23 October 2010

Via (electronic mail)

To: Shareholders of Del Mar Pharmaceuticals

Re: Company update

Dear Shareholders and Friends of Del Mar Pharma:

As we enter the fourth quarter of 2010, I wanted to provide you with an update on our recent progress and plans for 2011.

I am pleased to report that we have now filed an Investigational New Drug (IND) application with the United States Food & Drug Administration (FDA) to begin a Phase I/II clinical trial with our lead drug candidate, VAL-083. This study will examine the safety and efficacy of VAL-083 in glioblastoma multiforme (GBM) patients who have failed both front-line therapy and second line therapy with Avastin™.

I believe we have a high-quality submission, which is testament to the quality of the people involved in our company and to their hard work. The FDA has 30 days from submission to respond with questions before we are permitted to begin the study. We plan to make a formal announcement once we have received formal allowance to begin.

GBM is a devastating disease and a significant unmet medical need. It is most serious and aggressive form of brain cancer. Senator Ted Kennedy's diagnosis with GBM in 2008 raised awareness of this disease, which affects approximately 25,000 patients in North America every year. Standard front-line therapy includes surgery to remove the tumor followed by combination of radiation therapy and the drug Temodar™. Approximately 60% of patients' tumors progress following standard treatment. The monoclonal antibody Avastin™ was approved for patients failing front-line therapy in the United States in 2009 and in Canada in 2010. Unfortunately, only 20% of patients are eligible for and respond to Avastin™ Therapy. These patients who fail Avastin™ therapy are our target population and represent approximately 48% of those individuals originally diagnosed with GBM.

In previous human clinical trials sponsored by the National Cancer Institute in the United States (NCI), VAL-083 showed promise in the treatment of GBM. We are hopeful that we will be able to repeat this previous success as third-line treatment following Avastin™ thereby offering new hope to these patients and their families.

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2010 has indeed been busy year for our company. In addition to our recent IND filing, we have accomplished several important milestones including:

- Acquiring VAL-083 from Valent Technologies LLC in California;
- Completing a seed-financing to support initial corporate activities;
- Acquiring clinical trial supply of VAL-083 from its current overseas manufacturer;
- Developing a potentially improved manufacturing method for VAL-083;
- Filing new patents around the VAL-083 technology;
- Expanding our network of key advisors;
- Identifying a potential second clinical indication for VAL-083; and
- Beginning the process to raise a formal round of financing to support the clinical development and commercialization of VAL-083.

During the remainder of 2010 and in 2011, we hope to continue to advance VAL-083 and build shareholder value by achieving the following corporate goals:

- Receiving FDA allowance to begin our Phase I/II study in GBM;
- Obtaining Orphan Drug designation for VAL-083;
- Completing a formal round of financing to support the clinical development of VAL-083 and other corporate development activities;
- Filing regulatory documentation to study VAL-083 in a second clinical indication;
- Continuing to identify and retaining key advisors; consultants and full-time hires; and
- Receiving preliminary safety and efficacy data from our GBM clinical trial.

Going forward, we plan to provide a formal update to shareholders on a quarterly basis. Of course, please feel free to contact me directly at any time with questions along the way.

On behalf of the entire Del Mar Pharma team, I thank you for your continued enthusiasm and support of our mission to develop and commercialize proven therapies for patients who have failed modern biologic therapy.

Best personal Regards,

Jeffrey A. Bacha
President and CEO