December 10, 2011

Via electronic mail

To: Shareholders & Friends of Del Mar Pharmaceuticals

Re: Company update

Dear Shareholders and Friends of Del Mar Pharma:

I am pleased to provide you with the following update on our accomplishments during a busy 2011 and our plans for 2012.

At the end of 2010, we set forth goals related to the advancement of our lead product into human clinical trials; continuing to establish our intellectual property position; and ensuring we had access to adequate resources and capital to fund clinical development and related corporate activities going forward.

During the year, we received approval from the United States Food and Drug Administration (FDA) to begin a clinical trial to evaluate the safety and efficacy of VAL-083 in the treatment of glioblastoma multiforme (GBM) the most common and aggressive form of brain cancer. We believe that VAL-083 may represent an important new therapeutic alternative for patients who do not respond to currently approved treatments.

Our trial is being conducted at the Sarah Cannon Research Institute (SCRI) in Nashville (USA) under the direction of Dr. Howard Burris. The trial has been registered at clinicaltrials.gov and further information is available at http://www.clinicaltrials.gov/ct2/show/NCT01478178?term=VAL-083&rank=1.

An initial phase of the study involves dose escalation cohorts until a maximum tolerated dose (MTD) is established in the context of modern care. Once the modernized dosing regimen has been established, additional patients will be enrolled at the MTD (or other selected optimum dosing regimen), which will position Del Mar Pharmaceuticals to advance VAL-083 into registration directed clinical studies in the United States.

Patient recruitment and enrollment is a critical path item for the development of VAL-083 GBM. We believe that SCRI has the resources and geographic reach to complete the initial phase of the study during 2012. We will be vigilant regarding recruitment and be prepared to open additional clinical sites if required to achieve enrollment targets.

In parallel with the clinical trial, we have initiated research related to the molecular mechanism of VAL-083 in collaboration with the University of British Columbia. We've begun to receive the first results of this research, which we believe will clearly differentiate VAL-083 from other drugs approved to treat GBM. We anticipate beginning to present these results and initial clinical data at key scientific meetings

during 2012 as we seek to gain momentum toward an acquisition or public listing event before the end of next year.

We have continued to file patents to protect our intellectual property. There are no guarantees that patents will issue, but we are confident in our strategy and the quality of our claims. Separately, an orphan drug application has been filed with the FDA and we anticipate receiving formal feedback in the first quarter of 2012. The assignment of orphan drug status to a VAL-083 will provide market exclusivity in GBM for seven years following approval in the United States, independent of any patent claims. We plan to file for similar protection in Canada, the European Union and other international jurisdictions.

In order to position Del Mar Pharmaceuticals with opportunities for long-term growth, we have identified additional cancer indications which may benefit from treatment with VAL-083. We are conducting research to prioritize indications and have entered discussions with potential collaborators to support advancement of VAL-083 into clinical studies in additional indications.

As I am sure you are aware, 2011 has been a challenging year for young companies seeking capital. While Del Mar Pharmaceuticals is a young company, our lead product benefits from extensive clinical and preclinical research sponsored by the National Cancer Institute in the United States.

This, combined with an experienced team and a track-record of success, has enabled us to raise sufficient capital to initiate our clinical studies. In our last quarterly update, we confirmed agreement on terms $3 million financing with a Toronto-based lead group. Based on the terms of the offering we will be seeking to offer investors liquidity within a year. To date, we have closed on sufficient capital in the round to fund the initiation of our clinical study. We remain focused on completing the round and are confident that a final closing will be achieved in the near term.

During 2012, we will be focused on achieving the following milestones:

- Completing the initial dose-escalation phase of our VAL-083 GBM clinical trial and preparing to initiate a registration trial;
- Enhancing the value of VAL-083 by expanding our target indications and exploring opportunities to capture near term revenue in international markets;
- Achieving a liquidity event for our investors.

On behalf of the entire Del Mar Pharmaceuticals 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 and targeted therapy. As always our goal remains to provide new therapies to patients and to build value for our shareholders in the timeliest manner possible.

We wish you and yours the best for the Holiday Season and the New Year.

With warm personal Regards,

Jeffrey A. Bacha
President and CEO