

Opportunity Analysis



TSX-V: WBI



www.welichem.com

HIGHLIGHTS

Phase I Clinical Trials

Approved by Health Canada, for psoriasis treatment, and currently underway.

Strong Pipeline

Discovery and development of two classes of drugs with distinctive disease targets:

- ❖ WBI-1000 series for autoimmune/inflammatory diseases, including psoriasis
- ❖ WBI-2000 series for cancer

Huge Market Potential

Targeted markets exceed \$70 billion annually.

Extensive IP Protection

Ten patents worldwide with 29 additional patent applications pending.

Advantageous Position

Phase I Clinical Trials underway for the topical treatment of psoriasis. Pre-clinical tests in progress for treatment of cancer and chemotherapy-induced neutropenia.

Attractive Acquisition or Joint Venture Candidate

Welichem's patented small molecule drug candidates should attract major pharmaceutical companies needing to increase their new drug pipelines by licensing or acquisition.



TARGET MARKETS

Chemotherapy has life-threatening side effects. Welichem's anti-cancer drug candidate is poised to greatly reduce these toxic side effects while enhancing the effectiveness of the most widely-used chemotherapies. The result is improved patient remissions and longevity.

Psoriasis treatment is a \$3 Billion Market in the US alone. One Welichem drug candidate is a topical cream that offers dramatic long-term relief in a huge market saturated with ineffective products and expensive injection routines which insurers rarely cover.

PROFILE



Company Name	Welichem Biotech Inc.	
Exchange	TSX-V	
Ticker	WBI	
Shares Outstanding	62,043,000 (est.)	
52-Week High	0.235	March 09, 2007
52-Week Low	0.095	September 21, 2006
Average Price	0.1691	(50-day)
	0.1597	(200-day)
Average Volume	8,200	(50-day)
	5,900	(200-day)

Detailed Quotes from www.bigcharts.com

Welichem Biotech Inc. (“Welichem” or “the Company”) is a publicly traded company (TSX Venture Exchange, TSX-V: WBI) engaged in the discovery, development, and commercialization of pharmaceutical drugs, through its unique, patented SYMBIOCHEM[®] technology platform. From natural origins (insect-nematode-bacterial symbiotic relationships), the Company has developed smart drugs (fully synthesized, small molecule pharmaceutical drug candidates with high efficacy and low toxicity) primarily for the treatment of autoimmune/inflammatory diseases and cancers. Welichem’s lead drug candidate, WBI-1001, is now undergoing Phase I Clinical Trials on psoriasis patients in Canada. Another promising drug candidate, WBI-2100, is undergoing preclinical studies as a novel anti-cancer agent that also mitigates some of the worst side-effects of chemotherapy. The Company’s pipeline of drug candidates targets global markets worth more than \$70 billion per year.

KEY PRODUCT WBI-1001

Welichem's WBI-1000 series of compounds target autoimmune and inflammatory diseases. Autoimmune disease is a chronic condition characterized by the failure of the body to discriminate between self and non-self, and thus to "attack" its own cells and structures as though they were invasive bacteria, viruses or other infectious agents. Data shows that this series of compounds has immunomodulating effects in human and mouse cells. Currently, the immunology program is focused on developing the lead drug candidate, WBI-1001, as a topical treatment for psoriasis, a condition caused when the body's own immune system "erroneously" attacks the skin. WBI-1001 is a cream that has demonstrated high efficacy and low toxicity in animals. Prior clinical trials have demonstrated the rapid efficacy and absence of side effects of this drug candidate against mild and moderate forms of psoriasis (80% of all patients). Parallel studies with WBI-1001 and its closely related compounds have indicated additional potential therapeutic values in the treatment of eczema and inflammatory bowel disease (IBD).

WBI-1001 selectively modulates the cytokine cascade deep under the skin, a process that rapidly decreases the inflammation and skin plaque characteristic of psoriasis. Scientific evidence shows that WBI-1001 targets both the cause and symptoms of psoriasis. The Company's clinical trial application (CTA) for WBI-1001 as a topical cream treatment for psoriasis has been approved without any objections and the Phase I Clinical Trials on psoriasis patients are underway in Canada. Upon satisfactory results, Welichem will initiate Phase II(a) Clinical Trials in the first half of 2008.

Psoriasis

Psoriasis is a non-contagious, autoimmune, skin disease characterized by uneven, rough and often inflamed and itchy areas of the skin. These unsightly areas are known as plaques that can occur anywhere on the body. Psoriasis affects an estimated 2-3% of the world's population with a mean onset between 15-35 years of age. The visual, itchy and inflammatory physical nature of the disease also has potential psychological effects that may impact the patients' social and sexual life. Although the disease remains largely under-diagnosed and only a small percentage of patients seek prescribed treatments, the overall cost of treating the disease exceeds \$3 billion annually in the U.S. alone. To date, there is no cure for the disease and current therapies cause side effects and require several weeks of use to produce any visible remission. Some drugs lose their effectiveness over time; disease rebounds often occur when therapy stops. Currently, the most effective treatments require injections, often self-administered, which can cost from \$10,000 to \$35,000; insurers often decline payment, and side effects often occur.

Eczema

Eczema is primarily a childhood disease that affects at least 20% of all infants and children and about 2.5% of adults in the United States alone. Eczema costs U.S. health insurance companies more than \$1 billion each year for its treatment. Eczema is marked by red, itchy plaques on the skin, leaves the skin vulnerable to infection, and often causes enormous suffering at a critical time in a child's development. Welichem's anticipated Phase II trials of WBI-1001 against psoriasis will be expanded to include patients with eczema.

