BioBusinessReview

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NEUROLOGY ISSUE

AGY Therapeutics Inc.

AGY Therapeutics is establishing a strong proprietary position for a large number of novel pharmaceutical agents, diagnostics and technologies.

Cortex Pharmaceuticals Inc.

Cortex is pioneering a novel class of proprietary drugs called AMPAKINE®, with potential for treatment of Alzheimer's disease, schizophrenia, depression and other neurological diseases.

NABI Biopharmaceuticals.

Nabi is a vertically integrated biopharmaceutical company developing products to power the human immune system to help people with serious, unmet medical needs.

Neurobiological Technologies, Inc.

Neurobiological Technologies, Inc. is an emerging drug development company focused on the clinical development and regulatory approval of neuroscience drugs.

Neurochem Inc.

Neurochem is a young energetic biopharmaceutical company having a strategic plan, which focuses on the development and commercialization of breakthrough technologies for the treatment of diseases of the aging.

Prescient Neuropharma.

Prescient Neuropharma is leading the discovery of neuroprotectants to slow or reverse acute and chronic diseases of the brain.

FOREWORD

It is time to look more closely toward real companies with real numbers and real technologies not just projections. There is still somewhat off a blind nostalgia attached to the information technology sector as a whole and since understanding biotechnology needs a little bit of knowledge, the investments have not piled up yet. Though we are seeing a major paradigm in the investment strategy, some venture capitalists have started to get less lazy; after all it's not their money from which they enjoy a hefty management fee and not doing their homework.

Health and economics is deeply interrelated and it is the only critical factor that differentiates a successful country from the so-called third world. Yet we see a cold shoulder to improve the sector. We all know this trend gave rise to the technology bubble and rest is history.

So it is time to focus on ***Health& Life science*** not only to save and improve lives but also to make the world a healthier place to live in.

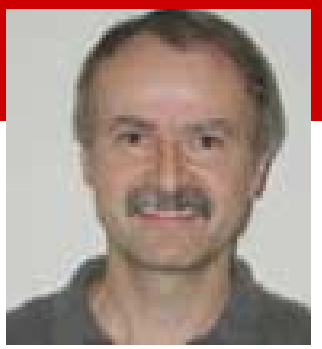
There are 4 million Alzheimer patients and a million suffering from Parkinson's disease in the U.S. so this issue is dedicated to the advancement in the treatment of neurological disorders.

Tan Khandaker, M.D.
Publisher/CEO
Bio Business Review, Inc.

AGY Therapeutics Inc.

http://www.agyinc.com/

Karoly Nikolich PhD, Founder & CEO



EXECUTIVE SUMMARY

AGY Therapeutics is establishing a strong proprietary position for a large number of novel pharmaceutical agents, diagnostics and technologies. In its short history, the company has built a proprietary technology platform for functional gene discovery and for delineating specific mechanistic pathways underlying central nervous system diseases.

BiObn: Our guest today is Dr. Karoly Nikolich. He is the founder and Chief Executive Officer of AGY Therapeutics. AGY Therapeutics is a privately held enterprise focused on neurological disorders screening and genomic. Let's start with the core business of AGY Therapeutics. Let's start with the business of AGY Therapeutics today.

CEO: We talked about this a little over a year ago, we closed that series B financing. At that point, AGY was in the target discovery business. We identified hundreds of potential novel targets that would be useful for blocking the death, and neuro-degeneration that occurs following stroke or during the course of Alzheimer's disease. Since then, during the past year, we have been able to validate a number of these targets and progress them into drug screening for small molecules. We managed to recruit ROMAN URFER, Ph.D. from Novartis, who joined us last summer as Vice President of Drug Discovery and Development, and Roman quickly a superb team of experts who are screening now for novel therapeutics. I also should point out that we have made tremendous progress in another area, which is the brain tumor program. We started a little while ago. Perhaps you remember that I founded this company along with Bob Swanson, founder of Genentech, and very tragically Bob passed away two years ago from a brain tumor. And that really triggered a program that matured to the point that this year we intend to start developing therapeutic antibodies against a handful of targets that we identified and in fact during the course of next year, sometime the second half of 2003 we intend to move these antibodies into clinical development, so the company has really made significant progress the last year since we last spoke.

BiObn: So I could clearly also understand that as far as the progress is concerned, with AGY Therapeutics, you have sort of moved forward from the drug discovery platform to a therapeutics platform. Lets talk about your technology and technology platforms.

CEO: We have perfected techniques that have allowed us to analyze gene expression in specific very well defined brain regions. Using a high throughput technology. This has allowed us to take many time samples during the progression of the disease and that

is the time window when the successive and parallel signaling pathways proceed that ultimately leads to the cell death of neurons. We've been able to take many time samples up to 16 to 24 time samples during this time window allowed us to gain an entirely new insight into how the events follow one another. And this has allowed us to build the mechanistic pathways, which characterize the brain pathology in stroke as well as in Alzheimer's disease. From this in-depth mechanistic knowledge, we've been able to select targets that match the criteria of the pharmaceutical qualifications, and we validated them, we established a high-through-put validation platform, which includes manipulating the expression of genes up and down, and then exposing them to conditions that they would see under stroke for example. And this has allowed us to validate these targets and then progress them into drug discovery and development and screenings assays. So in the stroke field we've been able to identify a number of agents, a number of intercellular signaling molecules, routines that propagate the damage, and these are regulated within a time window, which corresponds to the time when patients present to the clinic. So we actually progress the two such molecules into screening assays so far. In the Alzheimer's, as you mentioned and pointed out, we are indeed, we were able to identify a cellular signaling molecule again, a novel protein, not seen before in neurons that inhibits the neurotransmission that is the prerequisite for learning and memory. So we are now screening for blocking agents against this protein and thereby we expect to be able to lead to a novel type of cognitive enhancer.

BiObn: Let's talk about the market opportunities of your technology. If you could address the market sizes for our audience that would be great.

CEO: So you know, all of these markets are very substantial. Stroke for example, in the U.S. alone affects between 600 and 700 thousand people annually. And there is no current treatment, with the exception of a drug called TPA, which has to be used within the first 3 hours. And as you can imagine, less than 2% of the entire stroke patient population gets treatment. Now more importantly, there is also a very significant group of people who survive the stroke. Unfortunately the vast majority of them are left debilitated, paraplegic, from the stroke. They have sensory motor deficits, and we also wish to address this population which adds up to 2 ½ to 3 million people in the U.S.. Now Alzheimer's disease is an even more substantial market, and the ratio of patients who develop Alzheimer's disease increases with advancing age. Its been estimated that in the U.S. that there are currently approximately 4 million patients who suffer from Alzheimer's disease. If you add additional cognitive deficits that would add another couple million people. According to a later testament, in the U.S., the annual expense for the care of Alzheimer's patients is up to approximately a hundred billion dollars annually.

BiObn: OK, that sounds like a very large market opportunity. If you could talk about the partnership front and potentials out there?

CEO: On the one hand we now during the past 6-9 months started talking, connecting what we have achieved to large pharmaceutical companies. And I'm very happy to say that there is a lot of interest from the largest pharma companies. I think what we have achieved now and the fact that we have managed to move specific targets into drug screening suddenly gained attention, and we in fact plan to close 2 partnerships with large pharmaceutical companies by the end of this year. On the other hand, we also started looking at other possible partnerships with companies who have complementary technologies. And last December we formed a partnership a company, Curis, in Cambridge, Massachusetts, who have

AGY CONT'D

superb technologies in the neuronal stem cell field. And they have technologies that, and collections of human as well as primate stem cells that they can differentiate towards specific neuronal phenotypes that would be very beneficial for the treatment of Parkinson's Disease, stroke, as well as Alzheimer's Disease. So we are now working with Curis to try to understand the pathways involved in differentiating stem cells and to try to derive targets that will lead to new treatments for these diseases.

BiObn: If you could enlighten our audience about your background — I understand you're a PhD and you're the founder and CEO of AGY Therapeutics. Start with your background and the key players of the team over there.

CEO: Yes. Well, I originally come from Hungary, and in fact the company's name AGY means "supreme" in Hungarian. I graduated there and then came over to the U.S., worked at Tulane University, University of California San Francisco, and subsequently at Genentech where I spent 12 years and actually headed up the Neuroscience Department for some time. Subsequently I managed to become Vice President at Lynx Therapeutics, a small biotech company, before founding AGY in 1998. In fact next week, March 20th, will be our 4th anniversary of incorporation. Our President and Chief Operating Officer is Phil Young, who bring about 20, 21 years of pharma and biotech sales, marketing, and business experience with him, again, with backgrounds in Pharmacia, Genentech, Gilead, and Neurex Corporation. Our Vice President of Drug Discovery and Development is Roman Urfer, who joined us last year from Novartis. He worked formerly at Genentech as a Postdoctoral Fellow and then as the leader of the Pre-clinical Information program at Novartis. Our Vice President of Finance is WILLIAM GLENNON who brings about 30 years of Venture Capital as well as start-up company experience to the table. And finally, the Vice President of Bio-informatics is DANIEL CHIN, PH.D., who formerly worked at UCS at the Agouron Institute as well as Lynx Therapeutics, and then he joined AGY.

BiObn: OK, that sounds like a stellar team over there. If you could talk about your short-term goals for 2002 unto the first part of 2003?

CEO: So, for this year, we wish to move, and I really will only list the highest priority programs in this discussion. This year, we wish to progress up to 5 targets that we have now validated in the brain tumor program into antibody production. And these will serve to initiate clinical trials within about 18 months, as we envision that. So by the end of 2003, we wish to be in the clinic for the treatment of brain tumors through using therapeutic antibodies. In the stroke and Alzheimer's areas, we wish to progress up to 5 or so, 5, 6 programs this year into drug screening. And these, of course, will move into clinical development. So at the end of 2003 we wish to be a company that has one clinical program at the minimum, perhaps 2 if we move 2 therapeutic antibodies into the clinic, and a handful of advanced pre-clinical programs for the treatment of stroke and Alzheimer's.

