



NeuroDiscovery Ltd  
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Issued Capital  
57,486,183 ordinary shares  
1,977,154 options

Current Share Price A\$0.044  
Market Cap A\$2.53mil  
Cash A\$ 1.5 mil

ASX Code: NDL – Shares

## QUARTERLY HIGHLIGHTS – 30 JUNE 2010

### MAJOR HIGHLIGHTS

- Wholly owned subsidiary NeuroSolutions sold to a buy out team comprising management and the University of Warwick;
- Proceeds of approximately A\$850,000 to be received by NeuroDiscovery;
- Commercial discussions continue with third parties for NSL-101 programme;
- Currently maintains a 32% interest in any revenue Sosei may receive for NSL-043 commercialisation; and
- Close monitoring of cash position

### Research and Development Programmes

#### NSL-101

NSL-101 is a novel natural product formulation that the Company has been developing as topical over-the-counter product preparations for dental pain relief and soothing skin irritation.

The product was well tolerated in two Phase II trials and one of the trials showed the compound significantly prevented pain associated with scaling and root planing, a dental procedure used to combat periodontitis. The results from the periodontitis trial demonstrate that NSL-101 provides highly effective pain relief, as it was found to be equally effective as the local anaesthetic gel currently applied to patients but with the added benefit of no adverse effects.

A patent, now owned by the Company, may help protect the intellectual property position of the product and add to the data package for licensing to interested third parties. The Company is currently conducting a strategic review of the commercialisation opportunities for the product and has entered into discussions with a number of interested companies, who could potentially take the product to market. For example, one option currently being explored is testing NSL-101 with a potential partner as a product preparation for soothing skin irritation.

#### NSL-043

On 17 March 2010 the Company assigned Sosei its remaining 32% interest in the intellectual property of NSL-043. In return for the assignment the Company will receive a percentage of any future revenue associated with the commercialisation of NSL-043. Today, the potential percentage revenue share would be 32% but this may fall if Sosei invest additional funds and the percentage would fall under an agreed confidential formula. Should positive results emerge from additional trials there remains the potential for significant returns to the Company.

### NeuroSolutions' Specialist Service Business Sold

The sale of NeuroSolutions was approved on 22 July 2010 by shareholders at a General Meeting of the Company. NeuroSolutions was sold for approximately A\$850,000. Details of the transaction can be found in the Notice of Meeting or the Company's announcement to ASX on 15 June 2010.

### Corporate and Financial Management

The Company continues to monitor expenditure closely and is strategically reviewing the best path forward with the current assets and exploring the potential to in-licence additional programmes.

On July 28 2010 the founding Non-Executive Chairman, Dr Mark Treherne, resigned from the Board, the remaining Board members thank him for his efforts and wish him all the best in the future. Mr Harry Karelis will take on this role going forward. The board also extends its thanks to Mr Michael Robson who has recently joined the board.