

Cytopia – Merger with YM BioSciences Shareholder Briefings

Melbourne: Friday, 18 Dec 2009
Sydney: Monday, 21 Dec 2009
Brisbane: Monday, 21 Dec 2009

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Scheme Booklet

- **All information relevant to the merger in Scheme Booklet**
 - Distributed to all Cytopia shareholders registered 4 Dec 2009
 - Also available on the Cytopia website (www.cytopia.com.au)
- **Scheme Booklet**
 - Explains the proposed merger between Cytopia and YM, including
 - Reasons why you should vote for the merger
 - Potential advantages and benefits from the merger
 - Potential disadvantages and risks associated with the merger
 - Shareholders strongly encouraged to read the Booklet in its entirety before deciding how to vote
- **Purpose of briefing**
 - Present some key elements of merger
 - Forum for shareholder questions to be answered
 - Does not supplement or replace Scheme Booklet in part or in whole (refer to Presentation Disclaimer)

Cytopia and YM merger proposal

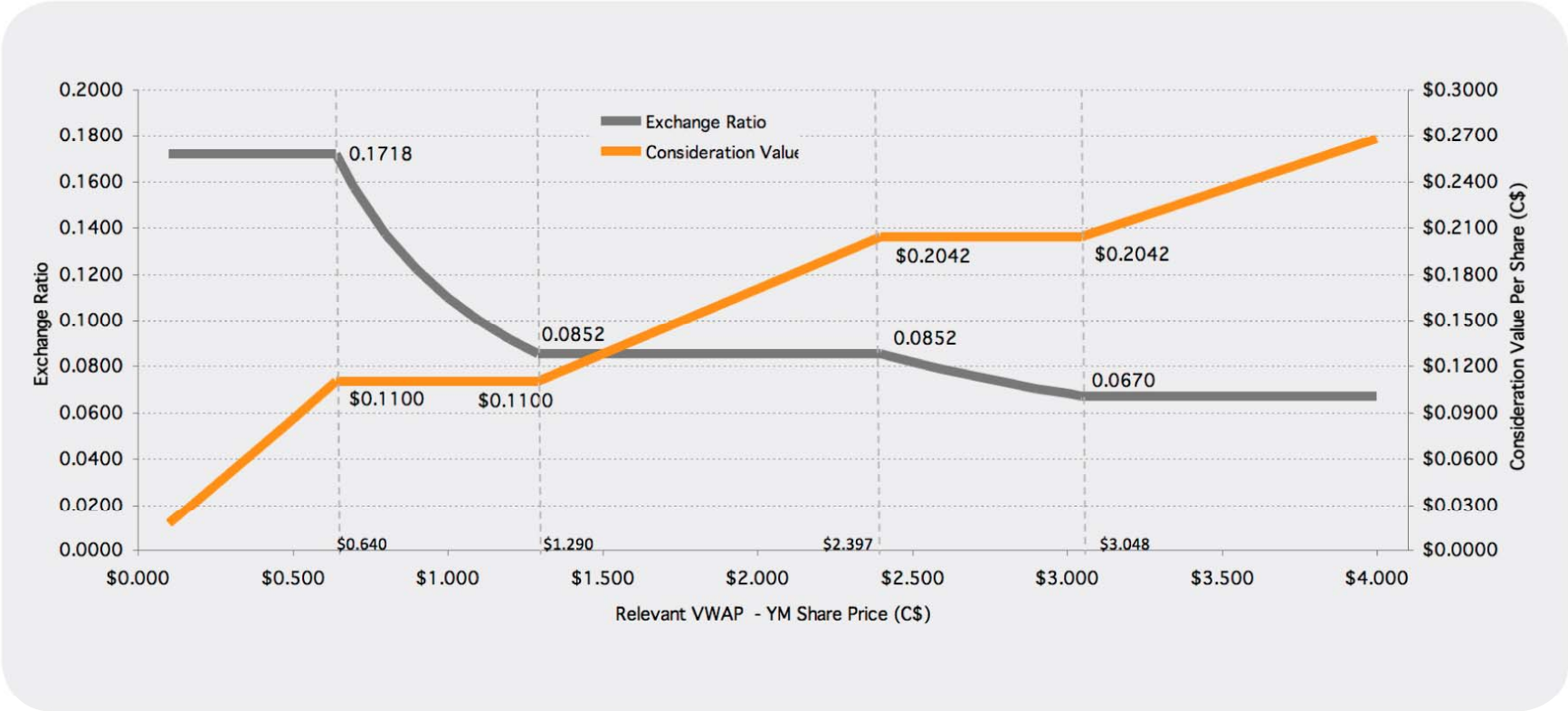
- **Board recommendation**
 - In the absence of a superior proposal, directors unanimously recommend that shareholders vote in favour of the Scheme
- **Strategy**
 - Creating a stronger, globally competitive development company
 - Management of inherent risk through strength of pipeline
 - Further opportunities for corporate growth
 - Partnerships and collaborations remain core to commercial success
- **Drug product pipeline**
 - Expanded and diversified oncology focused portfolio
 - Strong clinical focus with four clinical stage programs, including both Cytopia programs
- **Capital**
 - Better access to North American capital markets
 - Provides attractive solution to ongoing funding of Cytopia, avoids significant dilution
 - Strong YM balance sheet (C\$39 million 30 Sep 2009)
- **Consideration**
 - Shareholders being offered 1 YM share for every 11.737 Cytopia shares, subject to potential adjustments