BiObn: If you could give our audience the web address and a contact phone number for AGY?

CEO: AGY's contact phone number is 650-615-4530. This is the central number, and the email address would be, let me give you may email address and then I can then forward specific inquiries to other audiences. My email address is knikolich@agyinc.com.

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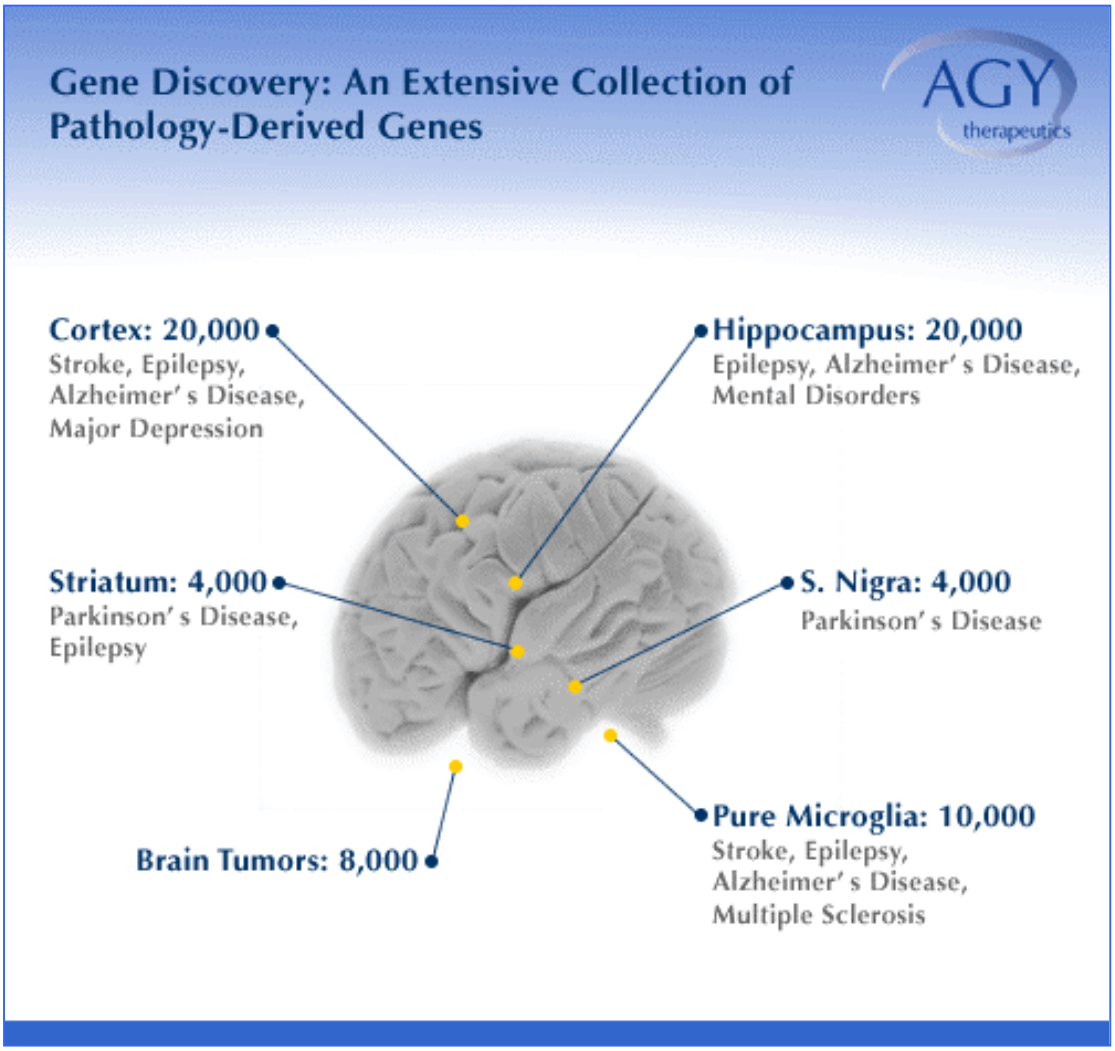


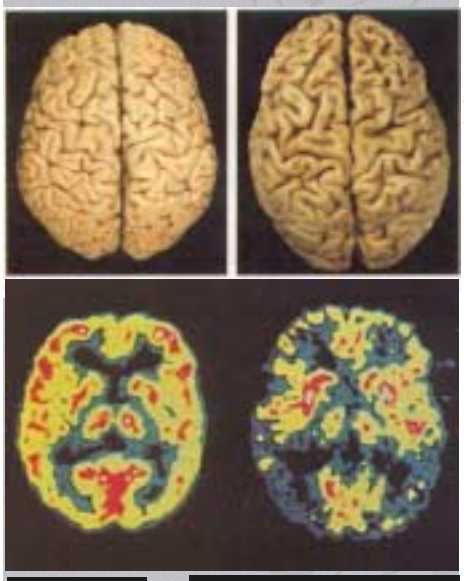
**This picture has been captured from AGY website.

Cortex Pharmaceuticals Inc.

http://www.cortexpharm.com

Dr. Vincent F. Simmon Ph. D., President & CEO

EXECUTIVE SUMMARY



Healthy brain

Brain with Alzheimer's disease

BiObn: Our guest today is Dr. Vincent F. Simmon, President and Chief Executive Officer of Cortex Pharmaceuticals. Cortex Pharmaceuticals is traded on the AMEX COR. Cortex Pharmaceuticals is focused on neurological discovery. In the field of AMPA type glutamate modulation let's hear from you about the core business of Cortex Pharmaceuticals to start with.

CEO: What we are focused on as you mentioned is a specific type of neuro receptor that's involved in communication between neurons. This receptor, which has a long chemical name, is abbreviated as AMPA as you said. The normal ligand or molecule, which causes this receptor to respond, is glutamate. Now glutamate is the most prevalent neurotransmitter in the brain. Probably 80% of all communications between neurons —fast electronic communication between neurons — is based on glutamate. We're dealing with a major brain system. What molecules do, these are small molecules designed to be taken as pills and they rapidly get in the bloodstream and then rapidly cross the blood brain barrier. What these molecules do is they bind to this specific receptor and as far as we can tell they have no activity on their own. They don't block the receptor or cause it to change its shape on their own. However, when glutamate is present, when there is normal communication between neurons going on, they change the kinetics of that communication. So normally what happens, the glutamate binds to the receptor, it changes the shape of the protein, allowing ion flow into the receiving neuron, and it automatically closes within a few thousandths of a second. So it lets a passage of a certain number of sodium ions into that cell. And its closed. Now, what our molecules do is they slow down the opening and closing cycle. As a result, there is more ion flow into the receiving neuron. So we're sort of acting as an amplifier. We've amplified the normal communication between neurons. That's what our technology is based on. It turns out that the glutamate as a transmitter is throughout the brain but primarily in the neuro cortex – the thinking language interpretation part of the brain that's so different in humans than in lower species, but its also involved is some of the older areas, too – the hippocampus, which is involved in memory, and in other vital areas of the brain. We think that this compound, these classes of molecules that alter and enhance communications in this manner make it useful for a number of Nuero-degenrative diseases, including things like Alzheimer's

CORTEX CONT'D

Disease, as well as a number of psychiatric diseases, including things such as schizophrenia, depression, attention deficit disorder. So what Cortex's core business has been is to develop these small chemical molecules using traditional medicinal chemicals, detecting, determining if these molecules are active in laboratory experiments using slices of brain tissue. And then, if they are, is to move them into animal models of disease including diseases such as age related decline in memory, schizophrenia, animal models for schizophrenia, animal models for depression, animal models for ADHD, and forming partnerships for those indications where we have evidence that the compounds should be useful.

BiObn: Let's talk about your patent position and portfolio there.

CEO: OK, as company that is based on developing new small synthetic molecules we have the traditional set of patents on the order of 17 or 18 at this point which are based on chemical structure of the molecules that we develop and closely related chemical molecules. So we have what are called composition and matter patents that are traditional protection in the pharmaceutical industry for new compounds that you invent which have useful medical properties. In addition to those, we have what are called method-of-use-patents, which are based on that mechanism I described to you. So these patents that I've described in a molecule describe a method of action and what that might be useful for. So they read like: any molecule that binds to the AMPA-receptor and enhances communication or ion exchange and which may be useful for treating memory or treating cognition or treating schizophrenia or treating schizophrenia in combination with another approved antipsychotic medication or improving the age-related decline in libido or increasing neurotrophic factor of expression in the brain, these are examples of issued planes in the United States for patents we've obtained. What this means is that to the extent that these patents are held valid, we would be able to exclude others from developing molecules and selling that which have the same properties that is to say they bind to the AMPA-receptor and are useful in these situations. That's a very unique position in the industry.

BiObn: If you could enlighten how the partnership with Organon benefit your core revenue model and the business?

