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Performance Enhanced Pharmaceuticals PEPs



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Acute Pain



The need for ZAG-1701

Rapid relief of acute pain

- 2 out of 3 dissatisfied with over-the-counter drugs

\$38 B Worldwide Market



The scientific breakthrough



**Pain-mediated altered absorption
and metabolism of ibuprofen:**

an explanation for decreased serum enantiomer concentration after dental surgery.

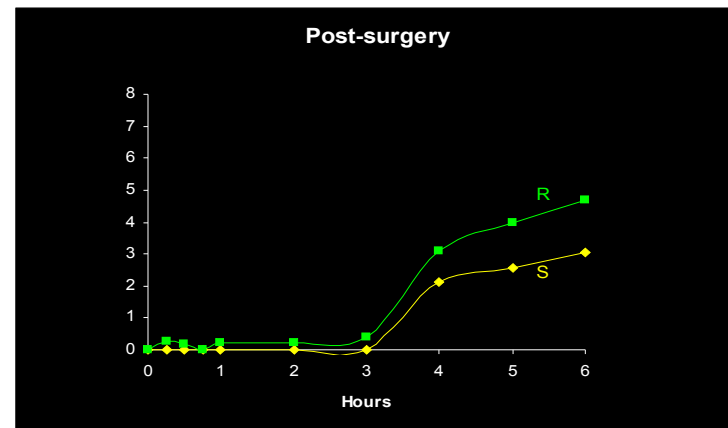
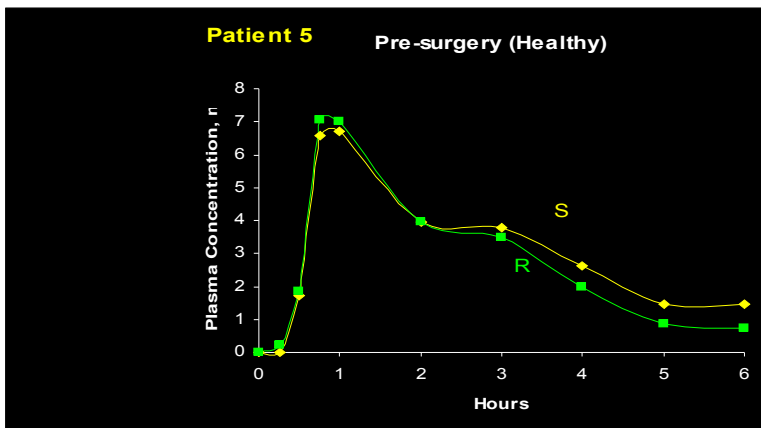
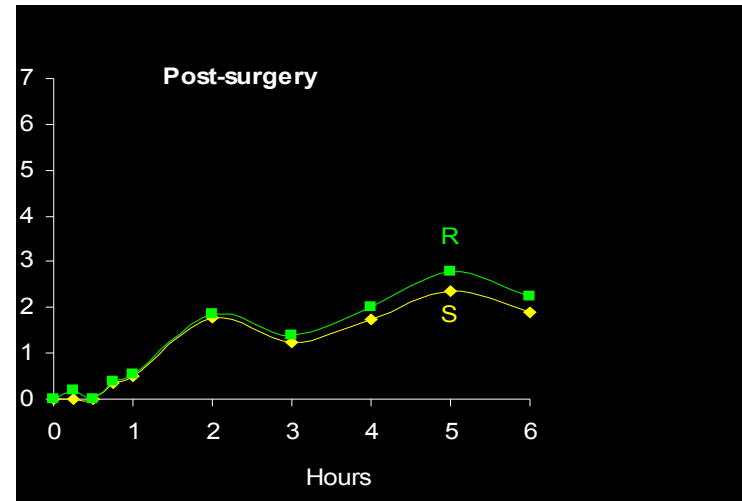
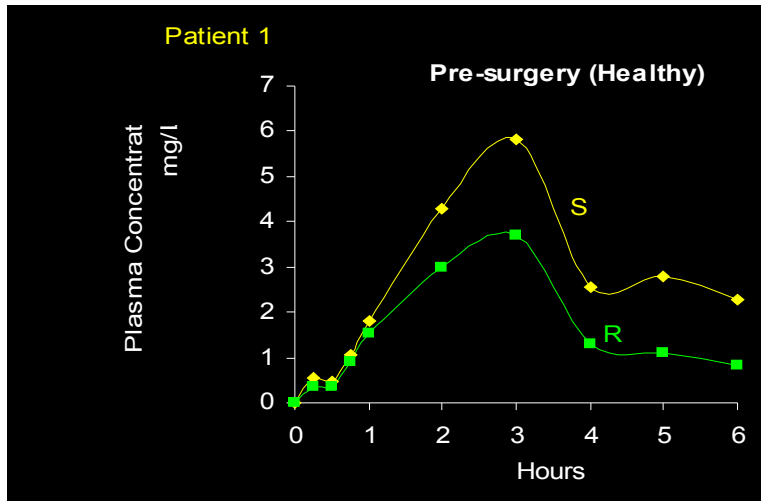
Dr. Fakhreddin Jamali and Dr. Cornelia Kunz-Dober,
British Journal of Clinical Pharmacology (47:391-396, 1999)

