



Inimex Pharmaceuticals Inc. Announces Series A Venture Capital Financing

\$US4.5 million will support lead optimization of the first drug based on the Company's novel innate immunity biology platform.

Vancouver, BC, Canada – July 6, 2004. Inimex Pharmaceuticals today announced the first closing of a Series A Financing for US\$4.5 million (C\$6.0 million) led by a syndicate of venture capital funds: BDC Venture Capital, the Canadian Medical Discoveries Fund (CMDf) advised by MDS Capital, and the Working Opportunity Fund managed by GrowthWorks™ Capital. Proceeds of the financing will support the lead optimization and pre-clinical development of the first drug based on Inimex' novel innate immunity platform.

"We are pleased to reach this important financing milestone," stated Jeffrey Bacha, President & CEO of Inimex Pharmaceuticals Inc. This financing will support the pre-clinical development of our first drug, which is being advanced as a new medicine against nosocomial (hospital acquired) pneumonia.

Inimex medicines selectively augment innate immunity, the body's first line of defense against infection. Inimex medicines are unique because they boost innate immunity without up-regulating inflammatory responses that lead to tissue damage and sepsis. In addition, because Inimex medicines are not directly antimicrobial, they are not expected to promote bacterial resistance.

"We are seeking an additional US\$2-3 million in a second closing to support IND studies and expansion of our pipeline," added Mr. Bacha.

The Company's discovery platform is funded through 2005 under a collaboration sponsored by Genome Canada. Under the terms of this collaboration, Inimex scientists and a consortium of academic collaborators are receiving funding to research mechanisms of innate immunity based on the Company's novel biology platform. Inimex has been granted the rights to discoveries arising from the collaboration.

Brenda Irwin of BDC Venture Capital added, "Inimex has established a solid scientific foundation, an experienced management team and a world-class scientific advisory board to support the rapid advancement of its first product and the expansion of a promising product portfolio based on a new and exciting approach to disease therapy."

"We believe the Inimex biology platform forms the basis of a truly novel approach to infectious disease therapy," stated Malcolm Kendall of MDS Capital, which provides fund management services to CMDf. "We are pleased to support the advancement of the Company's first product toward human clinical trials."

"GrowthWorks is proud to continue our investment support for the development of the BC biotechnology industry," stated David Levi, President and CEO of GrowthWorks. "Inimex represents a promising addition to our life sciences portfolio."

About Inimex Pharmaceuticals Inc.

Inimex Pharmaceuticals Inc. is a private biopharmaceutical company dedicated to the discovery, development and commercialization of new medicines based on the selective augmentation of the innate immunity. For additional information, please visit the Company's website, www.inimexpharma.com.

About BDC Venture Capital

BDC Venture Capital (www.bdc.ca) is a major venture capital investor in Canada, active at every stage of the company's development cycle, from seed through expansion, with a focus on technology-based businesses that have high growth potential and that are positioned to become dominant players in their markets. BDC Venture Capital has been involved in venture capital since 1975 and has to date invested in more than 400 different companies. It currently manages in excess of \$450 million in venture capital assets invested in the areas of Life Sciences, Telecommunications, Information Technology and Advanced Technologies.

About Canadian Medical Discoveries Fund Inc. and MDS Capital

Canadian Medical Discoveries Fund Inc. (www.cmdf.com) is Canada's most mature health sciences labour-sponsored venture capital fund, with more than \$300 million in managed assets. Established in 1994 and available across Canada, CMDF has venture capital investments in approximately 48 companies involved in health sciences, biotechnology, diagnostics, medical devices, drug discovery and development, health care delivery services and e-health. CMDF retains MDS Capital to assist in selections and management of its investments.

MDS Capital Corp. and affiliates, with more than \$1 billion under management, is a leading North American venture capital company focused exclusively on providing financial support and other services to help build emerging life science companies. The company provides a continuum of capital, from early through later stages, by raising capital in public retail and private institutional funds. Additional information about MDS Capital Corp. is available at www.mdscapital.com.

About Growthworks

GrowthWorks (www.growthworks.ca) is a recognized leader in venture capital fund management with proven experience in the raising, investing and managing of capital. GrowthWorks managed funds including the Working Opportunity Fund, have a combined \$750 million in assets. GrowthWorks has a team of skilled and knowledgeable investment professionals with a combined 200 years of experience. The Investment team has a proven track record of identifying, structuring and negotiating investments in companies in emerging sectors. GrowthWorks is a registered trademark of GrowthWorks Capital Ltd.

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