CEO: Since 1999 financing has relied exclusively on our partnerships to provide funding for the company. In January of '99 we formed the first of our three existing partnerships with Organon, a division of Akzonobel and under that partnership we licensed to them worldwide rights to our technology for schizophrenia and depression. In exchange, they paid us $2 million up front, $3 million a year for 2 years, of research, and then we have a series of milestone payments behind those two indications as a compound they've developed in our technology move through the clinic. The result of those milestone payments: we received an additional $4 million, $2 million when they moved compound into phase 1 clinical studies, and when that same molecule which is called org 244248, was moved into selection as a phase 2 study, we received an additional $2 million in milestone payments. So to date we've received approximately $12 million from Organon with a last payment occurring last year in 2001. Our second deal with Shire, this deal is an option agreement, and in exchange for selling them an option, to the worldwide rights to our technology, for Attention Deficit Hyperactivity Disorder, Shire gave us a million dollars, we issued some shares to them, about a quarter million shares, both a cash as well as a purchase of equity component deal, to the option payment, and Shire agreed to undertake during the option

CORTEX CONT'D

period a clinical study in Attention Deficit Disorder using one of our compounds. That study is currently underway, and Shire must make a decision whether they wish to continue with their rights under that option as of June, the end of June of 2002. So they're coming to a decision point in approximately 3 ½ months whether or not they want to exercise options to maintain the rights and continue development of the compound that's currently in clinical trials. We are optimistic that they will make a positive decision, but it is clearly in their hands. The third deal is a licensing agreement with Servier. Servier is a privately held, in fact the largest privately held pharmaceutical company in France, and they've acquired the rights to our technology under that deal for the territories of primarily Europe and Asia. And they have acquired right to the neurodegenerative indications, like Alzheimer's Disease, myocognitive impairment, age-related decline in libido, and the use of our technology in other neurodegenerative diseases which ultimately result in problems with memory and cognition and attention. Under that agreement we also have a clinical trial agreement, and that is a trial in mild cognitive impairment, a condition which frequently precedes Alzheimer's Disease. People with mild cognitive impairment have a specific memory problem of recent recall of recent lists of words or events or where they put their keys, things that impact their daily life, but don't prevent them from having a fairly normal life, so they're not demented. They can go through activities of daily living pretty well, but they do have a specific memory deficit. That clinical trial is launching this month, and it will involve approximately 160 patients in 6 countries including the United States, France, Belgium, Sweden, Great Britain, and the Netherlands. And we will be managing that trial. Cortex has the responsibility of managing that trial with the help of Servier and the help of a contract research organization and Servier is paying for essentially all of the clinical trial costs associated with that trial. Under the agreement, Cortex is paying the right to the technology for most of the Americas from Canada down to the tip of South America with the exception of Argentina, Brazil, and Venezuela, and we have the right to license the technology to a third party outside of Servier in our territories if we choose to do so. So, under the agreement, Servier paid us $5 million up front, they're paying us $2 million per year in research funding. Under the research funding of any of these agreements, we at Cortex, using our chemistry and biology development molecules which the partner has the right to choose from. If they don't the molecule goes back in our inventory and we can use it for our future purposes. And it turns out that different chemical structures have different effects and different behavioral models. So what we're saying here is that some compounds that we develop may be more useful in Alzheimer's Disease, some may be more useful in schizophrenia, some may be more useful in depression. So they have different behavioral characteristics, something we can't predict, but we can measure in animal models. So these three deals which have provided us with an excess of $20 million to date have provided the primary financing of the company since the first one we signed back in January of '99.

BiObn: I understand CX516 for ADHD which you have CX516 and also used for mild cognitive impairment. When do you plan to come out with the results?

CEO: As I mentioned previously, we're not quite sure when Shire will be reporting their results out, but it will certainly be, I believe, after the deadline of the decision, so it could be in the second half of this year or worst case first quarter of next year. The MCI study which we're starting with Servier is projected to have results by no later than the second quarter of '03. The schizophrenia phase 2 which involved org 22248 so I am uncertain when they will report that out research that is being conducted

CORTEX CONT'D

by Organon and I don't have a schedule of when that should occur, but probably, as I'm sitting here trying to estimate that, it might be the first half of '04.

BiObn: Given your product portfolio performance do you think the evaluation reflects the intellectual property position?

CEO: Well, you've poised it in a very interesting way, and particularly in view of our intellectual property position, we think that the company has the methods that are not clearly valued in the marketplace and I'll perhaps touch back on that why. We have three partners. Each of them is involved in a phase 3 clinical trial. Each of them is paying for those clinical trials so we have very little burn associated with maintaining those relationships and those clinical trials. So on that basis alone, given the fact that each of these indications is worth hundreds of millions and literally billions of dollars, I think the current market for Alzheimer's drugs is around a billion, repressive drugs is around $14 billion. The lowest evaluation in here would be for Attention Deficit Disorder at a marketplace of about $500, $600 million dollars. So we're targeting very, very large markets. Our patent position would enable us to be the only player in that market if the drug succeeds. So why aren't we valued more? Perhaps its because we're introducing a brand new technology. That is to say there are no drugs currently approved mechanism I've described to you. There are other companies that are currently working in this field, one of them is Servier but we've partnered with them so we're not in competition. The other major player in this field is Eli Lilly. They have published a number of scientific papers in this field and indeed we understand they have been involved in clinical trials. But given the fact that there aren't drugs out there that work by this mechanism, I think there's a certain hesitation in the markets to fully value what might be an exciting new technology.

BiObn: Let's talk about the management teams, background and some of the key players there.

CEO: I am a PhD as you mentioned, from Brown, post doctorate at Stanford, I've been doing biology research professionally since 1973. I'm 79. I joined one of the first biotech companies, one of the first fours, the name of that company was Genex. Spent about six years with that company, five years with W. R. Grace as the Vice President in their corporate research center, running biotechnology, ran a company in Bethesda after that for about 5 years, a company called Alpha 1, publicly traded, and have been here since May of '96. Another key team member here is our Senior VP of Pharmaceutical Discovery. He is the medicinal chemist who has come up with the compounds, all the compounds that we call epicene molecules. He's the co inventor of the technology. That's Gary A. Rogers, Ph.D. On the biology side, the VP of Biological Research is Ursula V. Staubli, Ph.D. Dr. Staubli was at NYU prior to coming to Cortex and she is involved in our animal behavior experiments as well as the analysis of compounds that are being developed by Dr. Rogers and his team. On the business and administrative side, a key player is my CFO and Vice President of Finance is Maria S. Messinger. She's been with the company a couple of years longer than I have, trained under my previous Chief Financial Officer, and has been CFO now for approximately 3 years. And the Senior VP of Business Development, James H. Coleman, came to Cortex after almost 30 years at Upjohn and then when it merged with Pharmacia, a couple years under that, and then came out to the west coast to be with Cocensus for a couple years, did some consulting and then was available when I was looking to add to my business staff. I'll be adding this month a new player at the senior management level and this will be my Senior VP Clinical and Regulatory Affairs. I will be announcing later this month.

NABI Biopharmaceuticals

http://www.nabi.com/

Mr. David J. Gury, Chairman, President & CEO

EXECUTIVE SUMMARY

Nabi is a vertically integrated biopharmaceutical company developing products to power the human immune system to help people with serious, unmet medical needs. The company has a broad product portfolio and significant research capabilities focused on the development and commercialization of drugs that prevent and treat infectious and autoimmune diseases.

BiObn: Our guest today is Mr. David J. Gury. He is the Chairman, President, and Chief Executive Officer of Nabi Pharmaceuticals NASDAQ NABI. David, welcome to BiObn today. I understand that Nabi is focused on some striated technology platforms. You have some cool products. You have a vaccine product called Nabi StaphVAX, which is a sort of staphylococcus vaccine, and then you also have something called Nabi Altastaph, which is in phase 2. Altastaph is administered orally or intravenous. Let's hear from you to start with the core business of Nabi Biopharmaceuticals and some of your products.

CEO: Nabi Biopharmaceuticals has a unique approach to developing products in that we do have a base business that includes 2 core products that generate gross margin that pays for our R & D and provides cash flow that covers our StaphVAX. So unlike many biopharmaceutical companies that are developing products that use a lot of cash, we actually generate that in the process. Our two main products in this core business are Nabi HB that is a product that is using specific antibodies against Hepatitis B used to prevent infections after an accidental exposure, its also today significantly with people that get new livers to protect the new liver after transplant from getting reinfected with Hepatitis B. Second product in this group is WinRho SDF. This is an Rho(D) immune globulin that's used specifically for people that suffer from ICP, a platelet disorder where antibodies attack the platelet's capability for the patient to clot. This product is used as the first line of therapy for ITP and is developed very well in that area. These account for about 80% of this core business along with a couple of smaller products. One dealing with hemophilia used people who've developed inhibitors to the normal factorate that's used to treat hemophilia, and Aloprim, which is an IV form of Allopurinol, used for people that are on chemotherapy that develop elevated levels of uric acid and can't use the normal oral form of this drug. So this gives us a nice core of business. it generates $50 million dollars a year of gross margin which, again, pays for our sales and marketing development so that we have built a business that is ready to take products when they come out of the pipeline.

BiObn: Let's talk in detail about the Nabi StaphVAX. Lets hear from you about the technology platforms?

NABI CONT'D

CEO: Well what people don't realize is that StaphVAX is one of the most frequent and deadliest infections in hospitals today. StaphVAX reduces by creating antibodies in the individual blood infections by 60% in the kidney dialysis patients, which were our phase 3 study. It's very exciting because it's the first time you can take, or anybody has taken a vaccine that works in even the sickest patients and should work even more effectively in people with normal functioning immune systems. It works, by stimulating your immune system to create antibodies that you don't normally make in the face of a bacterial invader. When you go to the hospital and you get cut open or you have a new joint installed or you have long-term use of catheters or other things that are going into your body, the bacteria get into blood, cause significant infections, and you can only use antibiotics which today are becoming, I mean bacteria, is becoming more and more resistant. So by creating these antibodies, using the vaccine, you keep those antibodies in you for a long period of time. When you're attacked by these invaders, by these bacteria, the antibodies attach to them, call your immune system into place so that the white cells come along and are surrounding the bacteria, remove them from your blood system before they can get into your heart or into other organs or your bones and create significant infections which are very deadly and very difficult to get rid off.

BiObn: Lets talk about your products?