In pain sufferers, medication doesn't work when needed most it's slow and erratic to act

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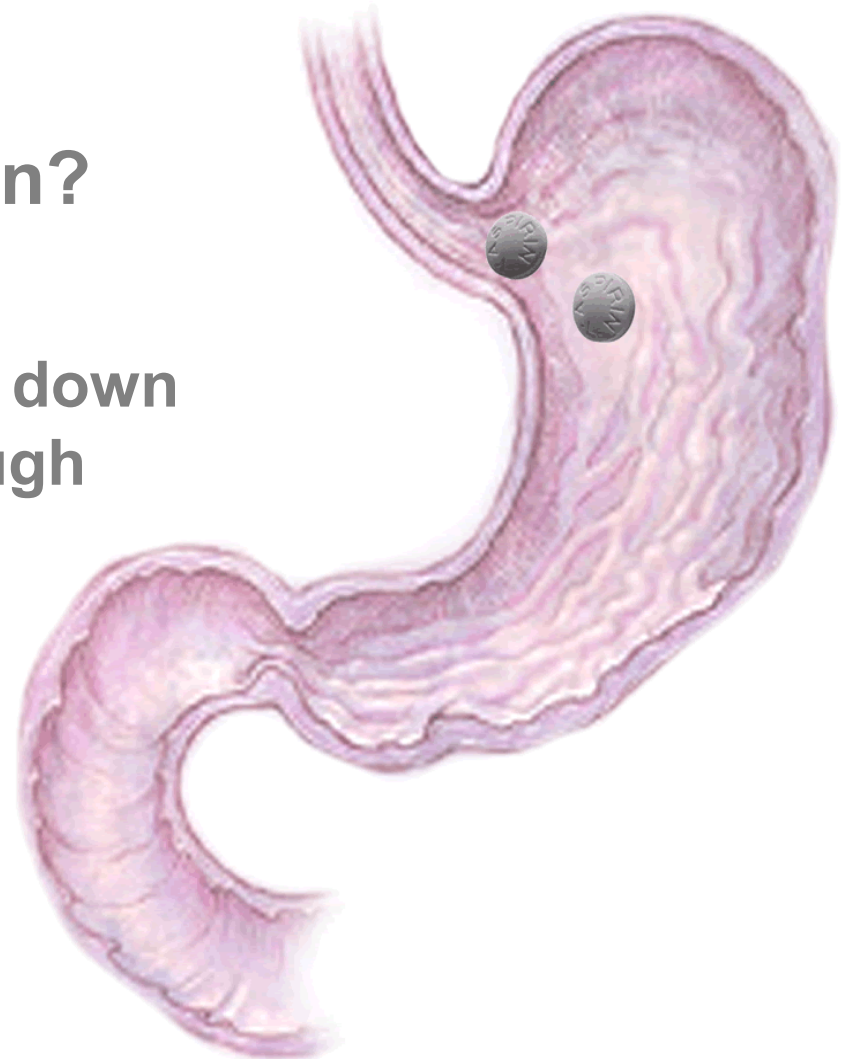
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The need

Why the dissatisfaction?

- Stomach can't break down medication fast enough
- Absorption of medication into bloodstream is too slow

