Alchemia Announces Terms for Conditional Sale of Oncology Subsidiary

- Alchemia Limited has executed a binding term sheet for the sale of its 100% owned subsidiary, Alchemia Oncology Pty Ltd, with US biotechnology company, Panther Biotechnology Inc.
- Panther has agreed to reimburse oncology operational costs incurred in the agreed exclusivity period including all existing staff employment expenses (excluding contractual commitments for ACO-002 Phase III trial) up to a maximum of US$300,000, accelerating Alchemia's cost cutting program

Completion of the sale on the terms agreed will see:

- Alchemia receiving Panther stock to the value of US$15 million, upon a successful listing of Panther on NASDAQ
- Potential for a US$1 million cash milestone payment to Alchemia on commencement of a Phase III clinical trial and royalties on world-wide net sales of HyACT products
- R&D Tax Incentive refunds for expenditure funded by Alchemia remaining with Alchemia

Completion of the sale is subject to a number of material conditions precedent, including entry into definitive agreements documenting the terms agreed within the agreed exclusivity period and Panther successfully raising funds and listing its shares on NASDAQ. Unless and until all conditions are met or waived, there is no certainty that the sale will occur on the terms agreed or at all.

BRISBANE, Australia; 1 July 2015: Alchemia, (ASX: ACL) a drug discovery and development company, announced today it has executed a binding term sheet for the conditional acquisition of 100% of the outstanding share capital of Alchemia Oncology Pty Limited (Alchemia Oncology) by Panther Biotechnology Inc. (OTC PINK: PBYA). Alchemia Oncology owns all of Alchemia's oncology assets, including the HyACT technology.

Panther Biotechnology Inc. (Panther) is a US biotechnology company, based in Illinois, USA, specialising in the acquisition and development of enhanced therapeutics for the treatment of cancer, autoimmune and antiviral disorders. Panther is currently listed on the over-the-counter market (pink sheets) in the US and is in the process of applying for its stock to be listed on NASDAQ. Panther plans to raise capital in the near to medium term, by way of private placements to sophisticated investors and institutions. As part of these planned financing rounds, Panther will seek to raise capital specifically to fund a new Phase III trial for HA-Irinotecan.

Alchemia has entered into an initial 30-day exclusivity period with Panther, which shall be automatically extended for an additional 90 days provided that Panther files its prospectus (S-1) with the SEC prior to the conclusion of the initial exclusivity period. Alchemia will be entitled to a break-fee of US$500,000 in the event that Panther withdraws from, or fails to complete or meet the binding terms of the proposed acquisition, except in the circumstance where information provided

to Panther as part of due diligence is materially incorrect. The transaction is conditional upon Panther obtaining approval to trade Panther shares on the NASDAQ within 120 days from the date of the term sheet.

During the exclusivity period Alchemia is subject to customary restraints in relation to soliciting and dealing with others in relation to Alchemia Oncology subject to the usual fiduciary duty and unsolicited offer exceptions.

Providing Panther is successful in both listing its stock for trading on NASDAQ and completing its planned financing rounds, and all of the conditions of the proposed transaction are met, Alchemia will receive shares of Panther common stock equal to US$15 million. In determining the number of shares that Alchemia will receive, the shares will be valued at the same price that the institutional investors acquired Panther common stock as part of Panther's planned capital raisings in conjunction with the NASDAQ listing. Alchemia will also participate in any offering of warrants to acquire further Panther shares on the same terms and conditions offered to those investors.

In addition, Alchemia will receive:

- US$1 million cash, upon the potential commencement of a new Phase III trial;
- mid-single digit royalties on world-wide net sales of HYACT products; and
- reimbursement of certain pre-approved operational costs incurred by Alchemia Oncology during the exclusivity period up to sale completion, including all oncology staff employment costs, up to a maximum of US$300,000.

Panther has agreed that these costs will be reimbursed on a monthly basis in advance regardless of whether the transaction closes. Excluded from reimbursement are external costs that relate to the close-out of the existing HA-Irinotecan Phase III trial. This accelerates the Company's previously announced cost cutting program by approximately A$70,000 per month for the quarter ended 30 September 2015. In addition, it is anticipated that Panther will offer ongoing employment to key members of the oncology team.

Alchemia has agreed to grant Panther the future right, at Panther's election, to close out any unpaid milestone payment and royalty stream payable with respect to the Phase III HA-Irinotecan product. This option has an exercise price of US$20 million payable in Panther's NASDAQ-listed stock and expires on the day immediately prior to the first US Sale of the HA-Irinotecan Asset.