CEO: Sure. NicVAX is similar kind of technology as the conjugate vaccine technology. In this case, its using a carrier protein that's virtually the same as in StaphVAX but adding onto it a antigen for the nicotine molecule. The problem with nicotine which we all know is a huge issue is 1 out of 4 Americans smoke. Most of them that try to stop smoking are not successful. Its very difficult for people to stop because the addictiveness of nicotine microgram for microgram is more than it is in cocaine. With the vaccine what we're doing again is creating antibodies in your body using your own immune system. However you get nicotine, from smoking, chewing, sniffing, when it gets into the blood its a very small molecule, not recognized by your immune system, so the immune system doesn't do anything to get rid off it. Small enough to cross the blood brain barrier, goes to the nicotinic receptor in the brain which releases dopamine that gives you that "feel good" sense, tells your body you want more of this and creates the addictiveness of nicotine. What we're trying to do is interrupt that process, keep the nicotine out of the brain. The antibodies that are created from the vaccine attract nicotine to it so it acts kind of like a sponge. It absorbs nicotine in the blood, becomes too large to get into the brain, and is eliminated from the system so that you don't get the same response from the use of nicotine. And the thought here is that somebody that wants to stop smoking that is addicted, when you use the products that are available today, and they help you until you get to point where you really want to have a cigarette or you want to take on some nicotine, you do that, as soon as you do it, it gets into the brain again, and you're back into the old addictiveness. And that's why the efficacy of all the programs today to help people stop smoking today is very, very low. So if you can help this person who wants to stop smoking so that when they take that cigarette they don't get any result from it. So then hopefully, not having the "feel good" sense of the dopamine that you get from smoking, perhaps you'll say, "why am I doing this?" And it should help you stop smoking. It could also be used, you can think about it as a preventive to somebody that hasn't smoked, a pre-teenage person, they smoke when its cool to smoke. When they want to stop smoking it makes it easier to stop. And what we're trying to do is interrupt the process of nicotine getting into the brain, creating addiction, creating the need to have more and more to satisfy the addiction.

NABI CONT'D

BiObn: Sounds like a very efficacious technology platform. Let's talk about the markets. I understand the products and product pipelines your talking about, the StaphVAX and the AltaStaph and the NicVAX and these different kinds of products, what's the size that your addressing?

CEO: Well we think that both of these areas, the Staph infections and the nicotine addictions are potential billion-dollar product opportunities. In the Staph area, we're dealing with both the active vaccine where your own immune system works and the AltaStaph, as you mentioned, which uses the vaccine to create antibodies in healthy people, healthy persons' antibodies that are purified, made immediately available as immunity in a bottle that you would give to somebody that doesn't have a functioning immune system or doesn't have the time to prepare it. The market for these is people that are potentially exposed to these kinds of infections. Virtually anybody going into the hospital for major surgical procedures, open-heart surgeries, anybody that has a poorly functioning immune system like a cancer patient should have this kind of protection, either as the vaccine, or as the immediately available antibody.

BiObn: Do you think at this point, the evaluation of the company reflects the product pipeline and IP?

CEO: Very much do not believe that it does. I don't think that we in the evaluation today have the recognition of the value of our base business, that business that provides the cash flow to develop our products in the future. We certainly aren't getting any value for the products in the pipeline, in the technology value of the company, so I think we have a very, very significant opportunity for the investor today.

BiObn: Now let's talk about the growth. What kind of growth strategy do you have put together for your company Nabi BioPharmaceuticals from here onwards?

CEO: Well we have a variety of areas. The base business will continue to grow with the markets. Some of our products are beginning, our Nabi HB, to take outside the U.S.. I think we have some opportunities to grow that there. But we also some cash available to bring in some additional products to add on to this, to add more cash flow to the business until products come out of the pipeline, and the real growth is, once we bring these products through clinical trials both in the Staph bacteria area as well as the nicotine addiction area, that's where the real growth will come. You're looking at a billion dollar opportunity that's huge for a company like ours.

BiObn: Please talk about yourself, the core members of your team over there, and some of the expertise?

CEO: Well I think we have a very strong management team with background in both developing products, marketing products, and in managing these kinds of businesses. My own background is from a career that started with Avid Laboratories, is from the business and management side of the business but with many years in and around the biopharmaceutical activities that is from Avid, from Nabi. We have people that have spent time in product development with MD Anderson in Houston and cancer research Dr. Robert B. Naso, Ph.D. who is in charge of our Research & Development as well as at Johnson & Johnson with research of a variety of different areas and now with many years at Nabi working on both the Staph and nicotine products. We have Thomas H. McLain who is our Chief Operating Officer who's background is at Bausch & Lomb in various life science departments of that business as well as Nabi. And our Chief Financial Officer, Mark L. Smith, who's from a background in public accounting

NABI CONT'D

as well as biotech with Genzyme and some parts of Genzyme. And then our head of Sales & Marketing & Business Development, Gary A. Siskowski, whose background is in anti-infective at both Roche and Johnson & Johnson. A very substantial background in dealing with products that give good background in our whole StaphVAX area. So I think we have some very strong people in the Product Development, Sales & Marketing. Tom Johns is responsible for our manufacturing, with a strong very large-scale laboratory background as well as a number of years with Nabi in managing some of our laboratory operations.

BiObn: What is your short-term outlook for the company?

CEO: A number of products that are going into the company this year that are going to be significant for us are NicVAX, that for the first time will be in the clinic this year, AltaStaph is going into phase 1, 2 trials in adults with Staph infections as well as neonates where we think there's good opportunity to protect against Staph infections. We are continuing to develop the manufacturing of our StaphVAX in preparation. There will be a lot of vaccine that will be used informatory phase 3 trial that will begin next year, and we have another product we didn't mention that's similar to our Nabi HB and the Hepatitis B Immune Globulin that we'll have in the clinic this year for use with liver transplant patients who have Hepatitis C.

**Nabi products

Neurobiological Technologies Inc.

http://www.ntii.com/

Paul E. Freiman, Pre & CEO

NEUROBIOLOGICAL TECHNOLOGIES, INC.

EXECUTIVE SUMMARY

Neurobiological Technologies, Inc. is an emerging drug development company focused on the clinical development and regulatory approval of neuroscience drugs. The company develops neuroprotective and neuromodulatory agents to treat progressive neurological impairments characteristic of various nervous system disorders, including diabetic neuropathy, brain cancer, and AIDS dementia syndrome.

BiObn: Our guest today is Mr. Paul Edward Freiman, the Chairman and Chief Executive Officer of Neurobiological Technologies Incorporated traded on the NASDAQ small cap, ticker symbol NTII. You've got a product called Memantine, which is in phase 3 for Diabetic Neuropathy. Let's hear from you, to start with the core business and some of your product pipelines.

CEO: Right. The lead product is a product called Memantine, which is a product that is called an NMDA receptor inhibitor. And what does that mean? To cut a long story short, it means it provides some protection to the neurons, the brain cells, from degeneration that occurs in a variety of diseases. Our company, and our collaborative companies are working on a product for Alzheimer's Disease for vascular dementia, which is a cousin of Alzheimer's, for Diabetic Neuropathic pain, and for AIDS-related dementia. And the product is far advanced, Tan, in terms of it being a real product. In February of this year we received an approvable status from the European authorities and the authorities have recommended to the main body, called EMEA, for approval of the product which probably will take place before the middle of this year. Its a real breakthrough for the company and the approval, by the way, is for Alzheimer's Disease of a moderate to a severe intensity. I might parenthetically add any products that are available today which are in a different class of drugs are approved only for mild cases, mild to moderate cases of Alzheimer's, so this really sets us apart from those therapies that are available today.

BiObn: Let's talk about the market opportunity

CEO: From a patient's population standpoint, its huge. We have probably 4 million Americans with Alzheimer's today and its growing rapidly. I see numbers of 14 million people worldwide. The fact is that only a handful of those people are being treated with today's drugs. Because those drugs, which I mentioned are in a group called acetylcholinesterase inhibitors really provide limited improvement in the patient. It doesn't cure Alzheimer's. It slows down the progress of the disease.

NEUROBIO CONT'D

So here's a disease that's looking for different forms of treatment. We have had a different type of a drug that works in more severe cases, and I've talked to specialists in Alzheimer's Disease who feel that since we haven't come up with a cure for the disease, there may be cocktail treatment in the offing. So it's what we see in AIDS, where 2 or 3 drugs are combined to treat a patient. And it's likely that these acetylcholinesterase inhibitors will be ultimately used side by side with Memantine. The potential, I think, is immense. I think realistically if you look at every biotechnology company in the world, they all say they have billion dollar drugs. I don't want to go off the deep end in this, but I can say that our U.S. collaborator, Forest Laboratories, publicly announced that this has blockbuster potential. So you can use your own imagination. Its not a small product, that I can guarantee you.

BiObn: I understand that the life cycle is very intriguing right now, its in phase 3, and you have another product called Xerecept further downstream. Could you talk about the peritumoral brain edema?

CEO: The patient has cancer of the brain. The condition is terribly serious, it causes swelling around the tumor, and its exacerbated when the patients are irradiated. The swelling actually is liquid. It has no place to go. If you think of the cranium as a closed capsule, you can picture the pressure building up against the brain from this inclusion of liquid. So in the ancient days, holes were drilled in the head to relieve the pressure. The Mayans did it and the Egyptians did it. We actually still do it today sometimes. However, there is a treatment that is quite satisfactory, which is cortico steroid use. The cortisone relieves the swelling quite effectively. However, the patients have to take the drug for a fairly long period of time and the side effects of cortico steroids are well known, and sometimes as damaging as the condition that's being treated. So doctors are looking for an alternative to the current treatment. Xerecept is a synthetic preparation of the human peptide corticotropin-releasing factor and it appears to work to reduce swelling around the brain. We're going to see whether we can reduce the dosage of cortico steroids using the product, perhaps simultaneously with corticoids for some period of time. If you can reduce the dose of corticoids you get less side effects, and eventually this drug may be used as an alternative to corticoids. Now you should know, Tan, that the product is in a small market. We've received orphan drug status which would give it fairly rapid review time. It's estimated that about 125,000 people have brain cancer disease of a primary or secondary nature in the United States. And we have a very complicated product that's given subcutaneaously or IM. Its complicated because it's a large peptide. Its a product that we've had in our stable for a number of years. We've tried it in a number of applications where swelling was involved. We've chosen this particular area because its an area of great need — there's not much out there. We've done one phase 2 trial where we had difficulty enrolling patients because the FDA had constrained our use to only 2 weeks. And that was based on the animal toxicology that we had worked on, which was only 2 weeks in duration. So we've gone back to the FDA and asked for ways to increase the usage of the product. They've insisted on our doing more animal work for a period of up to 12 weeks. And that's just what we're doing now. That work will be completed likely toward the end of this year, and we would anticipate a major phase 2 trial to be initiated either at the end of this year or at the beginning of next year. These trials aren't very long lasting and there is an outside chance that we might be able to market the product by promising to do post marketing work as opposed to doing 2 large clinical trials. So we are, as the biblical saying goes, "girding our loins", spending money to move this product along. We believe the total cost in bringing this product to market will be

somewhere between 3 and 4 million dollars. Its not a big deal in terms of actual outlay of cash. On the other hand, it has to be done extremely well.