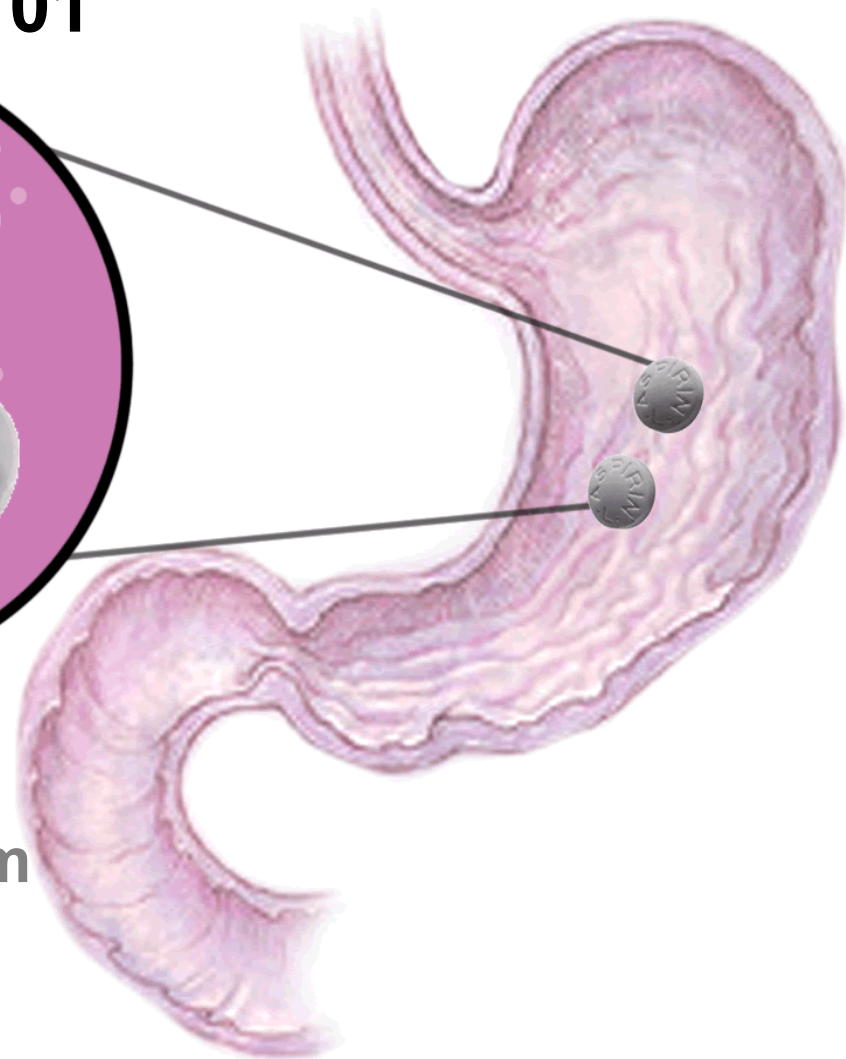
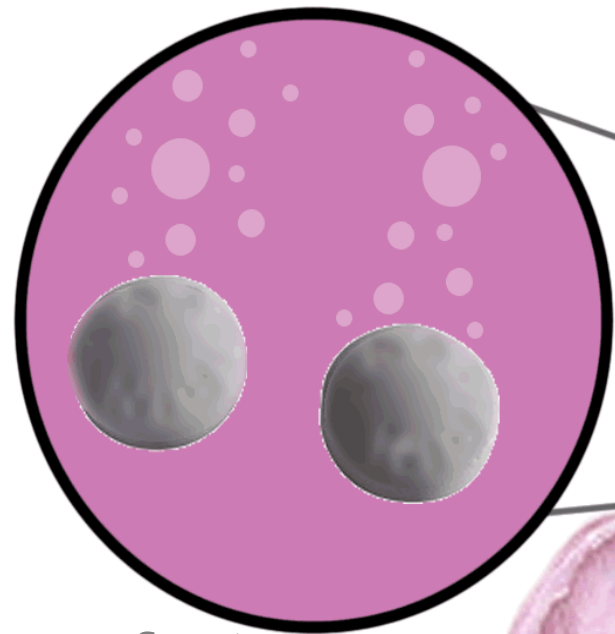




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The new product ZAG-1701



- Breaks down faster in the stomach
- Absorbs into bloodstream more quickly

Phase II Proof of Concept Clinical Trial – Human Data

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- **Phase II Proof-of-Concept Clinical Trial - complete**
 - ZAG-1701 vs. Motrin in wisdom tooth patients
 - 26 patients
 - Measure blood level of ZAG-1701 and Motrin
 - Measure onset of pain relief

- **Independent 3rd Party Experts**
 - Patheon Inc. (manufacture)
 - CanReg (regulatory filing with FDA)
 - Analgesic Development Limited (conduct trial)
 - AAI Development (blood analysis, monitoring, data analysis)


