

## **AlphaRx Inc. Acquires Exclusive Worldwide Commercialization Rights of Cancer Drug VT-1 That Selectively Targets And Kills Cancer Cells**

Richmond Hill, Ontario - January 28, 2003 - AlphaRx Inc. (OTCBB: ALRX) is pleased to announce it has acquired the exclusive, worldwide commercialization rights of cancer drug, VT-1. Developed by leading Canadian Research Institutions, VT-1 can be targeted to kill malignant tumor cells and their blood supply. It is anticipated that the combined world-wide market potential of VT-1 exceeds US\$2 billion a year.

Discovered by scientists at The Hospital for Sick Children, the University Health Network and the University of Toronto, VT-1 has demonstrated the ability to kill tumor cells that express a certain receptor (CD77) with great efficiency. More significantly, CD77-bearing tumor cells, which are known to be multiple drug resistant, are exquisitely sensitive to VT-1, making this drug a very attractive candidate for clinical development for the treatment of cancer.

"We are very excited about the therapeutic potential of this cancer drug," says Michael Lee, President of AlphaRx Inc. "That is why we are moving quickly to advance VT-1 to human clinical trials, in recognition of its therapeutic potential in synergy with AlphaRx's drug delivery technology.

AlphaRx has partnered with a team of neuro-oncologists and neurosurgeons to develop the initial clinical protocol for testing VT-1 in patients with recurrent glioblastoma multiforme (astrocytoma). The initial development focus for VT-1 will target "poor prognosis cancer patients", such as patients diagnosed with recurrent, advanced malignant brain tumors. Previous research indicates that VT-1 has the potential to address the urgent needs of these patients whose current treatment options are otherwise limited.

Due to the urgent need for more effective treatment in this patient group, AlphaRx has determined that a rapid regulatory review process may be available for the approval of VT-1's treatment protocol.

Published animal research undertaken at The Hospital for Sick Children in Toronto, Canada (Oncol Res, 11(1): 33-9 1999) demonstrated that a single intra-tumoral injection of VT-1 into human glioblastoma multiforme (astrocytoma) brain tumors grown in test mice, resulted in a 50% tumor shrinkage within 48 hours. Within 7 to 15 days, the tumors completely resolved in all test animals and had not recurred by the end of the experimental period, resulting in long-term tumor elimination.

AlphaRx anticipates that successful treatment results with this patient group will lead to the development of additional applications of VT-1 in the treatment of breast, ovarian and prostate cancers which have also been shown to possess a large number of CD77 receptors in pre-clinical studies.

### **About AlphaRx Inc.**

AlphaRx is an emerging specialty pharmaceutical company that develops, formulates and commercializes innovative therapeutic products using proprietary drug delivery technologies. AlphaRx is focused on the discovery, development and marketing of products in neurology, oncology and pain management. AlphaRx's core competency is in the development of novel drug formulations for compounds that are otherwise insoluble or poorly soluble in water or have yet to be administrable to the human body with an acceptable delivery method. For more information, please visit [www.alpharx.com](http://www.alpharx.com).

### **About The Hospital For Sick Children**

The Hospital for Sick Children, affiliated with the University of Toronto, is Canada's most research-intensive hospital and the largest centre dedicated to improving children's health in the country. Its mission is to provide the best in family-centred, compassionate care, to lead in scientific and clinical advancement, and to prepare the next generation of leaders in child health. For more information, please visit [www.sickkids.ca](http://www.sickkids.ca).

### **About University Health Network (UHN)**

University Health Network is a major landmark in Canada's health care system and a teaching centre of the University of Toronto. Building on the strengths and reputation of each of three remarkable hospitals, Toronto Western Hospital, Toronto General Hospital, and Princess Margaret Hospital, the organization brings together the talent and resources which make it an international leader in health care. For more information, please visit [www.uhn.ca](http://www.uhn.ca).

**FORWARD LOOKING STATEMENTS:**

*This release contains forward-looking statements within the meaning and pursuant to the Safe Harbor provisions of the Securities Litigation Reform Act of 1995 and involve risks and uncertainties that may individually or mutually impact the matters herein described, including but not limited to product development and acceptance, manufacturing, competition, regulatory and/or other factors, which are outside the control of the Company.*

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