



CHEMAPHOR
A wellness company



Investor Presentation

March 2012



Animal Health

www.avivagen.com

Forward Looking Statements & Statutory Rights of Action

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Chemaphor is...

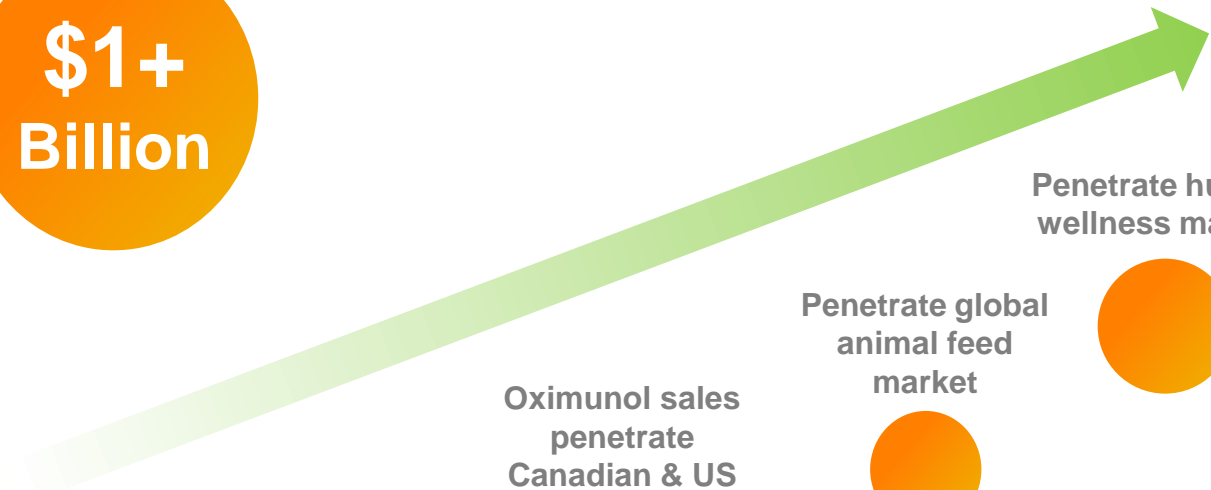
...a wellness company

Building its business in 3 stages by addressing unmet needs in multi-billion dollar animal and human health markets:

- 1 Companion Animal Health:** Our product already on the market generating sales > *\$500M market*
- 2 Food Animals:** Alternative to antibiotic growth promoters in food animal production (food safety) > *\$1B market*
- 3 Human Health & Wellness:** Immune boosting supplements > *\$1B market*

The Road Map

**\$1+
Billion**



Canadian Oximunol Launch



Oximunol sales penetrate Canadian & US markets



Penetrate global animal feed market



Penetrate human wellness market



The combined market size is greater than \$1 billion...

Our Product Platform

We invented, developed and own a unique technology

Our Product is called OxC-beta

- Mixture derived from β -carotene nutrient
- New, basic scientific discovery
- Patent protected, first scientific publications soon



Unique combination of immune benefits

- Primes innate immune system
- Anti-inflammatory

Reduces incidence of disease and improves well being



Pet Health & Wellness

Companion Animals

OxC-beta Supplement for Dogs



- A natural, high-quality ingredient, once-a-day, chewable tablet for your dog (available now)
- Clinical and scientific studies have shown:
 - supports immune function
 - improves mobility
 - enhances gastrointestinal health
 - optimizes coat quality
 - reduces shedding
- Launched in Canada, next market is US
- Seeking additional international distribution agreements



Our Products Make a Difference

1 Jake (6 year old yellow Labrador)

Condition: chronically afflicted with ear and skin infections for 2 years – tried oral antibiotics and topical treatments

Result: clear ears, shiny coat, greatly improved overall health and mobility

2 Ty (10 year old Labrador)

Condition: degenerative disc disease, arthritis and hip dysplasia; unable to walk in February, even with daily Metacam

Result: Able to walk again with help from Oximunol and green-lipped mussel

3 Sam (6 year old Brittany Spaniel)

Condition: diagnosed with bone disease at 5 months old, resulting in inflammation causing pain/lameness; tried various mobility & joint supplements, including NSAIDs

