endpoint

VAL-083: Refractory CML & NSCLC

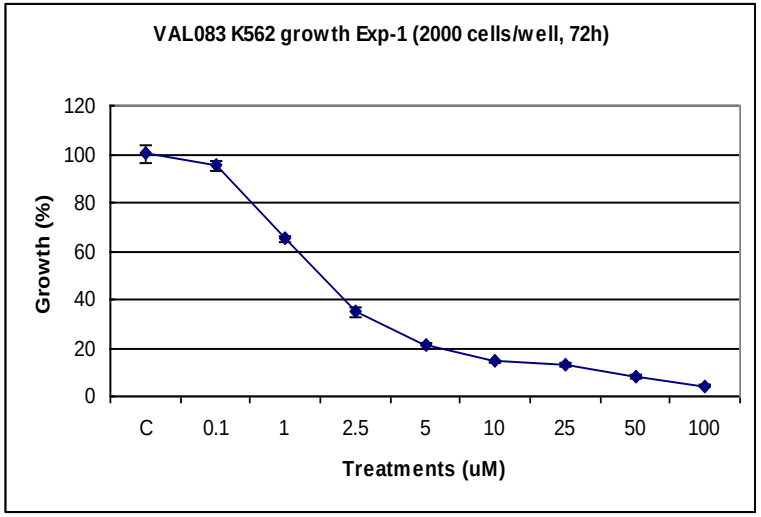
Opportunity in China: Immediate Revenue Potential

- VAL-083 currently approved in China for CML and Lung Cancer
  - *1 million annual lung cancer cases in China by 2025*
- Tyrosine Kinase Inhibitors (TKIs) represent standard of care for CML and NSCLC in China
- TKI resistance markedly higher in East Asian patients than in Western patients *(Int. J. Hemotol 2009)*
  - *~50% resistance in Asia vs. <20% in West*
  - *Unique mechanism of TKI resistance can be found in persons of East Asian descent*
- VAL-083 unique mechanism maintains activity against known mechanisms of TKI resistance
  - *Opportunity to re-position and re-launch with a partner*

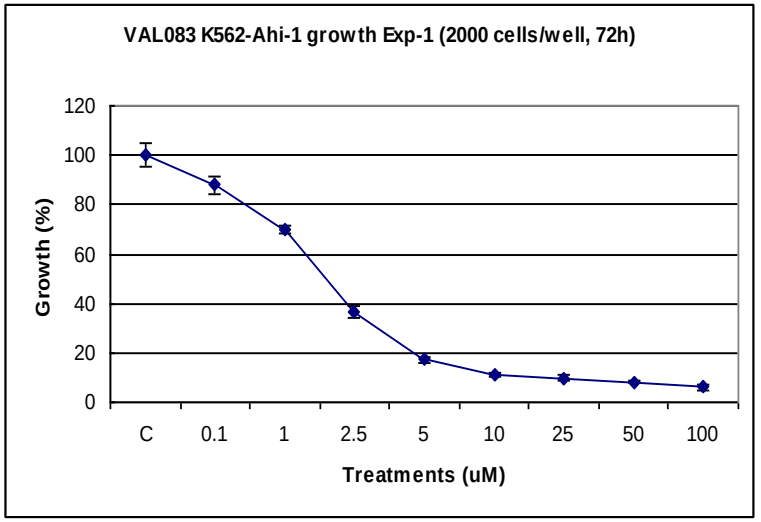
VAL-083: Refractory CML & NSCLC

- Example: VAL-083 activity is retained independent of known TKI resistance mechanisms in CML