BiObn: I understand you just talked about the partnership and I'm sure they're very important for a biological technology from a revenue standpoint. Could you please enlighten our audience about this — a little bit on the partnership side in terms of what kinds of dollars we're looking at in terms of revenue coming into the company so this partnership it wants to have before it comes out to the market?

CEO: Well to put that in perspective let me give you a little history of Memantine, that's why we have a partnership. We do not have a partnership on Xerecept, nor do I want one. But at this point in time, I want to prove in Xerecept that we have a product that works. I'm a conservative guy, and I'm not going to hype the products so we're going to take it one step at a time. In terms of Memantine, this is an old product that was first marketed in Germany in 1982 by the Merz company, a middle-sized private German family-owned company. The product has been used in Parkinson's Disease and doesn't have much effect, frankly, but while it was being used for Parkinson's, physicians in Germany were reporting that there were some improvements in patients who had Parkinson's but the improvements were in those patients that had cognitive problems, and that suggested to Merz that they ought to go down a different path. That is the path of improvement of cognition. So the product has been around awhile. Merz's composition of matter patent expired in 1994. Prior to that they took out use patents in Alzheimer's Disease and vascular dementia. In the meanwhile, at Harvard at the Children's Hospital, a group of scientists were looking at the NMDA receptor and the inhibitors of it and came across Memantine and said that Memantine appeared scientifically to fit the bill that they were looking for, and the school took out use patents for other conditions and they included neuropathic pain, age dementia, Huntington's Disease, and glaucoma. The school then licensed my company with the rights to everything but glaucoma and Allergan Company has the rights to that usage. We've developed the product in neuropathic pain and in age dementia. We were a poor, starving, struggling biotech company in 1998 when I arranged a deal between ourselves and Merz and the deal is complicated so please try to follow me. We returned our rights to Memantine to Children's Hospital and they in turn licensed them out to Merz. Merz then infused a couple million of dollars into our company, which was manna from heaven. Then we agreed to go ahead together, collaboratively, and find some marketing partners, so we found Lundbeck, a Danish company, to represent us there and we have found Forest to represent us in the United States. When certain milestones are reached, money is paid both Merz and ourselves. We have already received over 4 million dollars in preliminary milestones. We anticipate this year probably another million-and-a-half in milestone payments and probably another million dollars to follow that in the next year or so. Then the issue is royalty payments when sales are made by Forest and Lundbeck. They pay a substantial royalty to Merz, then Merz redivides it on a basis which has never been disclosed because of confidentiality but essentially for the Merz indication, that is Alzheimer's Disease dementia, they receive the vast majority. We receive a little slice, and in terms of Neuropathic Pain and Age Dementia we receive a majority and they receive a smaller slice. And I've never been allowed by Merz, Forest or Lundbeck to disclose the terms of the agreement but net after all the convolutions, for every 100 million dollars in sales on Alzheimer's; we will receive about a million dollars. For every hundred million dollars of sales on Neuropathic Pain or

AIDS Dementia, we will receive about 13 million dollars. So I won't go any further than that. You have to figure out whether this is a blockbuster drug or not. But I'm going to say that for a company of eight people with limited number of shareholders and low trading volume, the prospect of tens of millions of dollars coming into this company over the next few years is quite appetizing

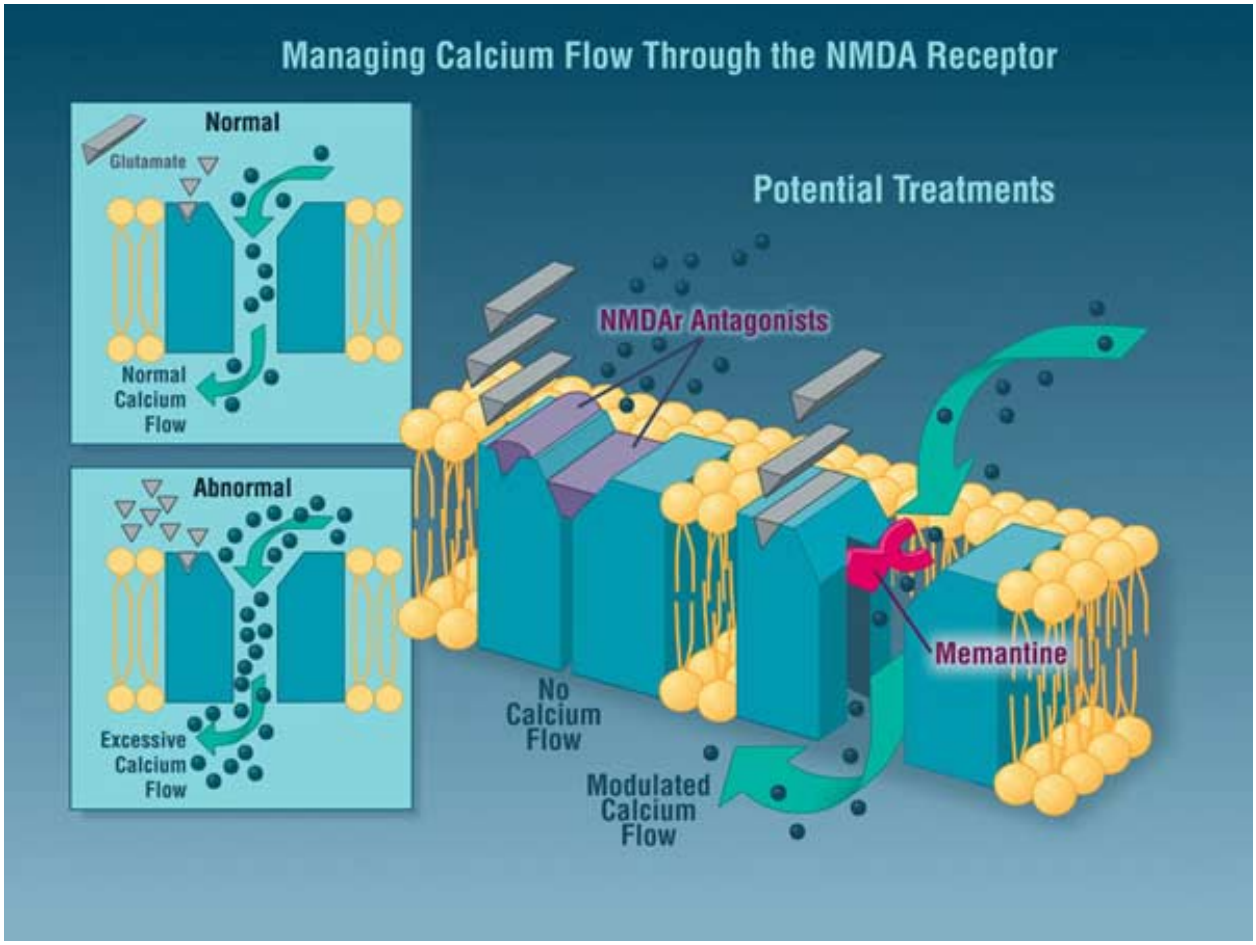
BiObn: Yes, I can definitely see that. So, there's definite upside potential to your company.

CEO: Tremendous, yes.

BiObn: Could you just briefly talk about yourself and some of the people there? I understand you have a very lean and nice team over there.

CEO: Yeah we, Tan and I, we've had this discussion about lean and mean. I don't think that gets you as far as lean and nice but that's what we try and be. I'm a older gentleman, using the term loosely. I spent about 40 years in the pharmaceutical industry. I worked at Syntex and grew from Saleseman back in the 1960s to becoming Chairman and CEO of the company in the late 80s. Our company was sold to Roche back in 1994. I retired and I started sitting on some boards of directors, one of them being NTI, and it was clear that NTI needed to change its direction and frankly, I was bored and decided to step in as an interim CEO for 6 months to a year and that was 4 years ago. So I'm really involved and try to move this company to either a liquidity event to try to certainly keep our shareholders happy about the company. My right-hand person is Lisa Carr, who is our Medical Director. Lisa is an ex-Syntex employee. Interestingly enough, she worked for Merz as a medical student in Germany so there's a link back there. She's terrific in clinical development and that's what our company is all about, and I have 6 other people in the company who support us in our activities. Because of the years we've spent in the business, I've been able to develop a network of outside people that are really first-rate, that work for us by the day, by the hour, by the week, and it really conserves money for us. We have the best brains that you can imagine — brains that we couldn't afford if we tried to put them on as full-time employees. So its been working out incredibly. In fact, we've reduced our burn rate from over 9 million dollars a year to about 3 ½ million dollars a year, and I just think this is again, a little jewel that needs to be observed by the public.

NEUROBIO CONT'D



Memantine: A New Approach by Neurobiological Technologies, Inc.

Neurochem Inc.

http://www.neurochem.com/

Louis R. Lamontagne, President & CEO

EXECUTIVE SUMMARY

Neurochem is a energetic biopharmaceutical company with an exciting vision and future. Neurochem's strategic plan focuses on the development and commercialization of breakthrough technologies for the treatment of diseases of the aging. With promising drug candidates currently in clinical trials for Alzheimer's Disease, Hemorrhagic Stroke (due to Cerebral Amyloid Angiopathy), and Secondary Amyloidosis, and with the expanding drug development programs for other research projects, Neurochem is a company coming of age.