Result: Activity level back to normal; no longer has bad skin and hives that he experienced with some food products



International Partnerships

Partnership with Teva Animal Health

- Teva Animal Health, a division of Teva Pharmaceuticals (Market Cap: \$38 Billion) and Chemaphor Inc. recently announced a partnership for the exclusive distribution of Oximunol™ and future products in the US
 - Add on Oximunol™ markets: cats, horses and ornamental fish
- This deal is expected to generate substantial sales for both companies
 - Very high gross margins for Chemaphor



Validation and Market Potential

- Over the past few years, Chemaphor has been validating its core oxidized beta carotenoid technology under an R&D platform, with studies to show how the product works
- The Teva distribution agreement now validates the OxC-beta technology as a commercial platform, valid with fundamentally strong and large companies, with significant market potential
- There are approximately 78 million dog owners and 86 million cat owners in the US for a total market size of about US\$20 billion
 - The supplement market is a fraction of this total size, but substantial, particularly to a company such as CFR

International Markets

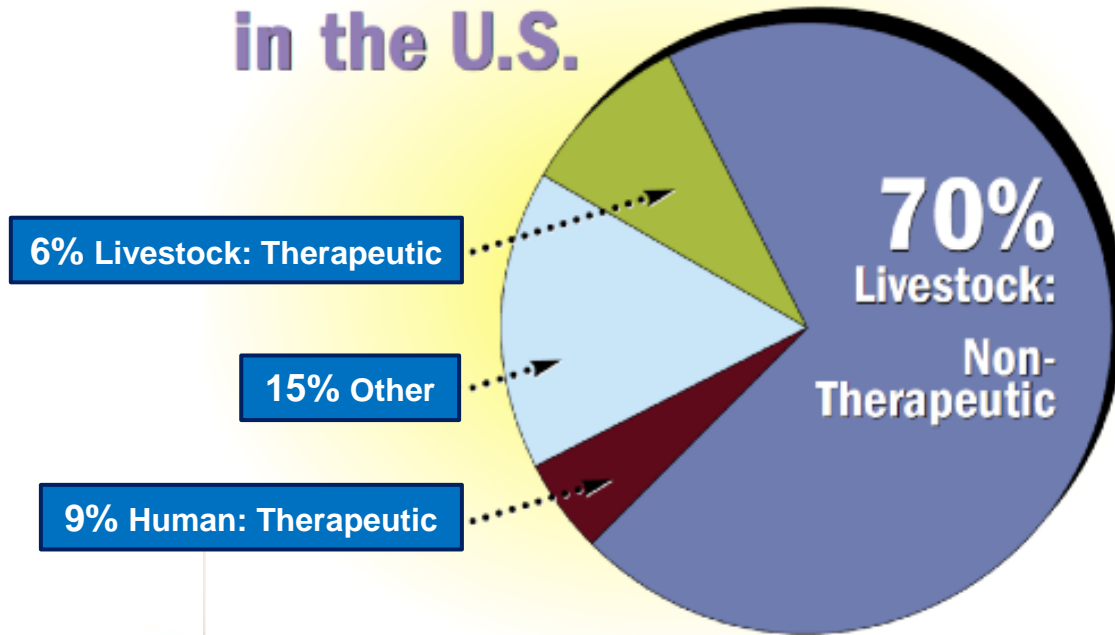
- Chemaphor has been in discussions with other major Multinational companies globally for territorial deals
- Our hope would be to negotiate agreements similar to the one signed with Teva
 - We would target multiple geographic and companion animal markets with multiple products



Food Production & Safety

Huge Use of Antibiotics in Animal Feed in the US

Antibiotic Use Estimates in the U.S.



Source: American Union of Concerned Scientists

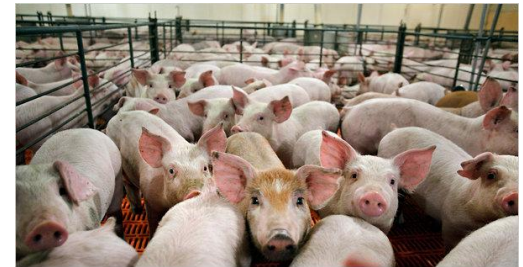
Addressing Antibiotic Resistance

The need for alternatives to antibiotics in feeds:

- Growing antibiotic resistance – ‘superbugs’
- Increasing danger of presence in meat – human exposure
- Losing ability to treat human bacterial infections

In-feed use of antibiotics already banned in:

- **Europe, 2006**
 - *But, overall use of antibiotics up!*
 - More sick animals needing treatment
- **Korea, 2011**



***This Just In* – March 23, 2012 – A US judge has ordered the FDA to take action to stop farmers from mixing popular antibiotics into animal feed.**

Food Safety: In the Press

“...WHO has long recognized that antibiotic use in food animals contributes importantly to the public health problem of antibiotic resistance.”

