10 August 2009
BioPharmica (ASX: BPH) ASX Announcement

BIOPHARMICA CONFIRMS 100% OWNERSHIP OF NEW ANTI CANCER AGENTS

BioPharmica Limited (BPH) is pleased to announce that a new agreement between the University of Western Australia (UWA) and BPH has been finalised to replace the HLS5 Collaborative Research and Technology Farmin Agreement.

Under the new agreement BPH will own 100% of the intellectual property of the HLS5 project and its derivatives which have developed during the research and development. BPH will continue to sole fund the development of the projects. In exchange for the ownership of the intellectual property BPH will provide UWA an agreed net royalty upon commercialisation.

New commercially targeted projects have been spun out of the original program as a result of the last four years of research which includes a possible new anti-cancer therapeutic and a new anti-cancer strategy. The most recent development in the novel anti-mitotic cancer therapeutic area addresses a market which is one of the primary objectives of current oncology drug discovery. Clinically approved anti-mitotic drugs *(e.g. Taxol® and Velban®)* currently attract in excess of one billion dollars (US) in revenue per year. Since new and improved anti-mitotic drugs can be expected to have a similar revenue potential, they are actively being sought by most pharmaceutical companies. New anti-mitotic cancer drugs have attracted very substantial licensing fees from large pharmaceutical companies *(e.g. 50^{+} million USD to Cytokinetics Inc. for Ispinesib in 2005)*.

As part of the new agreement BPH is also pleased to welcome Dr Robin Scaife as our lead scientist on the project. Dr Scaife who was previously employed by the University of Western Australia will now continue his research as a full time employee of BPH. Dr Scaife will head up the BPH Laboratory located at the Western Australian Institute for Medical Research (WAIMR).

BPH's chairman, Mr David Breeze said "We are excited about the new research being undertaken as it has excellent commercial development possibilities. Discussions have already been initiated with international companies with the objective of the licensing and development of these projects. It is anticipated that the research program will enable developments in this area within this financial year".

Yours sincerely,

David Breeze
Chairman

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Novel Anti-Mitotic Cancer Therapeutics

BioPharmica Limited
Bridging Biotechnology Borders

BioPharmica manages a strong portfolio of biomedical technologies emerging from research by leading Universities, Medical Institutes and Hospitals across Australia.

BioPharmica is working with the Western Australian for Institute for Medical Research (WAIMR).

WAIMR combines the Royal Perth Hospital, Sir Charles Gairdner Hospital, Fremantle Hospital and the University of Western Australia (UWA) and aims to uncover the genetic and environmental causes of a range of diseases. The ultimate goal is to prevent

Background

Unregulated cell proliferation and evasion of cell death (apoptosis) are two of the fundamental hallmarks of cancer. While a number of pharmacological agents can target cell proliferation or apoptosis, anti-mitotic agents have proven to be among the most clinically effective anti-cancer drugs. The exceptional tumour inhibitory activity of anti-mitotic drugs is due to their unique ability to link perturbation of cell proliferation (metaphase arrest) with apoptosis (mitotic death and/or catastrophe) (Figure 1).

Data

In light of the clinical success of the anti-mitotic microtubule drug Taxol®, the identification of new and improved anti-mitotic pharmacophores remains one of the primary objectives of current oncology drug discovery. Indeed, in addition to improved microtubule drugs (Ixabepilone), inhibitors of Polo/Aurora kinases (BI-2536/VX-680) and mitotic kinesins (Ispinesib, GSK-923295) have recently emerged as highly promising new anti-cancer therapeutics.

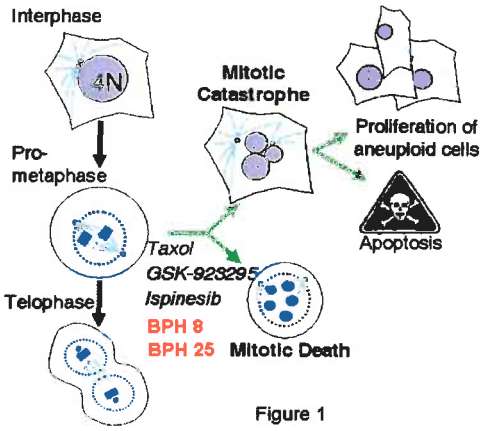

Figure 1

Our Technology

BioPharmica has recently identified new anti-mitotic agents that induce mitotic arrest and apoptosis. While these actives do not affect the microtubule cytoskeleton in interphase cells, they perturb the function of the mitotic spindle (Figure 2), thereby selectively linking cell division with cell death.

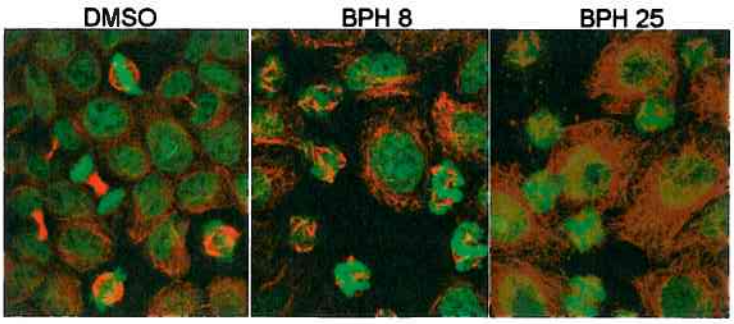

Figure 2 β-tubulin/DNA

In addition to defining the molecular and cellular modes of action of these compounds, BioPharmica is also actively pursuing hit optimization through *in silico* and *in vitro* medicinal chemistry.

Australian Research Network

The Australian Research Network represents BioPharmica Limited.

The Australian Research Network is a technology transfer company based in Los Angeles focused on the commercialization of early stage technologies from Australia.

The Australian Research Network is a wholly owned subsidiary of TM Ventures Pty Ltd, a business development company based in Sydney Australia.

For Further Information

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