BiObn: Our guest today is Dr. Louis R. Lamontagne, Pesident and Chief Executive Officer of Neurochem Incorporated. Neurochem is a biopharmaceuticals company focused on Alzheimer's Disease. I understand that Neurochem Incorporated is traded on the TSE ticker symbol is NRM. Its company is focused on Alzheimer's for the most part. You have a great product called Alzhemed. Alzhemed just finished phase 1, moved into phase 2 and you have another product called Cerebrill, which is another drug for hemorrhagic stroke due to CAA. Let's hear from you about the core business and some of your products to start with.

CEO: Yes, we're a pharmaceutical company, so our main activity is the development of therapeutic drugs for Alzheimer's Disease and these are drugs that have the potential to modify the course of the disease as opposed to simply treating the symptoms of the disease. For example like memory. So these are drugs that target the very element that has been implicated in causing destruction of the brain tissue in Alzheimer's Disease and that is this Amyloid toxic fiber that has been characterized and has been the subject of numerous publications in the last couple years. So our drug has the ability to prevent the formation of toxic Amyloid material in the brain, as well as prevent its neurotoxicity. So we're very excited about it because it is an oral drug, so that means that for patients that are particularly in the elderly group of age, this is a simple therapeutic modality and we've just completed our phase 1 trials and we're contemplating advancing to phase 2 in the very near future, so this is a very exciting development for us. And we also have, as you mentioned earlier, another program called Cerebrill for hemorrhagic stroke. It is roughly at the same stage of development, and we have a third oral product called Fibrillex, which is for the treatment of an orphan disease called Secondary Amyloidosis and that one is actually in its final pivotal phase 3 trial. So we anticipate that we'll have the trial completed in about 2 years time at which point we hope to introduce the product on the market shortly thereafter. So its obvious that our core expertise is in dealing with Amyloid and of course Amyloid is the major factor in Alzheimer's Disease.

NEUROCHEM CONT'D

BiObn: Yes, absolutely and so your major focus on Alzheimer's, you're talking about over 4 million in population.

CEO: Currently, in the U.S. alone there's over 4 million people that are diagnosed with Alzheimer's Disease and here in Canada its about 600,000. Worldwide its about 14 million people so this is a disease of absolutely major proportion, and of course as the population of the Baby Boomers are now entering this age group, its fully expected that the number of patients with cases of Alzheimer's Disease will double or triple over the next 14 to 20 years.

BiObn: So given this number and the very important medical need, what kind of market opportunity do you see for your company?

CEO: Well at the present time Alzheimer's Disease of course, there's no cure for the disease, there are certain drugs that are introduced from time to time that in the first 9 to 12 months of the disease, there is some slight improvement in terms of memory, but these drugs are simply memory enhancers, and their normally not very effective beyond the 12 to 15 month period because they are not disease-modifying drugs. So clearly, the first company that markets a drug that has the potential to arrest the progress, to prevent the disease from happening, to arrest the progress of the disease, its potential is absolutely enormous. The current drugs that only treat the symptoms of the disease are currently selling for 500 to a billion dollars US, and again, not disease-modifying, they purely treat the symptoms so its fully expected that, particularly when you read various market studies that have been done, that clearly this represents a market potential in excess of 3 to 5 billion dollars a year.

BiObn: Clearly there is upside potential for Neurochem. What's the situation with alliances? I understand you have a partnership with Amarsham.

CEO: Yes, we have a partnership with Amarsham. Neurochem is a therapeutic company, however, the technology that we have and the chemical compounds that we synthesize over the years as potential drugs clearly have the ability to go to the brain and identify Amyloid fibriller materials. So these very same compounds of course offer good potential for diagnostic imaging because at the current time, the only way you can confirm the presence of toxic Amyloid deposits in the brain of an Alzheimer's patient at autopsy, and its too late by that point. So there's clearly some major advantages if one could through a simple diagnostic imaging technique, which of course is a proven concept, be able to identify the presence of Amyloid fibers at a very early stage because it is also suspected that Amyloid fiber formation in the brain occurs at considerable time before the first symptoms of the disease appear. So there are some major advantages to being able to find this fibriller material very early on, and we're in an excellent position to develop this kind of imaging technique. However, as I mentioned, we therapeutics and so we partnered with Amarsham which of course has a worldwide reputation in the development of the imaging diagnostic tests.

BiObn: What's your proposition being a global company being in the U.S. and so on?

CEO: At the present time our strategy is to contemplate doing a listing as well as some form of concurrent financing in the U.S. in the next 18 months. And so we are gradually positioning ourselves now in the U.S. in terms of getting ourselves known, talking to financial institutions, so that eventually we will be able to do a U.S. listing and a good solid financing.

BiObn: So what's the valuation? Do you think the current valuation reflects the intellectual properties?

NEUROCHEM CONT'D

CEO: Well, the current valuation of the company we strongly believe does not reflect the actual value of the company. And I guess every CEO will say that. But in our particular case and in Canada of course, traditionally young companies, relatively young companies like Neurochem, don't have a whole lot of liquidity. So for example, our market cap at the present time is $80 million Canadian which is about $50 million U.S.. Now this is a company with essentially 2 phase 2 products and a phase 3 product, one which isn't Alzheimer's Disease, so clearly compared to our peer group in the U.S., we're tremendously undervalued. That's why many Canadian companies at some point do a U.S. listing to realize the true value of the company. In terms of our IP portfolio we have 12 issued patents in this area, and in total we have 103 filings internationally so we have a very considerable intellectual property position where Amyloid is concerned, particularly as it relates to Alzheimer's disease, so we're in a very strong position.

BiObn: So Louis, coming back to the technology a little more, if you could elaborate, so the mechanism of action to the extent of Alzhemed, that would be great.

CEO: Right, so in terms of the mechanism of action of Alzhemed, it goes back to the Amyloid as a therapeutic target. Now Amyloid is a natural protein in the body. Everybody makes Amyloid, and under normal circumstances Amyloid has a beneficial function. However, it can undergo a process called Fibrillogenesis whereby the soluble protein converts itself into a fiber and in that format, Amyloid is extremely toxic. So when Neurochem was founded by a Canadian university, by a number of researchers, these researchers had been working in this area for several years and had a very good solid understanding on how Amyloid becomes toxic. And from that point we were able to develop small chemical entities that in essence, a-lock-and-key type mechanism, are able to bind to the Amyloid and prevent it from converting itself into a fibriller mass. So it's a very classic therapeutic concept and we often use lock-and-key sort of model in terms of how it works and that's the mechanism of action.

BiObn: Louis, could you briefly talk about your strategy to grow the company from here?

CEO: Yes, so our strategy is that Neurochem intends to become a major CNS player in the world in terms of developing drugs for CNS disorders, so in our particular case we have a program as I mentioned earlier in Alzheimer's Disease, hemorrhagic stroke which are also a CNS disorders. We also have a program that we haven't talked about and is a program that deals with seizures as a result of head trauma. So again, these are CNS disorders, and we will continue to add products to our pipeline and hopefully one day become a serious CNS player. So that's basically our strategy as far as growth is concerned and of course we're going to continue working very hard accomplish all of the milestones that we said we were going to accomplish in terms of entering our phase 2s and completing our trials and in getting ourselves onto the market.

BiObn: Now if you could talk about, I guess, the Cerebril?

CEO: Cerebril is again an oral drug for Hemorrhagic Stroke. Hemorrhagic Stroke is again an Amyloid -related disorder and in fact, its a disease very closely related to Alzheimer's Disease because a significant percentage of patients that suffer from Alzheimer's Disease will also suffer from Hemorrhagic Stroke. The Amyloid deposits instead of being on the brain are also found in the blood vessel walls in the brain. And so the toxicity of the Amyloid over time will weaken the blood vessel walls to the point where there will be a hemorrhagic burst and hence the disease is called Hemorrhagic Stroke due to Cerebral Amyloid-Angiopathy.

NEUROCHEM CONT'D

So, using our technology and using our knowledge of Amyloid toxicity we were able to leverage what we have done in Alzheimer's Disease to tackle Hemorrhagic Stroke. So that program has completed its phase I, and again, we will be entering the regulatory phase to being hopefully our phase II again in the near future.

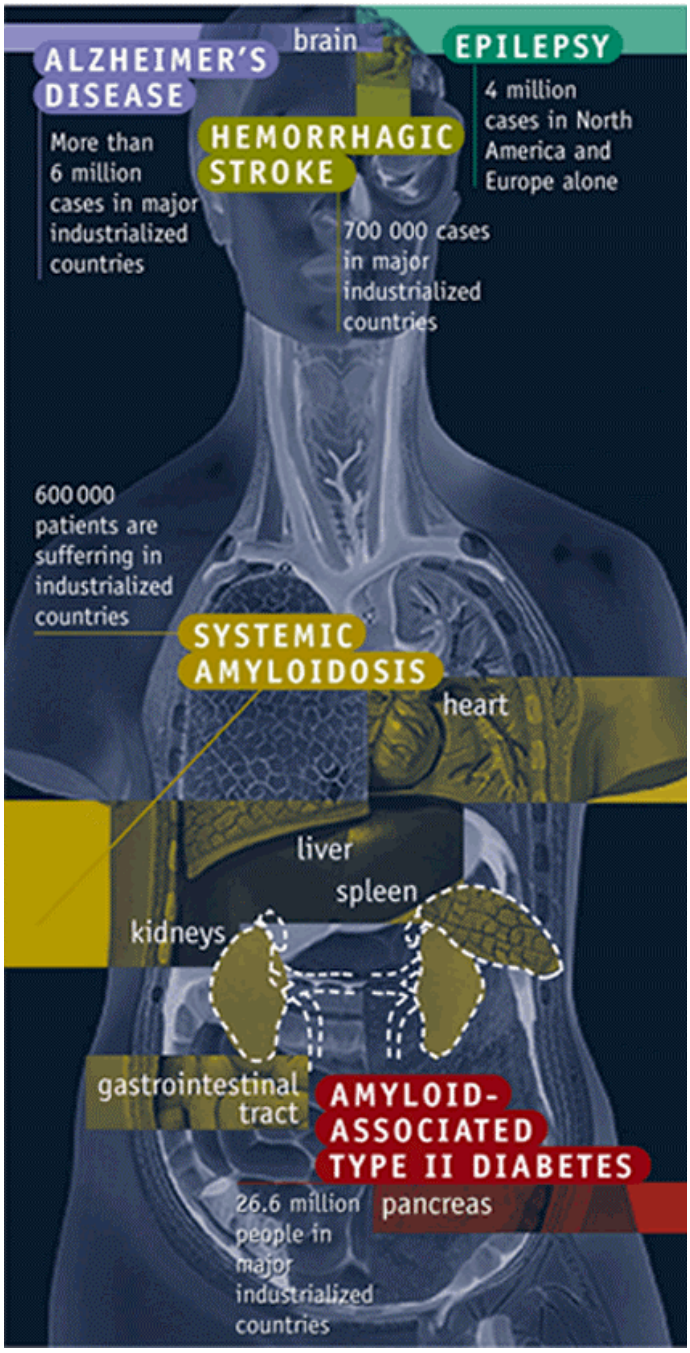
BiObn: Could you briefly talk about yourself and some of the key players of your team over there?