Independent Expert

- **Lonergan Edwards & Associates commissioned for IE Report**
- **Expert's opinion**
 - That “the scheme is *not fair, but is reasonable to, and in the best interests of,* Cytopia shareholders in the absence of a superior proposal.”
 - Market price of YM shares being offered as consideration is subject to fluctuation and should be reviewed by shareholders prior to the Scheme meeting
- **Key issues raised in Report**
 - In absence of Scheme or similar, need to raise significant capital
 - A capital raising would need to occur at a substantial discount to the market price, is likely to be significantly dilutionary and high risk of not being successful
 - Broad efforts to date by Cytopia seeking out collaborations and partnerships

Scheme consideration

- Consideration subject to adjustment, based on price of YM shares
- Relevant VWAP is 20 day period immediately prior to Effective Date



Anticipated Merger Timetable



Completed	<ul style="list-style-type: none">• Distribution of Scheme Booklet to Cytopia shareholders
Tue 12 January 2010	<ul style="list-style-type: none">• Scheme Meeting to approve the merger• Cytopia AGM held immediately prior to Scheme Meeting
Fri 15 January 2010	<ul style="list-style-type: none">• Second Court hearing• End of Relevant VWAP period
Mon 18 January 2010	<ul style="list-style-type: none">• Effective Date (Scheme court orders lodged with ASIC)
Mon 25 January 2010	<ul style="list-style-type: none">• Scheme Record Date (last day for consideration entitlement)
Thu 28 January 2010	<ul style="list-style-type: none">• Implementation Date
Mon 1 February 2010	<ul style="list-style-type: none">• Scheme Consideration issued• Commencement of trading in New YM shares

Shareholder dealings in CYT and YM

- **YM shares**

- Trade on Toronto Stock Exchange (TSX)
- Also trade on New York Stock Exchange/Amex
- Shares are interchangeable on the two exchanges

- **Trading pre merger**

- Cytopia shares expected to be suspended from trading on ASX around 18 Jan 2010
- Cytopia shares expected to be delisted on ASX around 29 Jan 2010
- Registers close 25 Jan 2010 re entitlements to Scheme Consideration

- **Trading post merger**

- Australian shareholders are able to trade their New YM shares locally
 - Certain online brokers offer direct trading in international shares, such as YM
 - Certain Australian brokers can also trade internationally on behalf of clients
- May also choose to transact directly through US and Canadian brokers

