



BioPharmica Limited

4th July 2007

Companies Announcements Office
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: BIOPHARMICA LIMITED SHAREHOLDER SHARE PURCHASE PLAN

The directors of BioPharmica Limited are pleased to announce the introduction of a Shareholder Share Purchase Plan ("SSPP").

BioPharmica intends to seek an IPO for investee Cortical Dynamics on the Australian Securities Exchange.

Under a planned 'spin off' process, BioPharmica (ASX code: BPH) shareholders would receive a free 20 cent share in Cortical Dynamics for every listed BioPharmica share that they hold on 15th July 2007.

This means that an eligible BioPharmica shareholder can participate in the "SSPP" and receive the same number of 20 cent shares (at no cost) in the new IPO of Cortical Dynamics. The spin off and listing is subject to approval from shareholders and regulatory bodies.

Funds will be used to enable BioPharmica to continue to pursue a development strategy of providing tangible benefits for shareholders.

Eligible shareholders can purchase shares at 20 cents per share, a 10% discount to the weighted average price of the last 5 trading days prior to this announcement.

The offer is limited to a minimum of \$1,000 and a maximum of \$5,000 worth of shares per shareholder. The offer is strictly limited to raise a maximum of \$1,000,000 and applications will be accepted on a first received basis.

Participation is entirely at the option of the shareholder and the offer is non-renounceable. The market price of the shares may change between the date of this offer and the date when the new shares are issued. Shares purchased through the "SSPP" are free of all brokerage fees and commissions.

The full timetable for the offer will be announced to the ASX in the near future. The offer document, application form and detailed terms and conditions will be forwarded to eligible shareholders following this announcement.

Yours Sincerely

David Breeze
Managing Director

BioPharmica Limited

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