CEO: Sure. My background is in Science. I have a Bachelor of Science in Chemistry, and then I completed a PhD in Immunology and then I studied for approximately 3 years at Harvard in Tropical Public Health, and then I came back to Canada and have been in the biotechnology / biopharmaceutical sector since 1985. So I've held management positions at several companies and I joined Neurochem in early 1995 at a time when the company had just been founded and also had gone through successive rounds of private placements and finally brought the public back in June of 2000. On our team we also have Dr. Francine Gervais who is our Vice President of R & D. Dr. Francine Gervais was at McGill University for over 20 years studying the area of Amyloid and the pathology by it. We have Dr. Denis Garceau who is our VP of Clinical Development so he brings to the team a solid expertise in clinical trials, regulatory specs, and right from preclinical up to even phase 4 trials, and we also over the years have built a very strong regulatory team. We have Dr. Lise Hébert, who is our Director of Communication, and Dr. Lise Hébert has a PhD as well and spent several years studying Amyloid and was formerly the Director of the Alzheimer's Society of Quebec. So Dr. Lise Hébert brings a great deal of knowledge in terms of the disease, but not only in its pathology but also in terms of the patients, the clinical aspects of it, and so forth. And finally we have Mr. Brady who's our Vice President of Corporate Development who looks after strategic partnerships as well as the intellectual property portfolio of the company and Mr. Brady was formerly at the National Research Council of Canada in charge of Intellectual Property. And we have finally Mr. Don Geysel who's our Vice President of Finance and CFO.

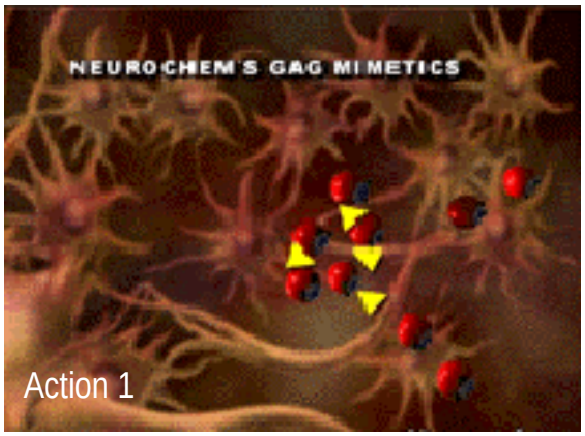
BiObn: That sounds like a stellar team over there.

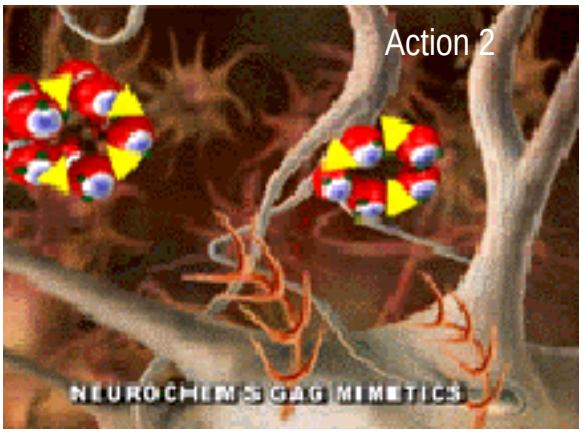
CEO: We've got a good solid team in place, we've got all the necessary expertise and we also work with pinnacle organizations to complete our trials and so we feel that we are very capable of accomplishing all of our goals.

NEUROCHEM CONT'D



Neurochem's research activities: Neurochem has refined its drug development efforts on the rational drug design and synthesis of small organic molecules that inhibit the formation, deposition and toxicity of amyloid fibrils implicated as the underlying cause of major diseases, including Alzheimer's Disease, Hemorrhagic Stroke (due to Cerebral Amyloid Angiopathy), Systemic Amyloidosis, and Type II Diabetes.





Neurochem's core technology platform resides largely in the ability to design and synthesize small organic molecules that mimic the sulfated GAG molecules. Neurochem has designed and patented small organic molecules (drug candidates) to compete with these sulfated GAGs and prevent the formation of amyloid fibrils [Action 1], or for the binding of the fibrillogenic protein to the cells [Action 2].

Prescient Neuropharma.

http://www.prescientneuropharma.com/

Anthony J. Giovinazzo, President & CEO

PrescientNeuroPharma

EXECUTIVE SUMMARY

Prescient Neuropharma is a new biopharmaceutical company that focused on protecting brain cells from compromise or death. The two lead technologies include drugs to prevent neural toxicity in diseases such as ischemia, pain and anxiety and naturally occurring proteins to treat diseases such as Parkinson's, Alzheimer's and Lou Gehrig's (ALS).

Normal Brain | Brian with Parkinson's disease

BiObn: Our guest today is Mr. Anthony Giovanazzo. Anthony Giovanazzo is CEO and President of Prescient Neuropharma. Prescient Neuropharma is traded (CDNX) ticker symbol: PRE. Let's start today with a brief introduction on Prescient Neuropharma and your core technologies.

CEO: Prescient Neuropharma's objective is the development of products that relate to the rescue of brain cells that relate to specific types of diseases both acute and chronic. That would be diseases like anxiety, epilepsy, pain, and on the chronic side, Parkinson's, Alzheimer's, and ALS. The company is based on two technology platforms that are interrelated, both scientifically and functionally. The two platforms, the first is something called "mGluRs", we call them the metabotropic glutamate receptors, and a long story short the objective is to use this type of receptor family to help modulate the flow of neurotransmitters or signals in between cells and within cells. Our technology is based on a small molecule library that was rationally designed with specific characteristics. The second platform is based on the discovery of proteins, natural human proteins, that have a specific relationship to the cells that die in certain diseases, and our first disease of interest is Parkinson's. We're quite excited because of the "mGluRs" side, or the lead platform from it, we have identified a small molecule that has demonstrated activity in anxiety.

BiObn: The core platform technologies, disease areas at this point and the focus?

CEO: Well, as you are probably aware, in the brain there are a number of different reasons why cells are functionally compromised. They're not signaling properly, or in fact are triggered to die. There are many different approaches that are out there. But we believe that the two approaches that we have, the one that addresses this mGluR receptor family, which is a small molecule approach, i.e., design of chemicals as is done primarily by most of the pharmaceutical industry, that have very specific characteristics. So that they turn on and turn off the flow of glutamate, which is one of the largest in terms of abundance excitatory neurotransmitters in the brain, i.e., that it provides the

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translation of information from electrical signal to a chemical signal and moves through both the cell and the cell signaling process. The mGluR area we're quite excited about because it is now beginning to get a substantial amount of interest by both the pharmaceutical industry and large biotech in the neural field. The reason that there's a substantial amount of interest is that both by experience in terms of scientific research in the field and by observation of both in vitro and animal model experiments, it seems as if this modulation, this subtle control of the flow of this neurotransmitter is the right approach, and I call it the "pinhead approach" to causing something to happen, versus taking a hammer and chisel approach to making something very big happen. It is perceived to be attractive in the way that particular approach affects certain cells in disease, and Our excitement is that our platform of small molecules probably addresses several of the relevant diseases, so the potential for more than one product to come out of that platform for different diseases is very attractive. Our platform specifically is based on seven distinctly different families of compounds that have patents pending in the United States, Canada, and Europe, and the Far East. On the protein side, we have something called Neurotrophic factors. These are proteins whose role and function is to rescue cells and nurture them, and there have been several discovered in the last 25-30 years. But they've never had the effectiveness, because they've never been specific for the cells that die in disease, for example, the cells that die in Parkinson's embarked on over a 3 ½ year period using a new set of tools, and a little better insight into where these factors might come from, and have used both a bioassay or a testing system based on cells, and a source of these factors which is something called astrocytes, their a type of cell in the brain. We've been able to discover a human protein that we think is selective for the cells that die in Parkinson's, and we're in the process of validating that, and we'll know that answer in the next 2-3 months. On the small molecule side, we've been able to identify this chemical entity called PRE703, which addresses anxiety, and anxiety is a huge disease area with substantial medical need. The drugs that are currently available for that disease have a number of side effects and there's a need for something new that does not have the addiction and side-effect profile that of many of the drugs that are currently used in anxiety.

BiObn: Are you in the process of filing an IND for your anxiety product?

CEO: We are. PR703 is the molecule. Its demonstrated in vitro, a very clean profile in that it signals only through the mGluR system, as opposed to signaling through other receptors. We have completed several animal model experiments, and we're optimizing our package of data in order to file the IND, hopefully before December 31st of this year.

BiObn: Let's talk about the markets.