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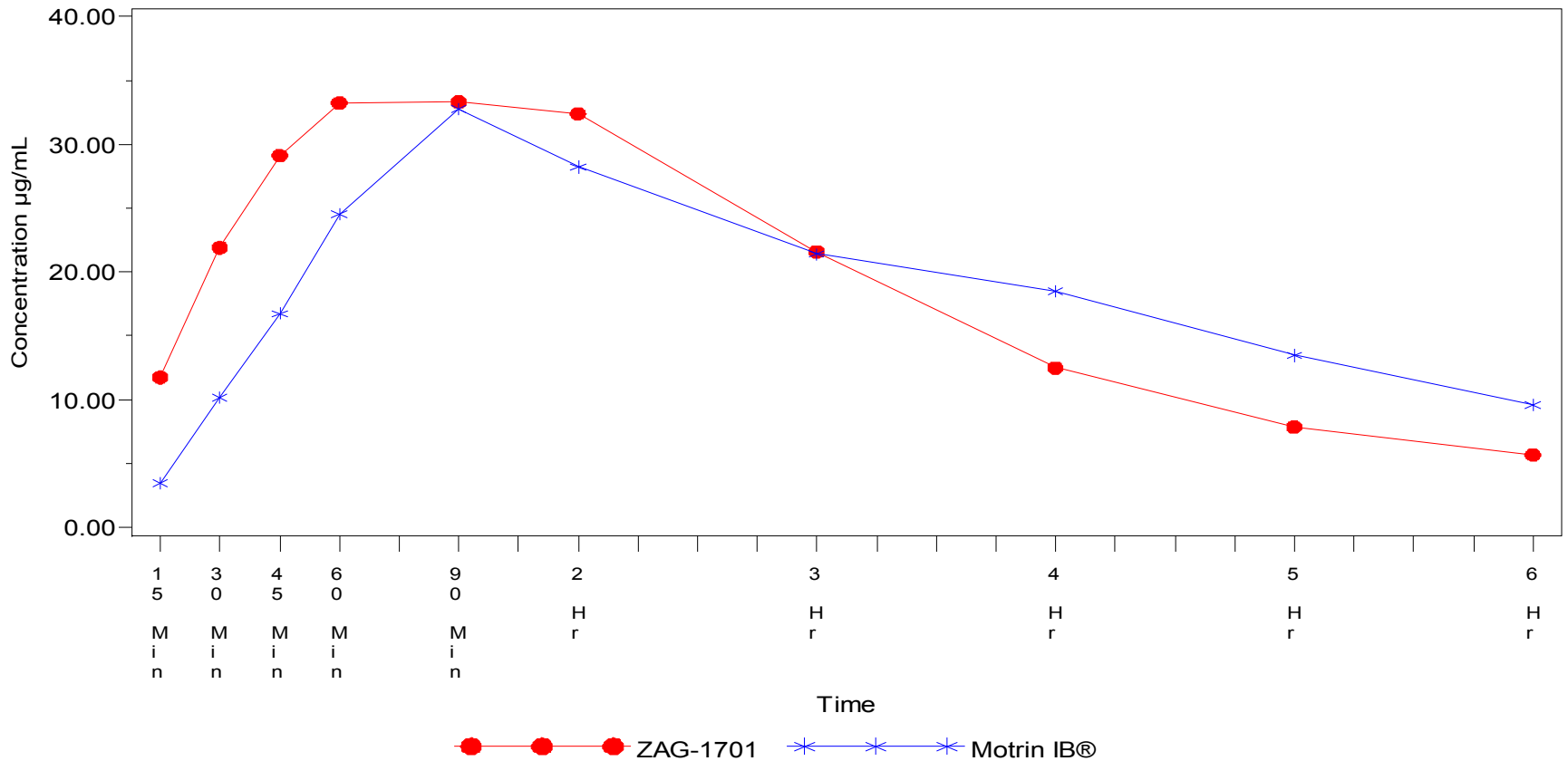
Phase II Proof of Concept Clinical Trial – Human Data

