



NEWS RELEASE

Novation Receives Notice of Allowance issued by the Canadian Patent Office for its *QUEST* mRNA Drug Discovery Technology

FOR IMMEDIATE RELEASE

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Burnaby, Canada: Novation Pharmaceuticals Inc. announced today that it has received notification from the Canadian Patent Office that its patent relating to the *Quest* small molecule drug discovery technology, has been allowed. Patents for the *Quest* technology have already been granted in Australia, Europe, and the United States.

About Novation and the *Quest* Technology

Novation is a product-focused Company using *Quest*, a breakthrough drug-discovery technology that harnesses a natural cellular control function, messenger RNA (mRNA) modulation, to identify new therapeutics for a broad range of diseases. Novation's *Quest* approach uses cell-based assays to identify small molecules that impact protein expression via mRNA modulation.

Messenger RNA, containing the information needed to manufacture protein in the cell's cytoplasm, is the link between protein expression and the information stored as chromosomal DNA in the cell's nucleus. The ability to affect mRNA function opens up a wide range of disease areas to therapeutic intervention including "non-drugable" targets. Since mRNA regulation determines which proteins get made, how much is produced, and for how long, it is a process highly controlled in the cell. The regulation of mRNA function is exerted through specific Stability Control Elements (SCEs) present within each individual mRNA. Novation scientists extract and clone SCEs for a particular target mRNA, into a high-throughput reporter gene assay system (the *Quest* technology) which is subsequently screened to identify small molecules that work through these mRNA elements. A non-biased approach, *Quest* can identify both inhibitory and stimulatory small molecule compounds that modulate the stability of a target mRNA or influence its translatability.

Novation has available *Quest* drug-discovery assays for a number of disease targets in therapeutic areas such as: cancer, inflammation, metabolism, and neurodegeneration, with others in development. Novation's flexible business model allows for either collaborative or drug discovery programs with partners.

This news release contains certain forward looking statements. Actual results may differ materially from the statements made as a result of various factors, including, but not limited to, the inherent risks associated with drug research and development, difficulties or delays in development testing, changes in regulatory affairs, lack of therapeutic efficacy, unacceptable side-effects, the dependence on partners, the inability to raise sufficient finance, the appearance of competitors and other risks generally associated with the biopharmaceutical industry.

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