Clinical Programs - Cytopia and YM

Cancer product development

- **Cancer**
 - Remains leading cause of death world wide (IARC reports)
 - Revenues across major oncology markets in 2008 of US\$28 billion (IMS reports)
 - Use of cancer therapies forecast to increase (IMS reports)
- **Merger provides breadth of opportunities**
 - Numerous approaches to cancer in clinical trials
 - Potential therapies from merged entity in clinical development will include;
 - Monoclonal antibody nimotuzumab
 - Opioid analgesic AeroLEF
 - Vascular disrupting agent CYT997
 - JAK1/2 inhibitor CYT387
 - Other preclinical programs and compounds also with development potential
- **YM brings excellent network of collaborators, clinicians and commercial partners to leverage these assets**

Pipeline of Consolidated Drug Assets



SCC Squamous cell carcinoma | NSCLC Non-small cell lung cancer | MPD Myeloproliferative Disorder | PAH Pulmonary Hypertension | IV Intravenous | PG Oral | VDA Vascular Disrupting Agent | *The exact status is subject to strict confidentiality provisions as per the licensing agreement with Novartis | FMS A Kinase involved in inflammation

Cytopia Clinical Programs

CYT997 and CYT387

CYT997 - background

- **The lead Cytopia program, discovered in-house and now in Ph II studies**
- **Distinguished in VDA market by route of administration**
 - Compound can be administered IV and orally
 - Vast majority of VDAs only available in IV form
- **Potential for competitive advantage**
 - Opportunities for greater clinical utility
 - More frequent dosing regimes may allow repeated insult to tumour vasculature
 - Potential for improved antitumour activity
- **Mode of action means consideration of wide-range of tumour indications**
 - Main target is highly vascularised tumours but potential in other cancers
- **Important commercial validation in 2007 for VDA's**
 - Novartis/Antisoma deal for vascular disrupting agent ASA404 (AS404; DMXAA)
 - US\$890m in milestones/fees, based on Phase II randomised clinical data
 - Compound now in Ph III studies for NSCLC (lung cancer)

CYT997 – current clinical status

- **CYT997 has been dosed in two completed Phase I studies**
 - 52 patients treated in an IV and an oral trial
 - Safety, tolerability and maximal dose determined
- **Preliminary evidence from both trials**
 - Antivascular activity
 - Extended disease stabilisation in both trials
 - Favourable intravenous & oral pharmacokinetics
- **Compound now in Phase Ib/II study**
 - Relapsed glioblastoma (brain tumour) in combination with carboplatin ongoing at multiple centres in Australia, with UK site planned
 - Dose-escalation continuing. Data anticipated 1H 2010
 - Phase II data anticipated 1H 2011
- **Multiple development opportunities for this compound**
 - Leveraging oral opportunity likely to be important from a value perspective
 - Consideration of treatment for various tumour types
 - YM development expertise will be valuable in the future plans for CYT997

CYT387 - background

- **CYT387**
 - A novel, small-molecule JAK1/JAK2 inhibitor
 - Oral administration
 - Discovered internally, with strong IP (NCE, target, other)
 - First to publish crystal structure of the JAK2 enzyme
- **Very promising drug target**
 - JAK2 mutation clearly linked to myeloproliferative neoplasms (MPNs) – potentially severe haematological disorders (and pre-cancerous)
 - Potential role also in some tumours
- **Preclinical studies**
 - Indicate potent anti-MPN activity of CYT387 in preclinical model
 - Similar activity in cells from human patients
 - Extensive preclinical safety programme conducted throughout 2008/2009

CYT387 – clinical status

- **A strong year of progress**
 - Clearance of IND application by FDA in September 2009
 - First clinical trial for CYT387
 - Under leadership of KOL Dr. Ayalew Tefferi at Mayo Clinic (Rochester, USA)
 - Ethics approval obtained early November 2009
 - Commenced dosing in the Phase I/II study in late November 2009
 - Patients with myelofibrosis (chronic MPN)
 - Initial dosing of 100mg
- **Current status**
 - First cohort fully enrolled – favourable tolerability to date
 - Potential dose escalation early January 2010
- **Timetable**
 - Preliminary Phase I data anticipated 1H 2010
 - Preliminary Phase II data anticipated 1H 2011
- **Commercial validation**
 - Incyte recent deal on JAK 1/2 inhibitor INCB18424 and earlier stage compound
 - \$150m upfront, with retention of US rights on INCB18424