Performance Enhanced Pharmaceuticals PEPs



EquiTech Corporation
Protocol No. ZAG-1701-01

Figure 6.6
Pharmacokinetic Parameters - Total Concentration
ITT Population

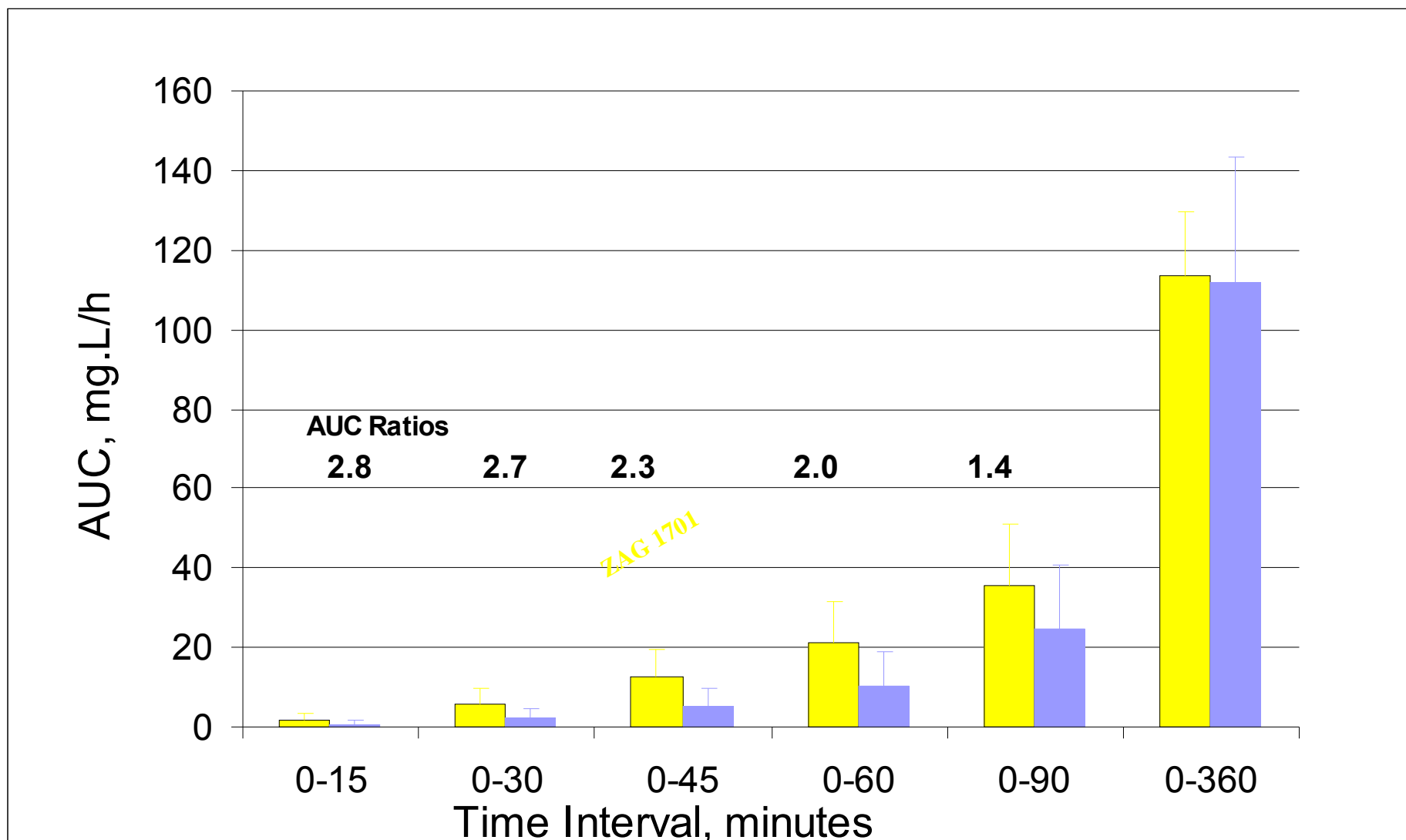


Phase II Proof of Concept Clinical Trial – Human Data

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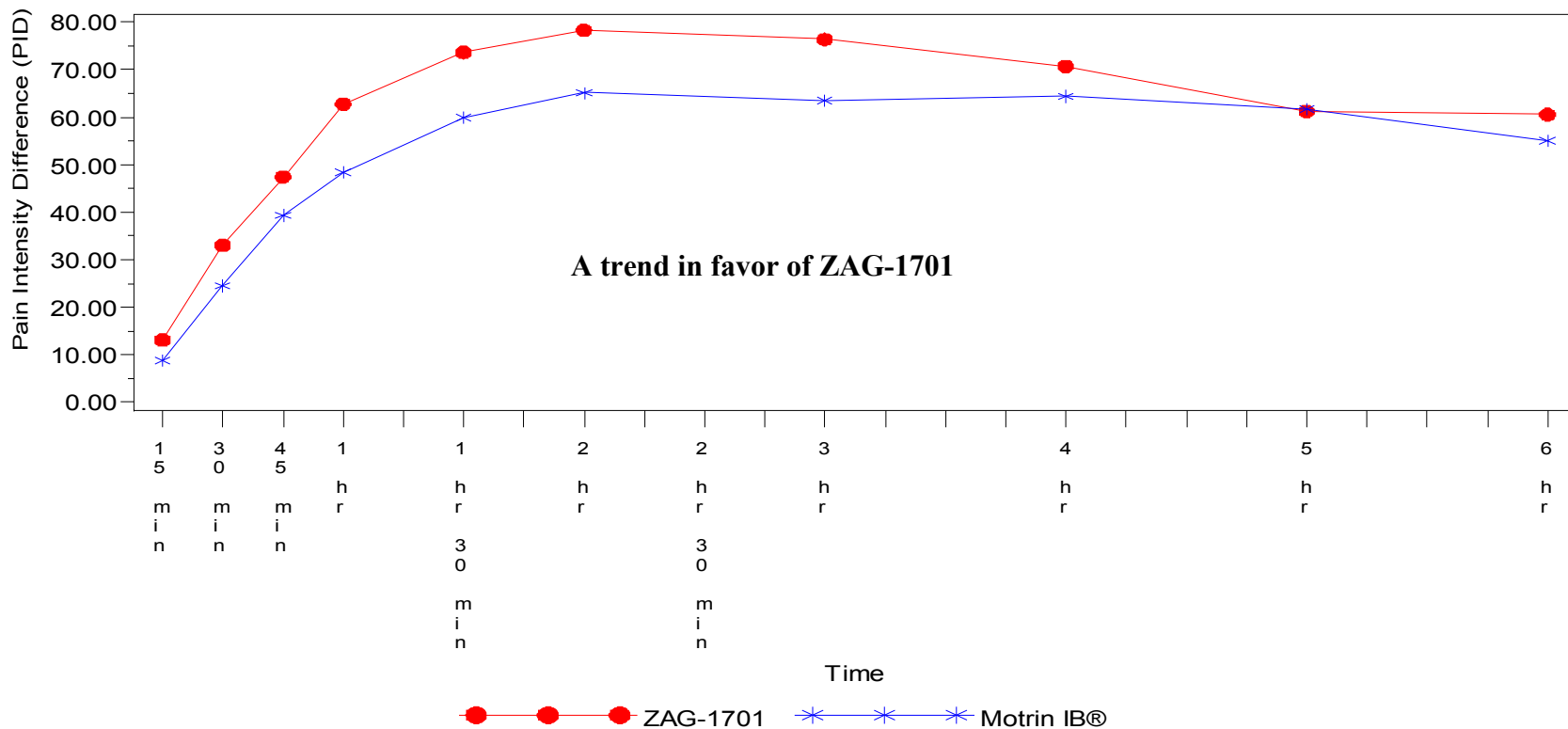
Phase II Proof of Concept Clinical Trial – Human Data

