



# Annual General Meeting

29<sup>th</sup> November 2006

Perth

Western Australia



# BioProspect's Strategic Plan 2006-2010

## Objectives:

- Improve share price and company value

### By:

- Increasing current product and project value
- Partnering with a similar company with new products and services in the nutraceutical, pharmaceutical and environmental market sectors

### In order to:

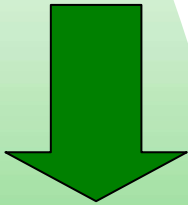
- Attract institutional investment and commercial partners for product licensing, manufacture and distribution.

### Resulting in:

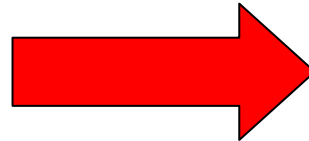
- Acceptable shareholder returns
- Formation of a company positioned for sustainable growth and unique product development and sales.

# Current Projects

- AP 778
  - ◆ Commercialisation
- Astrum
  - ◆ Type 2 Diabetes
- Apath
  - ◆ Hepatitis C virus
- Qcide
  - ◆ License out



**AP 778** (now called  
**Termilone™**)



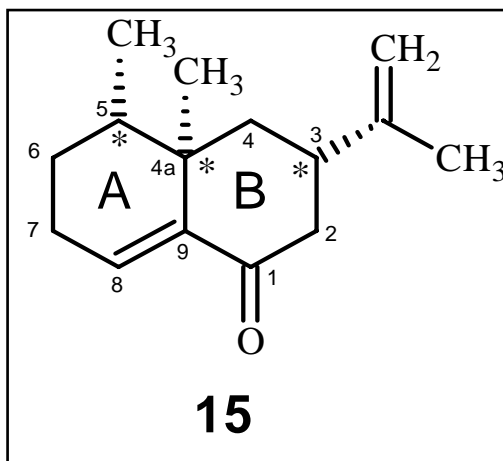
# Key steps for Commercialising TERMILONE™

- Step 1: Register the Active Constituent (AC) and End Use Products (EUP's) with the APVMA.
- Step 2: Attract commercial partner in Australia.
- Step 3: Register the compound in the USA and Japan.
- Step 4: Attract commercial partner in the USA and Japan.

# TERMILONE™ – the natural termiticide

TERMILONE™ will be the registered name for all products that contain the natural chemical extract called Eremophilone (previously known as AP 778).

Eremophilone will be registered as the Active Constituent (AC) with the APVMA.



# What do we know about Eremophilone?

- Kills and deters termites.
- Mammalian toxicity is low.
- Can be impregnated into timber and made into contact sprays and barrier treatments.
- Extraction and manufacturing technology available.
- Attractive market demand for an environmentally safe product on an international scale.
- Detailed international market analysis required.

# Where do we want to be with TERMILONE™?

- Have registrations owned by BioProspect in target markets and countries.
- Have commercial partners in Australia, USA and Japan.
- Generate a royalty income stream in each target market.

# How do we get there with TERMILONE™?

- ◆ Register 3 End Use Products (EUP's) that contain the AC.
  - ★ TERMILONE™ TT (Timber Treatment)
  - ★ TERMILONE™ CS (Contact Spray)
  - ★ TERMILONE™ BT (Barrier Treatment)

# STEP 1: Australian Registration

- A. Generation of data for a regulatory submission.
- B. Funding strategies
- C. Timing of data generation and submission period.
- D. Partners and collaborators

**Note: all data generated is of an international standard (US EPA, OECD)**

## A. Generation of data for a regulatory submission, "The Project's hurdles"

- Formulation candidates (3 EUP's).
- Bioassay on candidates.
- Formulation selection.
- Mode of Action.
- Environmental and mammalian toxicity.
- Field trial efficacy.
- Biochemical analysis.
- AC/EUP manufacturing studies.