IBD

IBD is characterized by chronic inflammation at various sites in the gastro-intestinal tract and often results in diarrhea and abdominal pain. IBD is a relapsing and recurring condition that affects millions of people worldwide; the global market is estimated at \$16 billion currently and set to rise continually. Treatment of IBD is at the pre-clinical stage of Welichem's drug candidate pipeline.

MARKET ADVANTAGES OF WBI-1001

- ❖ Targets the cause of the disease through selective action on the pro-inflammatory cytokines and pathogenic cells.
- ❖ Rapidly diminishes inflammation and plaque.
- ❖ Topically administered and readily absorbed by the skin, thus reducing the stress, inconvenience, and expense of needle injections.
- ❖ No known adverse side effects.
- ❖ Proprietary protection in the world's major markets.
- ❖ Simple synthetic process and low-cost manufacturing.



KEY PRODUCT WBI-2100

Welichem's WBI-2000 series of compounds target cancer and chemotherapy-induced side effects. A promising drug candidate, WBI-2100, is a novel, dual-acting anti-cancer compound with no structural similarity to any previously approved anti-cancer drugs. To the Company's knowledge it is the only small molecule anti-cancer drug candidate that also stimulates neutrophil production. Current lab results show that the novel, patented drug candidate, WBI-2100, when administered in combination with some of the most widely used cancer chemotherapies, has the dual impact of increasing their effectiveness while reducing their most toxic side effects, particularly neutropenia.

The multiple modes of action of small molecule compounds, such as WBI-2100, can be very effective in targeting cancer, which is a complex and heterogenous disease. Experimental evidence indicates that WBI-2100 induces apoptosis (programmed cell death) and inhibits angiogenesis (development of a vascular network), thus potentially enabling death and starvation of selected cancer cells. WBI-2100 also blocks tumor metastasis, which accounts for more than 90% of cancer mortality. In pre-clinical animal trials, WBI-2100 has shown very encouraging results by inhibiting tumor growth without causing overt, non-target toxicity. Collectively, the properties of WBI-2100 suggest a compound with potential for advanced chemotherapeutic treatment of solid tumors either separately or in combination with the most widely used cancer chemotherapies. These properties suggest that WBI-2100 is a strong candidate for the FDA's anti-cancer fast-track drug approval process.

Cancer

The global anticancer market had sales of more than \$47.2 billion in 2006, accounting for about 7.3% of global pharmaceutical sales (\$650 billion). With a predicted 50% rise in the global incidence of cancer between 2000 and 2020, the anti-cancer treatment sector is expected to sustain a high annual growth rate with estimated sales in excess of \$65 billion before 2012. The sales of cytotoxics and anti-hormonals are declining. Therefore, the launching of new drugs with more tolerance, less toxicity and improved patient outcomes will be significant in the coming years.

Neutropenia

More than half of cancer patients receive chemotherapy treatment; up to half of these patients develop neutropenia. Neutropenia is a condition characterized by an abnormally low number of neutrophils, a particular type of white blood cell, circulating in the blood. Neutrophils account for 50-70% of circulating white blood cells and serve as the human body's primary immune defense against bacterial infections. Chemotherapy-induced neutropenia is an immune system breakdown, which puts cancer patients at risk for such life-threatening infections as pneumonia. It is a common and often fatal side effect of chemotherapy.

Welichem's drug candidate reduces the incidence and severity of neutropenia, while increasing the effectiveness of anti-cancer treatments. In short, WBI-2100 increases a patient's survival rate and longevity.

MARKET ADVANTAGES OF WBI-2100

- ❖ Selectively more active on solid cancer cells as compared to hematological cancers -- very few cancer chemotherapies possess such selectivity.
- ❖ Targets critical steps of cancer metastasis including tumor invasion, apoptosis and angiogenesis.
- ❖ Readily absorbed into the body following oral administration, thus obviating the stress and inconvenience of frequent needle injections and hospitalization.
- ❖ Unique, dual-activity properties that position it as a cancer treatment modality either alone or as a synergistic therapy that increases the efficacy of some of the most widely used anti-cancer chemotherapies.
- ❖ Potential therapy for neutropenia, thus mitigating the life-threatening side effects of chemotherapy.
- ❖ World-wide patent protection.

WBI KEY SUMMARY

- ❖ Establishment of SYMBIOCHEM® technology platform as an effective drug discovery engine.
- ❖ Discovery and development of two classes of drugs with distinctive disease targets:
 - o WBI-1000 series for autoimmune/inflammatory diseases
 - o WBI-2000 series for cancer
- ❖ Worldwide issuance of 10 patents; 29 patent applications pending.
- ❖ Strategic partnership with Celestial Pharmaceuticals (Shenzhen) Ltd. of China for cost-effective, timely development of drug candidates and for marketing Welichem's drugs in China.
- ❖ Phase I Clinical Trials, approved by Health Canada, are under way for Welichem's lead drug candidate, WBI-1001, a topical treatment for psoriasis.
- ❖ Welichem's second drug candidate, WBI-2100, has shown strong indications of anti-cancer properties and reduction of some of the fatal side effects of chemotherapy, particularly neutropenia.

FINANCIAL INFORMATION

Welichem has raised more than \$10,000,000 during its 10+ years of drug discovery and development. Since it went public in 2005, Welichem has been able to raise significant funds through private placements. The Company anticipates doing a near-term raise of two million dollars (\$2,000,000) for completion of Phase I Clinical Trials on WBI-1000, pre-clinical trials on WBI-2100, and for on-going research, development, and administrative expenses.

For further information, please contact Dr. Yan Chen, Manager, Business Development, at (604) 432-1703 or 1-888-661-1001 (toll free).

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