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Protocol No. ZAG-1701-01

Figure 3.4
Pain Intensity Difference (PID) Over Time, VAS Pain Intensity Scale
ITT Population



Pain Intensity Scale: 0 = None; 1 = Mild; 2 = Moderate; 3 = Severe

Clinical Trial Plan

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Use - RELIEF OF MINOR ACHES AND PAIN – FAST ACTING

Comparative Bioavailability Study

- 3 to 4 months in duration
- Estimated cost \$390K

Phase III Clinical Studies

Dental Pain Similar to Phase II trial

- 6 to 9 months at multiple sites
- Estimated cost \$2.7M to \$3.0M

Another pain model such as knee pain or bunyonectomy (with a license partner)

- 6 to 9 months to complete
- Estimated cost \$2.7M to \$3.0M



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Pain Relief Market Place

Ibuprofen Market

- Worldwide OTC + Rx Ibuprofen (Motrin, Advil, Nuprin) annual sales approx US\$3 B
- OTC US\$575 M in North America

NSAID Market (Ibuprofen, Ketoprofen, Naproxen, Diclofenac, others)

- Estimated at 30 M users, US\$13 B worldwide
- In the US, there are 13 M regular users of NSAIDs
- 70 mm prescriptions written for NSAIDs each year

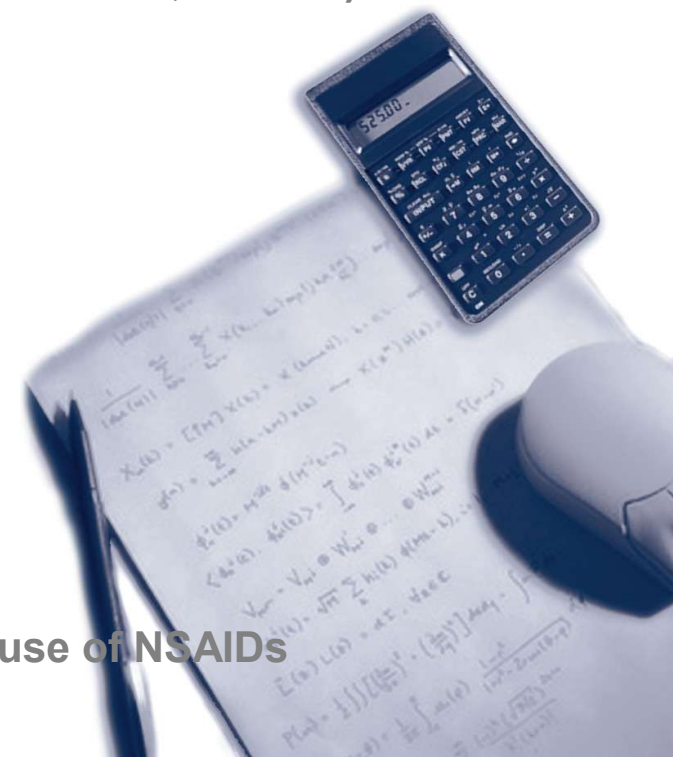
Total Pain Market

- Estimated at US\$38 B worldwide in 2002
- Estimated to reach US\$75 B by year 2010