CEO: The two technologies can discretely apply to Parkinson's, Alzheimer's, and ALS, pain modulation, epilepsy, anxiety, and possibly schizophrenia, and certain types of stroke. And so those are very big markets with an aging population. They are markets that are going to get unfortunately bigger rather than smaller, and there's going to be a real need for molecules that cannot address the symptoms of those diseases, which most products of today seem to be focused on, but really address the severity of the disease, or slow down the progression of the disease.

BiObn: Let's talk about current standing of the company.

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CEO: Well we think with the 11 months since the merger, Prescient was created as the result of a merger of a private company, that was venture-backed by three of Canada's most successful venture capital biotech investors, and a public company that had primarily retail investors in it, and we've been able to out license a chemotherapeutic product, we've been able to identify PRE703 and announced in late January the identification of PRE703 as an anxiety molecule, and very recently we ended up divesting of another non-core aspect that was based on shares that we held in a fee-for-service chemical synthesis company. But we've positioned ourselves quite attractively for potential investment, and we're in the process now of holding those discussions with potential investors and with strategic partners as well. So we're excited and we are focused on that, and we do need to raise capital over the next 3-4 months.

BiObn: Now in terms of the intellectual property position, do you think at this point the investment community in North America and also in Canada understands the core technology of Prescient Neuropharma?

CEO: That's a great question actually. From an intellectual property point of view, the reason that we're fielding a lot of interest by pharma and by biotech in our small molecule program is that the patent position is based seven different chemical families that make up the mGluR library that we have dates back 2-4 years. And so we have patents pending in, as I indicated, composition of matter approach to various countries throughout the world. On the protein side, we have patents pending on the novel protein, the human protein we've identified, and some aspects of our other biological assets, which are the bioassay and the astrocyte library. So from that perspective I think investors can understand that as a serious biotechnology company we've spent a substantial amount of money in making sure that we do have intellectual property that's protectable, and we have filed the appropriate patents to do that. From the investment community's perspective on what is the relevance of the two technologies and the potential of the two technologies, I think its probably a little less pervasive, i.e., its sometimes difficult to get the world at large to understand that both these areas have dramatic upside potential and actually have products that we're currently working on. And the ability to translate to the interest of the marketplace, i.e., pharma and biotech interest is not that easy. But what does, I think, play well in the minds and pockets of investors is progression and so we've demonstrated in the last 11 months that we can go from an idea, the merging of two technology platforms, to delivering on several of the milestones that were required and our intention is to deliver further by bringing this first molecule into an IND and then into human testing, and then hopefully into phase 2 and then into phase 3, either on our own or hopefully through a partnership. We will of course be seeking a partnership for our neurotrophic factor program, because its at the stage now where it would be appropriate in that particular case to bring in a major partner, and we're having some of those discussions as we speak.

BiObn: Anthony, I understand that you're married to your company. Let's start with the background of the core members of your team over there.

CEO: Sure. The team here is made up of 4 people, primarily. The first are the two founding scientists of each of the programs. They're full-time employees of the company. One is John Commissiong, Ph.D who is responsible for the protein program. He was a tenured professor at McGill University for 9 years, and then was in Bethesda, Maryland where he was there for 9 years at the NIH and then came back to Canada when we started the private company

back in 1998, and the second person is Kenneth Curry, Ph.D., who is the founding scientist of our small molecule program. He's the pioneer in the identification of molecules that addressed these receptors that I described earlier, and he's fairly well known around the world as a very good medicinal chemist . My own background is one of being business-oriented. I spent several years as an international corporate tax specialist with large multinational companies in North America and Europe, and then lived in Europe for almost 7 years and worked as a merchant banker and venture capitalist and worked as a merchant banker and venture capitalist in New York when I came back to North America, and then began working for MDS Capital Corporation in 1994 and married a lifelong love, a love that began during 1973 when I read my first copy of *Scientific American* and they talked about gene splicing and the creation of something called the biotechnology industry. I pursued business, but I was always reading peer reviewed paper s when I was near a medical university library, and MDS gave me the opportunity to marry that with my business experience and I joined their team as a venture partner of the corporate venturing group and also as President of the Neuroscience Partners Fund. And so I've been exclusively focused on neuroscience, although I've had a fair bit of exposure in genomic and proteomics as well. I just want to add there is a fourth member to the team. He's an interim consultant to us at the moment, but its Dr. Alex Clorec, who spent a fair bit of time assisting the two scientists on our board and myself, in identifying PR703 and organizing our two technology platforms. Dr. Clorec is ex-pharma, ex-Bristol Meyers Squibb, and brings with him some twenty-five odd years of CNS product development expertise in both biotech and pharma exposure.

BiObn: Great. Is there any specific message you want to leave with us today?

CEO: Yes I think I need to tell you that the neuro area is a major area of growth and opportunity. Its expected to grow at roughly 20% a year in terms of compounded annual growth. The population, aging baby boomer group, and the fact that more people want to live healthier lives and are willing to spend money to do so are driving a need for better products in this area more effective products, and so we believe we are in the right place. We're bringing together two technology platforms which means that we have a better chance of succeeding and if one fails or one particular product area fails, its not a boom-or-bust scenario for the company because we have several other products and several other opportunities within the technology platform. And we are very focused right now, with lots of opportunity available to us. We're single mindedly focused on PRE703, taking that forward into the IND and the clinic and completing the conversion of the company into a development company.

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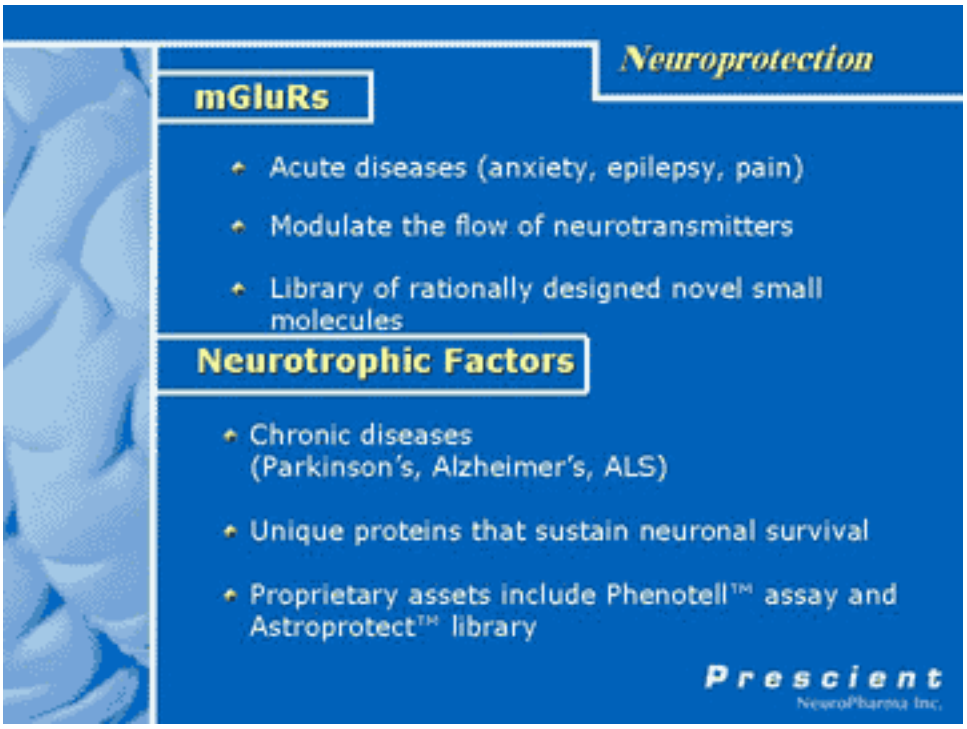
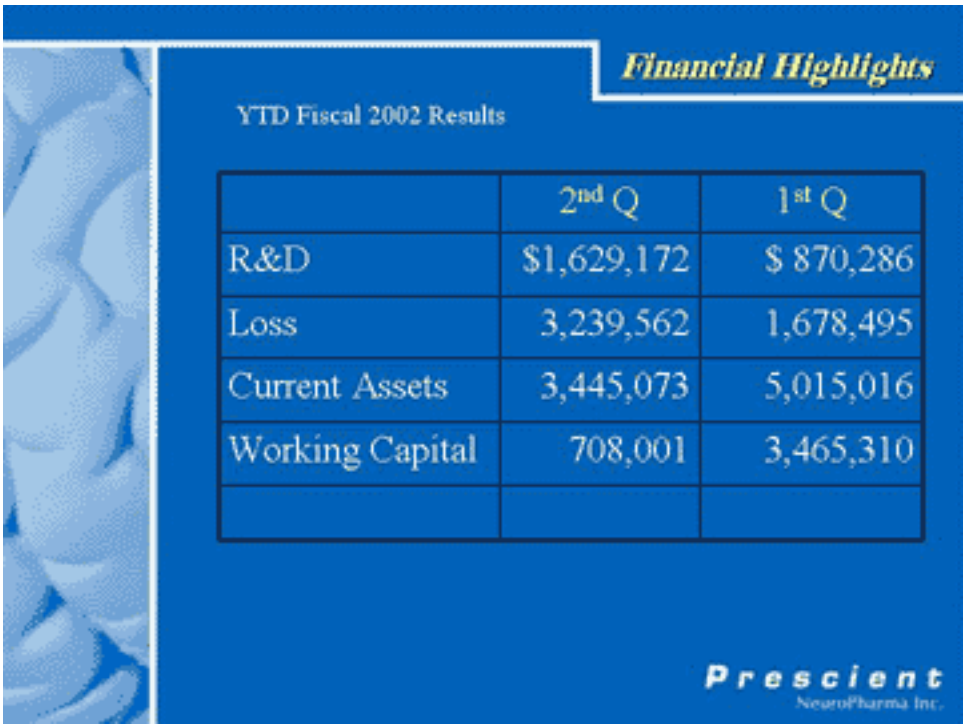


The vision of Prescient Neuropharma is to become a leader in developing neuroprotectants to slow or reverse diseases of the brain.



Financial highlights of Prescient Neuropharma

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