TKI Susceptible

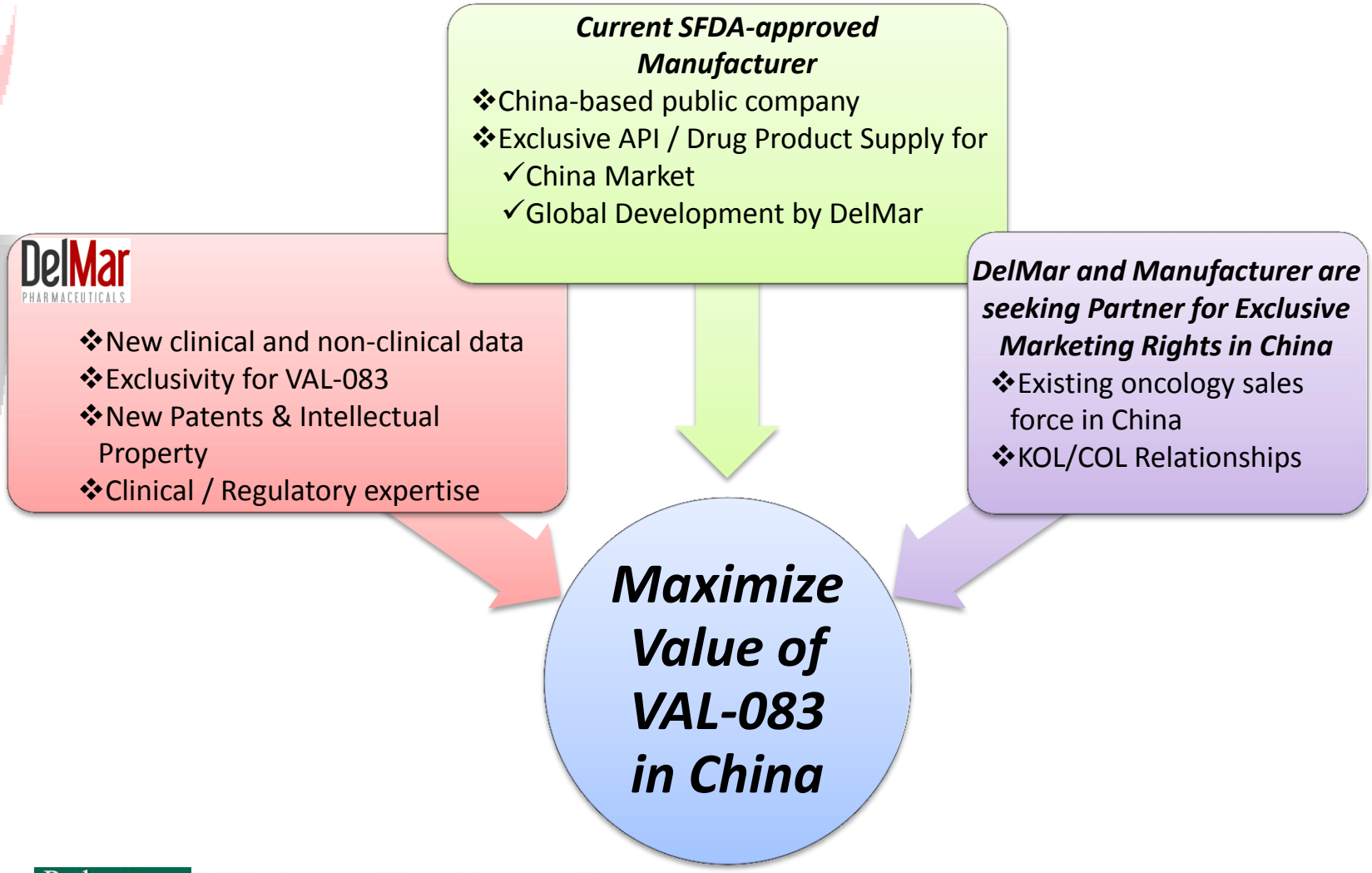


TKI Resistant



- Work underway in BIM-co deletion specific CML and NSCLC cell-lines

VAL-083 China Commercial Strategy



VAL-083 Opportunity in China

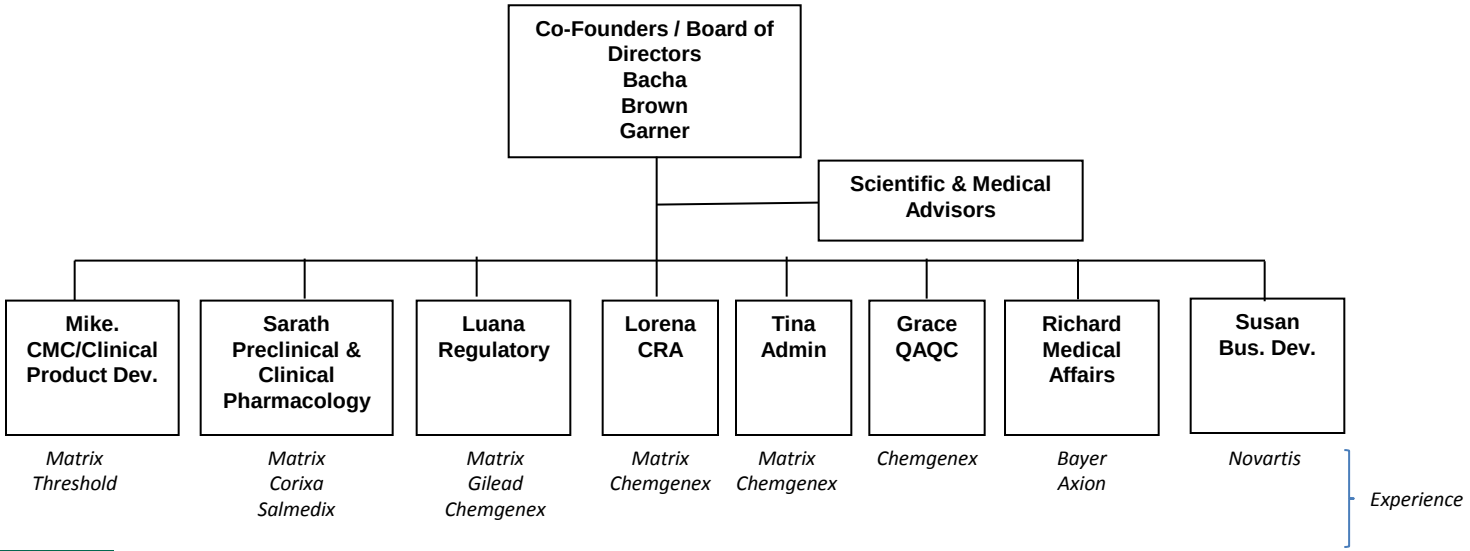
Major City Opportunity based on current pricing and incidence

	Beijing			Shanghai			Guangzhou		
	incidence	Annual Revenue opportunity		incidence	Annual Revenue opportunity		incidence	Annual Revenue Opportunity	
Bladder	686	¥ 39,539,078	$ 6,256,183	806	¥ 46,406,602	$ 7,342,817	445	¥ 25,604,813	$ 4,051,394
Brain	863	49,706,270	7,864,916	1,013	58,339,729	9,230,970	559	32,188,908	5,093,182
Breast	4,236	244,012,597	38,609,588	4,972	286,395,032	45,315,670	2,743	158,018,273	25,002,891
Cervical	1,883	108,450,043	17,159,817	2,210	127,286,681	20,140,298	1,219	70,230,344	11,112,396
Colorectal	2,785	160,415,689	25,382,229	3,269	188,278,215	29,790,857	1,804	103,882,383	16,437,086
Head/neck	412	23,723,447	3,753,710	483	27,843,961	4,405,690	267	15,362,888	2,430,837
Liver	5,040	290,329,803	45,938,260	5,916	340,757,052	53,917,255	3,264	188,012,483	29,748,811
Lung	6,570	378,445,463	59,880,611	7,711	444,177,480	70,281,247	4,255	245,074,637	38,777,632
Ovarian	745	42,928,142	6,792,428	875	50,384,311	7,972,201	483	27,799,511	4,398,657
Testicular	78	4,518,752	714,992	92	5,303,612	839,179	51	2,926,264	463,017

Sales Based on Market Penetration				
	20%	40%	60%	80%
RMB	¥ 757,268,492	¥ 1,514,536,984	¥ 2,271,805,477	¥ 3,029,073,969
USD	$ 119,820,964	$ 239,641,928	$ 359,462,892	$ 479,283,856