Economic Impact of Pain

- 50 million lost work days/year in US
- 25 million experience acute pain

Recent issues on COX-2 inhibitors may result in increased use of NSAIDs





Pain Relief Market Place

Fast acting products gaining significant market share

- Advil Liqui-Gels® up 24% in 2002 competes in both ibuprofen and Tylenol markets
- Tylenol 8 Hour Extended Relief® promoted as both fast and long acting
- Motrin® IB “mom commercials”
- Glaxo Imitrex DF for migraines dissolves in stomach in minutes providing faster relief compared to conventional Imitrex









 PEPs – improving when and where medication is absorbed into the body



The potential

US Over-The-Counter Pain Relief Market (2000)

Brand	Generic						
Market Share	21.8%	17.2%	13.0%	7.7%	6.7%	5.5%	5.4%
Change vs Last Year	+2.1%	-1.8%	+5.5%	+5.8%	+1.8%	+22.2%	-0.5%



improved product
means opportunity



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The partnership plan

- Branded pharmaceutical companies
- Generic or private label manufacturers

Why partner

- Maintain market share & brand profitability
- Extend product life cycles
- "Branded" or "Super" generics

ensure maximum return





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Other Products to Bring to Market

Clinical Stage

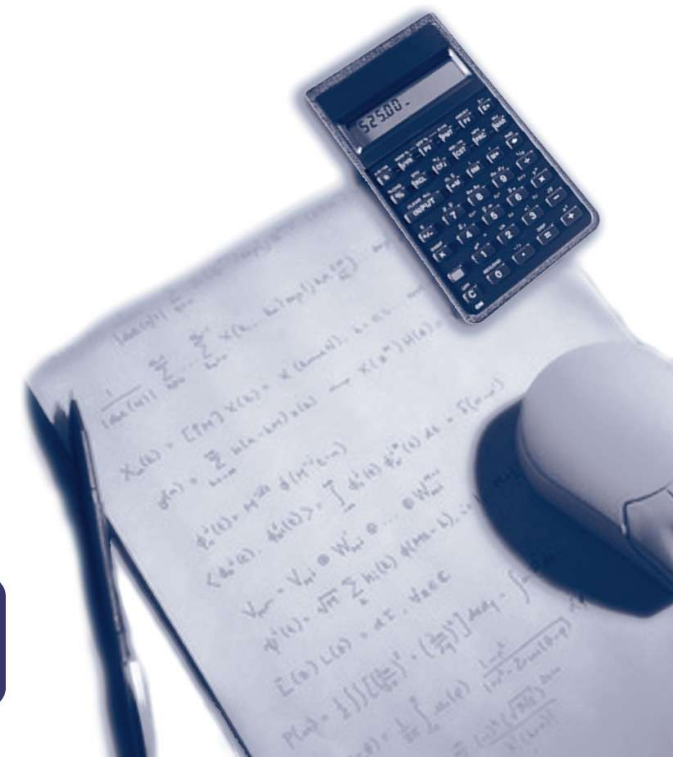
- ZAG-1701

Preclinical Stage

- COX-2 selective analgesic
- Naproxen
- ASA

Research Stage

- Glucosamine
- Diclofenac

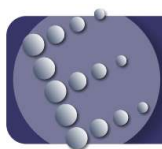


PEPs – improving when and where medication is absorbed into the body

Patents & Trademarks

U.S. and International patent applications

- Real solutions: fast acting ibuprofen formulations
fast acting COX-2 formulations
pain mimicking animal model
- 6 patent applications, 7 trademarks
- Proves scientific innovation
- Company asset to license
- Rational Drug Design, PEP



first to discover why pain medication
doesn't work and fix the problem

Management team

- **President & CEO**
James Chivers-Wilson, MSc
- **Chief Scientific Officer**
Fakhreddin Jamali, PhD
- **Chief Financial Officer (part time)**
Doug Thomson, CA





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The team

James A. Chivers-Wilson

Started up Cytovax Biotechnologies merger of two companies

- \$5.0 M financing
- Peptide vaccines in development
- Existing diagnostic & cell separation products

Business Development & Marketing at PENCE

- **Three new spin-off companies created and nineteen partnership agreements**
- **\$18.2 M grant**

Manager, Commercial Development at Allelix Biopharmaceuticals

- Resolution Pharmaceuticals a radiopharmaceutical joint venture

CIBA-Geigy Pharmaceuticals (now Novartis).