– World Health Organization, March 12, 2012

“...Consumers may face longer illnesses, more hospitalizations, and more fatalities when exposed to resistant strains of common food-borne pathogens.”

– Food Safety News, March 13, 2012

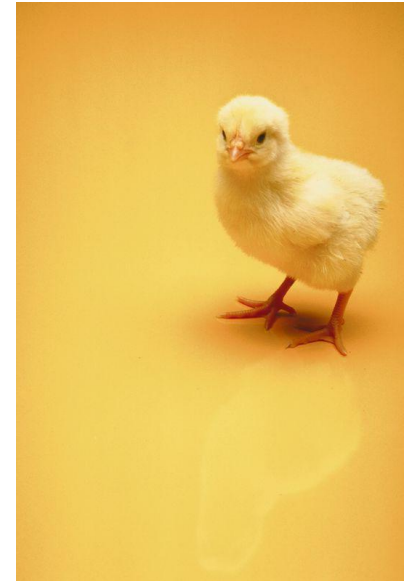


Food Animals

OxC-beta Alternative to Antibiotics

Competitive Advantages

- Non-antibiotic, non-hormonal – no risk to humans
- Delivered via animal feed – no bacterial resistance
- Animals grow faster, use less food
- Cost competitive with antibiotics
- Reduces costs to produce food, effective & safe
- IP protected until 2025



Market Potential: Food Animals





Human Health & Wellness

Human Market: More Potential

- OxC-beta can be integrated into numerous nutritional supplements, functional foods, and skin care products
 - Represents a total market size > \$20 billion
- Early proof-of-concept data has identified a potential immune boosting supplement to enhance overall health
- Long-term goal to replicate a strategy like Afexa (TSX:FXA)'s COLD-FX®
 - Afexa is being bought by Valeant Pharmaceuticals for \$88 million in cash (*announced 09/11*)



Comparable Companies

- These companies operate in the same core areas as Chemaphor and have reached critical mass in the capital markets



Ticker	TSX:BNC	TSX:ATB	TSX:BU	TSX:FXA ¹	TSX:NTB	TSXV:APO
Share Price	\$0.68	\$11.00	\$6.23	-	\$3.03	\$2.06
Market Cap	\$70	\$355	\$187	-	\$151	\$150
Cash	\$7	\$23	\$7	-	\$17	\$8.4
Debt	\$53	\$284	\$0	-	\$4	\$0
Total Enterprise Value	\$117	\$620	\$180	\$90	\$141	\$145

Source: Capital IQ

Note: market data as of March 23, 2012

1) Afexa was acquired for approx. \$90 million

All dollar amounts stated in CAD millions, except share price data

- Chemaphor's market cap is currently \$7.5 million

Leadership Team

***A wealth of knowledge and expertise in the science
and commercialization of wellness products***

David Hankinson

Chief Executive Officer
Former CEO Solvay Pharma (Canada)

Jacques Brault

Board Chairman
Businessman

Dr. Graham Burton

President & Co-founder
*Internationally known carotenoid
and antioxidant scientist*

Dr. Janusz Daroszewski

Chief Scientific Officer & Co-founder
*Outstanding laboratory and
manufacturing chemical expertise*

Amin Khalifa

Board Director
Director of Petsmart, former CFO of Pepsico



Investment Highlights

- Focus on **multi-billion dollar** animal and human health markets
- A potential **replacement to antibiotics** where antibiotics are getting banned
- Leveraging vet marketing channel to **bring in more products**
- Signed distribution agreement with Teva Animal Health to **launch Oximunol product in the US** and looking to other, international markets
- **Strong IP** to back up products into the 2020's
- **Very large markets** and revenue potential for investors



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Thank You