DelMar Team

- Collectively responsible for approval of more than 20 oncology drugs
- Founders & Advisors:
  - Jeffrey Bacha, BSc MBA – co-founder, President & CEO: Inimex / Inflazyme
  - Dennis Brown, PhD – co-founder, Chief Scientific Officer: Matrix / Chemgenex
  - Bill Garner, MD – co-founder: Urigen / Inverseon
  - Victor Levin, MD – Prof. Emeritus Neuro-Oncology MDACC
  - James Perry, MD – Chair, Canadian Brain Tumor Consortium
  - Bill Bodell, PhD – Prof. Emeritus UC Berkley (DNA Damage & Repair)
  - Howard Burris, MD – Director, Sarah Cannon Cancer Research Institute



Financing History

$3.8 Million Invested / Raised to Date

- **Start-up Capital**
  - **Founder's investment + Seed Round (2010)**

Private Round = Two Years Cash (Q1'2012)

- **$3 million: Use of Proceeds**
  - $1m: Clinical Manufacturing Controls (CMC) "USA commercial/FDA registration ready"
  - $1m: Dose modernization phase of Clinical Study ***(12-month milestone)***
  - $1m: Patents & Corporate Activities
- **$1.5m of $3m from China-based investor**
  - Seeking rights to market VAL-083 in China
  - Funds remain in escrow pending sales and marketing relationship
  - DelMar can walk-away in favor of alternative partner by returning funds
- **Investors = Founders + Accredited & Institutional Investors**
- **Post-financing Capital Structure**
  - 16 million common shares
  - 6 million warrants
- **Deal structure targets near-term investor liquidity event**

Comparable Company Valuations *(Sep 2012)*

Comparable Trading Data

Company		Enterprise Value	EBITDA (LTM)
agenus	NasdaqCM: AGEN	$97m	($16.1m)
Celldex therapeutics	NasdaqGM: CLDX	$326m	($5.6m)
Celsion Corporation	NasdaqCM: CLSN	$140m	($21.9m)
CYCLACEL	NasdaqGM: CYCC	$12m	($15.7m)
Galectin Therapeutics	OTCBB: GALT	$26m	($8.1m)
ImmunoCellular Immunocellular Therapeutics Ltd.	OTCBB: IMUC	$107m	($6.9m)
Northwest Biotherapeutics	OTCBB: NWBIO	$50m	($28.0)
Peregrine	NasdaqCM: PPHM	$451m	($38.1m)
PROVECTUS PHARMACEUTICALS, INC.	OTCBB: PVCT	$74m	($21.2)
sunesis	NasdaqCM: SNSS	$141m	($24.0)
	Mean:	***$142***	***($18.6m)***
	Median:	***$102m***	***($18.7m)***

Comparable Exits

Company / Acquiror		Product Candidate	Exit Value	Transaction Date
salmedix	Cephalon	**Treanda™**	**$200m**	**2005**
BiPar sciences	Sanofi	**Iniparib™**	**$500m**	**2009**
CHEMGENEX PHARMACEUTICALS	Cephalon	**Omapro™**	**$235m**	**2011**

Upcoming Milestones

- VAL-083 Interim Clinical Data: Q4’2012
- China Commercial Collaboration: H1’2013
- Investor Liquidity Event
- Access additional assets to build around VAL-083 platform

DelMar Pharma Investment Thesis

- *Clinical-stage oncology company*
- *Proven drug candidate*
- *Streamlined clinical plan*
- *Attractive valuation*
- *Highly experienced team*
- *Potential for near-term investor exit*

Thank You

Del Mar Pharmaceuticals (BC) Ltd.

Jeffrey Bacha, B.Sc., MBA – President & CEO

- jbacha@delmarpharma.com
- +1 604 317 7022

Corporate Headquarters:
Suite 720 – 999 West Broadway
Vancouver, British Columbia
Canada V5Z 1K5

Clinical Operations:
3475 Edison Way, Suite R
Menlo Park, California 94025
USA