- **Director New Business Development – Webber Pharmaceuticals**
- **Director National Sales and Planning**
- **Brand Manager**
- **Regional Sales Manager**

The team

Dr. Fakhreddin Jamali

- Professor Faculty of Pharmacy
- > 170 peer reviewed research papers
- Member of TPD Expert Advisory Committee on Bioavailability & Bioequivalence
- Fellow of America Association of Pharmaceutical Sciences & American College of Clinical Pharmacology
- Editor Journal of Pharmacy & Pharmaceutical Sciences & others
- Founding President Canadian Society of Pharmaceutical Sciences
- Industry recognition includes McNeil Award & Dupont Research Leadership Award

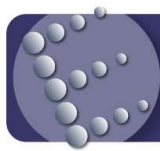


worldwide expert in pain management

The team

Dr. Abraham Sunshine (New York) Chairman Scientific Advisory Board

- 15 patents on analgesics
- Extensive clinical trial experience
- Many drugs on market
- Created FDA guidelines on analgesic clinical trials



worldwide expert in pain management

Board of Directors

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Kerry Brown, C.A.
Chairman of the Board of Directors
Chartered Accountant

Bob Ingram
Director
Partner Ingram Associates

Dr. Fakhreddin Jamali
Director and Chief Scientific Officer
Professor, University of Alberta

Marcus Little
Director
Partner, Performance Improvement Consultants

Dr. Antoine (Tony) Noujaim
Director and Past Chairman of the Board
President & Chief Executive Officer – Virexx Medical Corporation



adding value to marketed drugs

The road ahead

Value Adding Milestones

Manufacture clinical trial material ZAG-1701	Done
IND submission to FDA	Done
Phase II proof-of-concept in P Rico	Done
Partnership ZAG-1701, after Phase II	ongoing
Phase III clinical trial	Q3, 05



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TSX Venture Exchange

Shares Outstanding

- At Dec 31, 2004
- Current Share Price
- Market Cap
- 52 week range

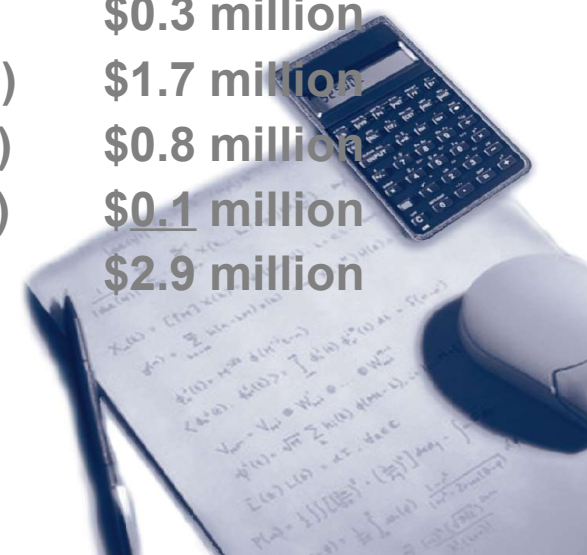
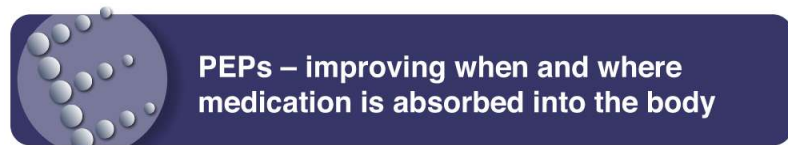
EQT

14.3 million
\$0.48
\$6.9 million
\$0.13 - \$0.72

Cash

- At Dec 31, 2004
- 5.7 million warrants (expiring Aug/05 @ \$0.30 ea)
- 2.5 million warrants (expiring Dec/05 @ \$0.30 ea)
- 0.5 million warrants (expiring Feb/06 @ \$0.20 ea)
- 8.7 million add. Common shares

\$0.3 million
\$1.7 million
\$0.8 million
\$0.1 million
\$2.9 million





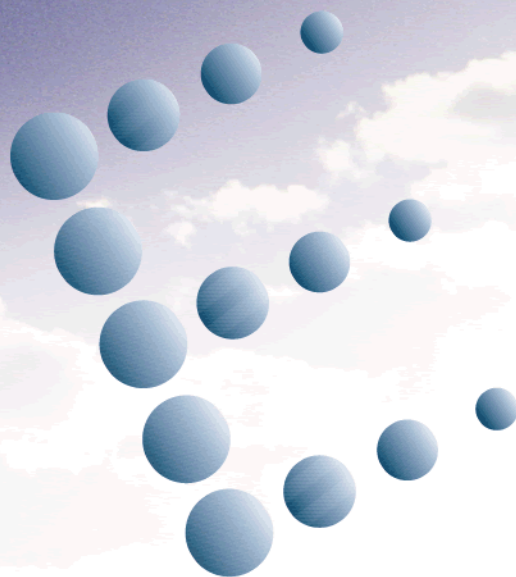
The summary

- Human clinical data – proving ZAG-1701 caplets are absorbed fast and suggesting relieve acute pain fast
- Pharmaceutical manufacture - proves it can be made
- Large market
 - Analgesic OTC market is \$13 B
 - Ibuprofen market \$3 B
- Significant increase in valuation
- Compounds already exist → faster to develop
- Excellent science with a commercial focus



adding value to marketed drugs





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**The next generation of
faster acting pain medication**