## B. Funding Strategies

- Government grants
- Project partnering
- Future capital raisings

## C. Time and cost (Australian estimates)

- Data generation started in October 2006 and should be completed in late 2008 at an estimated cost of AUD\$2.8m
- Data submission planned to start in late 2008 and the first registered product could be available for actual use in Australia in mid-late 2009.

## D. Partners & Collaborators

- ◆ University of Western Sydney
- ◆ Southern Cross University (CPP)
- ◆ CSIRO (Ensis)
- ◆ ICP Firefly & Estendart Toxicology
- ◆ Eureka! Agricultural Co.
- ◆ ChemEng Contracting
- ◆ DeGroot Technical Services

## Step 2. Find a commercial partner in Australia

- Objective:
  - ◆ License out the name, registration information and formulation technology to a company that has the manufacturing, distribution, marketing and sales capability.
  - ◆ Receive a royalty payment based on sales over a set period of time.

# Step 3. Register in the USA and Japan.

The objectives in relation to the USA and Japan are;

- US EPA submission in 2009.
- Commercial products ready 2010.
- JMAFF submission in 2010.
- Commercial products ready 2011.

# Termite control market in Australia

- >\$750 m damage/year
- 20% all homes will receive a treatment/life of home
- 130,000 homes treated/year @ \$1500/home
- CCA being phased out in some markets (100% in USA)
- Organophosphates next on phase-out list (started in Australia)
- No new chemistry in pipeline
- Highly developed and social insect
- Incursions and damage occur well before identification
- Regulations changing
- Property values increasing
- Building and residential developments moving into existing termite prone areas

# Market Segments

- Prevention
  - ◆ Physical barriers
  - ◆ **Chemical barriers**
  - ◆ **Resistant materials**
- Control
  - ◆ **Chemical sprays**
  - ◆ Chemical baits and dusts

# Product Segments

- **TERMILONE™ TT**
  - ◆ Commercial Timber Treatment applications
    - ★ Pine timber products (*Pinus radiata*)
    - ★ MDF (medium density fibreboard)
    - ★ Ply Board
    - ★ Composite timbers
    - ★ Alternates to *Pinus radiata*

# Product Segments

- **TERMILONE™ CS**
  - ◆ Pest Control Operators (PCO's)
  - ◆ Domestic use
    - ★ **Contact Sprays** applied to incursions in buildings, structures and nests.

# EUP Segments

- **TERMILONE™ BT**

- ◆ Pest Control Operators (PCO's)

- ★ Specialized construction of **Barrier Treatments** in new and existing buildings and properties to protect from the invasion and entry of termites

# Other projects...

# Qcide



- Out license existing technology in Australia.
- Aiming to conclude grow-out program and licensing agreement in the short term.

# Hepatitis C Virus – Apath LLC

- Collaboration with US Company to identify potential drug candidates suitable for Hepatitis C Virus (HCV) and other RNA viruses.
- 4 step pre-clinical screening program using BioProspect samples and Apath's cell-lines:
  - ◆ Step 1 – screen sample fractions for suitable candidates
  - ◆ Step 2 – sub-fractionate active fractions and re-screen
  - ◆ Step 3 – identify compound structure, bulk and re-screen
  - ◆ Step 4 – confirm activity, unique compound and move compound to clinical trial program

# Hepatitis C Virus – Apath LLC

- Current progress
  - ◆ 1 sample in Step 3 with HCV assay testing starting.
  - ◆ 101 samples in Step 2 currently being screened.
  - ◆ New samples sent to Apath in August 2006 (40 sub-fractions that showed activity from the 2005 samples).

# Type 2 Diabetes Mellitus - Astrum

- Astrum Therapeutics Pty Ltd
  - ◆ Drug discovery company researching and developing non-toxic compounds to treat T2DM
  - ◆ BioProspect acquired 33% in April 2005
  - ◆ Option to purchase further 9%.
- Type 2 Diabetes Mellitus
  - ◆ 2 new chemical entities (NCE's) produced in 2006 for assessment.
  - ◆ 6 more NCE's due by Q1 2007.
  - ◆ Looking for drug compounds that prevent the death of insulin producing pancreatic beta-cells.