YM BioSciences Clinical Programs

Nimotuzumab
AeroLEF

Nimotuzumab - background

- **Nimotuzumab**
 - Humanised antibody (Ab) against EGFR, a validated target for anticancer therapy
 - EGFR on cancer cells is blocked by nimotuzumab leading to inhibition of cancer cell growth
- **Extensive preclinical studies confirm novel binding to target and potent efficacy in preclinical models**
- **Likely competitive advantage**
 - Nimotuzumab possesses more favourable tolerability than other EGFR inhibitors including Erbitux and Vectibix
 - Severe dermatological reactions notably reduced with nimotuzumab therapy
 - Opportunities in development for mono and combination therapies
- **Commercial arrangements**
 - YM holds nimotuzumab license from Center of Molecular Immunology Corporation (CIMAB S.A.)
 - CIMYM (joint venture with 80% YM ownership) is exclusive licensee for major market territories, including US
 - Future commercialisation in US market subject to US political considerations

Clinical/Development Status

- **Nimotuzumab - well advanced development**
 - Cleared for use in trials by EMEA, Health Canada, FDA and other regulators
 - Nimotuzumab has been administered to ca 5,000 patients worldwide
 - Approved for marketing in 23 countries (at Oct 2009)
 - China, India and various other African, Asian and Latin American jurisdictions
 - Special Access Scheme underway in Australia, as well as Europe and Canada
- **Clinical trials**
 - Numerous clinical trials completed and ongoing in diverse solid tumour indications
 - Includes NSCLC, SCCHN and various GIT and brain malignancies across multiple jurisdictions
 - Trials being conducted by YM and various licencees, including Daiichi Sankyo
 - 11 Phase 2 and 3 trials by YM and licencees in Japan, Europe, Korea and Singapore (June 2009)
- **Opportunity for best-in-class therapy, particularly in combination with XRT**

Recent nimotuzumab developments

- **Nimotuzumab cleared for US clinical program**
 - Licence from OFAC allows development in US in any cancer indication
 - New opportunities available to YM
 - Include US patients in current trials being conducted in other regions
 - Broaden number of clinical trials being conducted
 - Application to OFAC for licence to make compound available partnerable in the USA
- **Preclinical work continues to support broad clinical program**
 - Nimotuzumab in combination with metronomic chemotherapy in triple negative breast cancer preclinical model shown safe and effective
 - Multiple experiments underway expanding prospects for differentiation from marketed drugs, particularly synergy with radiation

- **A proprietary formulation of fentanyl (opioid analgesic)**
 - Administered by inhalation
 - Combination of free and encapsulated fentanyl facilitates initial rapid analgesia with prolonged pain control
 - Patient controllable.
- **Clinical trials**
 - Two Phase I studies completed
 - Two Phase II studies completed, including a randomised trial
 - Significant analgesia observed in 95% of patients (Phase IIb)
 - All end points achieved in every trial
- **Development plans**
 - AeroLEF being prepared for further international development
 - Consultation with European and Canadian regulators confirms product Phase 3-ready

Questions and Answers

Questions and answers

- **Opportunity to seek clarification on aspects of Scheme**

- **Points of reference prior to Scheme meeting**
 - Scheme Booklet
 - Cytopia Merger Information Line (+61 3 9926 0410)
 - Professional Advisors
 - Update on YM share price performance and hypothetical Exchange Ratio on 7 Jan 2010
 - Any material changes in Cytopia or YM prior to meeting will be communicated to shareholders

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This Presentation should be read in conjunction with the Scheme Booklet and other publicly available material. Further information about Cytopia, YM and their respective businesses and operations and historical results is available at www.cytopia.com.au

Cytopia does not undertake any obligation to revise the information in this Presentation to reflect any future events or circumstances.

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