The sale is subject to a number of conditions precedent with the more material including:

- entry into definitive agreements fully documenting the terms agreed within the exclusivity period;
- Board and any necessary shareholder approvals of both parties for the transaction;
- Panther filing its prospectus with the SEC within 30 days and successfully raising funds and listing its shares to trade on NASDAQ within 120 days of the term sheet;
- no material adverse change occurring;
- representations and warranties being correct in all material respects; and
- any necessary regulatory and stock exchange approvals being obtained.

Satisfaction of all of the conditions is not necessarily within Alchemia's control, or the control of either party, and so completion of the sale on the terms agreed (or at all) is uncertain at this time. Alchemia will keep the market informed of any material developments in relation to the proposed sale of Alchemia Oncology in a timely manner in compliance with its disclosure obligations.

About HyACT

Alchemia's proprietary HyACT® drug delivery platform, targets anti-cancer drugs to solid tumours. HyACT-targeted therapeutics are designed to exploit the unique structure and inherent biological properties of Hyaluronic Acid (HA), a natural polymer that is a key component of the extracellular matrix in mammals. The proprietary form of HA used in HyACT-targeted product candidates combines the effective drug entrapment and delivery properties of HA, with the active transport and internalisation characteristics resulting from HA's ability to bind to activated CD44, a receptor generally overexpressed in cancer cells.

HA has been shown in preclinical studies to efficiently transport anti-cancer drugs to tumours where a drug depot rapidly forms. The passive formation of this intra-tumoural drug depot has the unique advantage of maintaining prolonged concentrations of the anti-cancer drug within the tumour while enabling the continual active uptake of the drug by cancer cells. The HyACT-targeted product candidates are designed to overcome some of the limitations of current chemotherapies by delivering anti-cancer drugs preferentially to cancer cells in order to increase the response of cancers to standard chemotherapy.

Alchemia's lead asset, HA-Irinotecan, did not meet its primary endpoint for progression free survival in a pivotal Phase III clinical trial for the treatment of metastatic colorectal cancer. Alchemia is currently conducting an investigator-sponsored Phase II clinical trial of HA-Irinotecan in first and second-line treatment of patients with small cell lung cancer (SCLC). This trial is examining the safety and efficacy benefits of HA-Irinotecan administered with carboplatin compared to standard irinotecan/carboplatin combination therapy. A secondary objective of this study is to evaluate the direct effect of HA-Irinotecan on cancer stem cells, and to provide clinical evidence that $CD44^{+ve}$ tumours respond preferentially to HyACT drugs. This has the potential to enhance the killing of the cancer cells and ultimately lead to increased patient survival.

To date, 38 out of 40 patients have been enrolled in the study. Preliminary results reported by the investigator at the 15th World Lung Cancer Conference in 2013 suggest that HA-Irinotecan in combination with carboplatin is well-tolerated with encouraging preliminary signs of clinical activity in patients with extensive Small Cell Lung Cancer.

About Panther Biotechnology, Inc.

Panther Biotechnology, Inc., a development stage company, focuses on the acquisition and development of therapeutics for the treatment of neoplastic, autoimmune, and antiviral disorders. The company is developing three clinical candidates, including TRF-DOX, which is a combination of transferrin glycoproteins with Doxorubicin for tumors with the reduction of side effects; Numonafide that is a derivative of the anticancer drug Amonafide optimized to eliminate toxic metabolites and reduce side effects; and TDZD-8, a kinase inhibitor targeting cancer stem cells. Panther is continuing its acquisition strategy focusing on identifying undervalued companies and clinical assets, including those programs that have missed clinical endpoints, and bring scientific and medical personnel capable of running the trials and extracting value from the assets. Panther also operates as Securities and Exchange Commission EDGAR, eXtensible Business Reporting Language, and Canadian Securities Administrator's SEDAR filing agent. The company was formerly known as NEF Enterprises, Inc. and changed its name to Panther Biotechnology, Inc. in May 2014. Panther Biotechnology, Inc. was founded in 2011 and is based in Bannockburn, Illinois.

About Alchemia Limited

Alchemia is a drug discovery and development company marketing fondaparinux, an FDA approved, injectable antithrombotic, in the US and other markets, via partner Dr. Reddy's Laboratories. In October 2014, Alchemia announced that its Phase III trial of HA-Irinotecan in Metastatic Colorectal Cancer did not meet its primary endpoint of statistically significant improvement in progression-free survival. HA-Irinotecan is the lead product in Alchemia's oncology pipeline based on its proprietary HyACT drug delivery platform, which targets anti-cancer drugs to solid tumours.

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