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NEWS RELEASE

For immediate release

AmorChem invests in a novel titanium porous compression screw for bone fixation and puts in place a Master Agreement with McGill.

Montreal, December 21, 2012 — AmorChem is delighted to announce the closing of a transaction to pursue the development of a porous titanium compression screw for fracture fixation with McGill University, the National Research Council of Canada (“NRC”), Dr. Paul A. Martineau (Assistant Professor of Surgery, McGill University and Head of Orthopaedic Upper Extremity Surgery, McGill University Health Centre) and Dr. Edward J. Harvey (Professor of Surgery, McGill University and Chief of Orthopaedic Trauma, McGill University Health Centre), both clinician-scientists at the Research Institute of the McGill University Health Centre (RI-MUHC).

This is a first transaction with McGill and includes the signing of AmorChem’s first Master Agreement with the institution. The financing will support the development of the screw with the goal of clearly demonstrating its superior attributes in healing patterns compared to conventional solid compression screws. While the product will initially be developed for scaphoid bone fractures, its usefulness can be extended to meet several other orthopedic needs.

“AmorChem believes in the commercial attraction of the orthopedics market. We see a good opportunity in a project that supports the development of a therapeutic strategy where ‘less metal and more bone’ means better and faster healing,” explains Dr. Elizabeth Douville, General Partner at AmorChem.

“McGill is proud to be part of the success of this project. Development of novel medical devices addressing significant unmet medical needs is a long-term endeavour for us,” says Dr. Rose Goldstein, McGill’s Vice-Principal (Research and International Relations). “Also, we believe that closing this first transaction with AmorChem will enable us to add value to much of the outstanding research being conducted within our university.”

“This is a very exciting period of research and development that should culminate in a product ready to be used in humans. Faced with the frustration that many fractured scaphoid bones fail to heal with conventional solid screws, I am that very gratified that AmorChem, NRC, McGill, and the RI-MUHC, believed in the scientific, clinical and commercial value of our new implant,” adds Dr. Martineau.

“In a perpetually evolving market, the RI-MUHC recognizes the value of developing innovative strategies and partnerships that enable the bridge between research and societal benefits,” says Dr. Vassilios Papadopoulos Executive Director and Chief Scientific Officer of the RI-MUHC. “This translational funding from AmorChem provides necessary resources to advance projects efficiently and effectively through the translational pipeline and increasing the likelihood of clinical uptake and health benefits for patients with fractures.”

The scaphoid is a small bone in the wrist that is frequently broken when a person falls on an outstretched hand. There are about 245,000 new scaphoid fractures every year in Canada, the United States and Europe. Due to the small size of the bone and the relatively large area occupied by a conventional solid screw, there is usually a reduction in the ability of bone to regenerate and repair itself. The advantage of the titanium porous screw is that bone cells can penetrate the entire screw, regenerate bone, repair the fracture, thereby improving the healing potential.

The NRC was the co-developer of the porous titanium material used in the screw. NRC's expertise in porous metal processing will continue to play an important role in the future development of the technology. The research work will be carried out at the NRC and at the RI-MUHC.

"Beyond this project, we strongly believe in the importance of having put in place a Master Agreement with McGill," comments Dr. Inès Holzbour, General Partner at AmorChem, "and several additional deals are being lined up with the institution."

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ABOUT AMORCHEM L.P.

AmorChem L.P. (www.amorchem.com) is a venture capital fund located in Montreal and focused on investing in promising life science projects originating from Quebec-based universities and research centres. The principal limited partners of this fund are Investissement-Québec, FIER Partenaires, Fonds de solidarité FTQ and Merck & Co. This fund is the latest addition to the GeneChem portfolio of funds, a fund manager in existence since 1997. AmorChem's innovative business model involves financing research-stage projects to enable them to reach pre-clinical proof-of-concept ("POC") in a semi-virtual mode within 18-24 months. The fund seeks to generate returns through a two-pronged exit strategy: sell projects having reached POC to large biotechnology or pharmaceutical companies; or bundle them into new spin-out companies. The projects will be managed by AmorChem using external resources. To that effect, AmorChem has established a strategic partnership with the Biotechnology Research Institute in order to access its R&D platforms. In addition, to enable projects requiring small molecules as tools or drug leads, AmorChem has founded NuChem Therapeutics Inc., a medicinal chemistry contract-research company.

ABOUT MCGILL UNIVERSITY

Founded in Montreal, Quebec, in 1821, McGill is Canada's leading university, with two campuses, 11 faculties, 11 professional schools, 300 programs and more than 37,000 students, including 8,300 at the graduate level. McGill welcomes students from more than 150 countries, with 7,200 foreign students making up 20 per cent of the student body. For further information, go to: www.mcgill.ca

THE RESEARCH INSTITUTE OF THE MCGILL UNIVERSITY HEALTH CENTRE (RI-MUHC) is a world-renowned biomedical and health-care hospital research centre. Research is organized by eleven research axes. Located in Montreal, Quebec, Canada, the Institute is the research arm of the McGill University Health Centre (MUHC) affiliated with the Faculty of Medicine at McGill University. The Institute supports over 600 researchers, over 1,200 graduate students and post-docs and fellows devoted to a broad spectrum of fundamental and clinical research. Over 1,800 clinical research studies are conducted within our hospitals each year. The Research Institute of the MUHC is supported in part by the Fonds de recherche du Québec - Santé (FRQS). www.muhc.ca/research/

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