

STANDARD CAPITAL CORP  
Form 10KSB/A  
January 12, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-KSBA

(x) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES ACT OF 1934  
For the fiscal year ended August 31, 2005

( ) TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

For the transaction period from \_to

Commission File number 0-25707

**STANDARD CAPITAL CORPORATION**  
(Exact name of Company as specified in charter)

Delaware 91-1949078  
State or other jurisdiction of incorporation or organization (I.R.S. Employee I.D. No.)

2429 - 128<sup>th</sup> Street  
Surrey, British Columbia, Canada V4A 3W2  
(Address of principal executive offices) (Zip Code)

Issuer's telephone number 1-604-538-4898

Securities registered pursuant to section 12 (b) of the Act:

Title of each share Name of each exchange on which registered  
None None

Securities registered pursuant to Section 12 (g) of the Act:

None  
(Title of Class)

Check whether the Issuer (1) filed all reports required to be filed by section 13 or 15 (d) of the Exchange Act during the past 12 months (or for a shorter period that Standard was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) Yes [X] No [ ] (2) Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of Standard's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [ ]

State issuer's revenues for its most recent fiscal year: \$ -0-

State the aggregate market value of the voting stock held by nonaffiliates of Standard. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specific date within the past 60 days.

As at August 31, 2005, the aggregate market value of the voting stock held by nonaffiliates is undeterminable and is considered to be 0.

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**(ISSUER INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE LAST FIVE YEARS)**

Not applicable

**(APPLICABLE ONLY TO CORPORATE COMPANYS)**

As of August 31, 2005, Standard has 1,295,000 shares of common stock issued and outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

Exhibits incorporated by reference are referred under Part IV.



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## PART 1

### ITEM 1. DESCRIPTION OF BUSINESS

#### History and Organization

Standard was incorporated on September 24, 1998 and has no subsidiaries and no affiliated companies. It has not been in bankruptcy, receivership or similar proceedings since its inception. Nor has it been involved in any material reclassification, merger, consolidation or purchase or sale of any significant assets not in the ordinary course of business. Standard's executive offices are located at 2429 - 128th Street, Surrey, British Columbia, Canada, V4A 3W2 (Tel: 604-538-4898).

Standard is engaged in the exploration of a mineral claim known as the "Standard". (see *Part 1, "Exploration and Development of the Standard Claim"*). Standard is referred to as being in the "pre-exploration" stage by its auditors. This term is generally used in Financial Accounting Standards to describe a company seeking to develop its ideas and products. Standard is not in the development stage with regards to any mineral claim. No ore reserve has been discovered and no substantial exploration has been done on its mineral claim. Standard is purely an exploration company. There is no assurance that any ore reserve will ever be found and that Standard will have sufficient funds to undertake the exploration work required to identify an ore reserve.

Management anticipates that Standard's shares will be qualified on the system of the National Association of Securities Dealers, Inc. ("NASD") known as the OTC Bulletin Board (the "OTCBB"). At the present time, Standard has made no application to the OTCBB and there is distinct possibility its shares will never be quoted on the OTCBB.

Standard owns the exclusive rights to all minerals on the Standard claim except for coal which is under a separate license. There are virtually limited possibilities that there is any coal on the Standard claim. The claim is in good standing until February 24, 2006. The actual land is owned by the Crown (the Province of British Columbia). If Standard does not perform exploration work or pay cash-in-lieu in the amount of \$3,100 on or before February 24, 2006 the rights to the mineral claim will expire and the ground can be staked by someone else.

Standard has no revenue to date from the exploration of the Standard claim, and its ability to effect its plans for the future will depend on the availability of financing. Such financing will be required to explore the Standard claim to a stage where a decision can be made by management as to whether an ore reserve exists and can be successfully brought into production. Standard anticipates obtaining such funds from its directors and officers, financial institutions or by way of the sale of its capital stock in the future (see *Part 1, Item 2 - "Plan of Operations"*), but there can be no assurance that Standard will be successful in obtaining additional capital for exploration activities from the sale of its capital stock or in otherwise raising substantial capital.

Standard is responsible for filing various forms with the United States Securities and Exchange Commission (the "SEC") such as Form 10-KSB and Form 10-QSB but was deficient in these filings due to a lack of money. The filings have now been brought up to date. The directors have decided on November 18, 2005 for the next annual meeting of shareholders.

The shareholders may read and copy any material filed by Standard with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, DC, 20549. The shareholders may obtain information on the operations of the Public Reference Room by calling the SEC at 1-





800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information which Standard has filed electronically with the SEC by accessing the website using the following address: <http://www.sec.gov>. Standard has no website at this time.

### **Planned Business**

The following discussion should be read in conjunction with the information contained in the financial statements of Standard and the notes, which form an integral part of the financial statements, which are attached hereto.

The financial statements mentioned above have been prepared in conformity with accounting principles generally accepted in the United States of America and are stated in United States dollars.

Standard presently has minimal day-to-day operations; consisting mainly of maintaining the Standard claim in good standing and preparing the reports filed with the SEC as required.

### **Risk Factors**

Our shareholders and any future investors must be aware of the following risk factors prior to investing in Standard's common stock. It must be emphasized that Standard, if any of these risks become fact, may have to cease operations and our shareholders and any future investors could lose part or all of their investment.

### **RISKS ASSOCIATED WITH OUR COMMON STOCK**

1. Penny stock rules may make buying or selling of our shares difficult.

Eventual trading in our shares will, in all likelihood, be subject to the "Penny Stock" rules. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our shares to persons other than prior customers and accredited investors, must prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in our shares, which could severely limit their market price and liquidity of our shares. Broker-dealers who sell penny stocks to certain types of investors are required to comply with the Commission's regulations concerning the transfer of penny stock. These regulations require broker-dealers to:

- Make a suitability determination prior to selling a penny stock to the purchaser;
- Receive the purchaser's written consent to the transaction; and
- Provide certain written disclosures to the purchaser.

From our standpoint, it might be difficult for us to induce new investors to purchase shares since they might not want to be involved in a penny stock company. Future investors must be aware that our shares will fall into the classification of a penny stock and therefore be subject to the rules mentioned above and the various limitations associated with these rules.



2. We may, in the future, conduct offerings of our common stock in which case all shareholdings will be diluted.

In the future, we may conduct offerings of shares to finance our exploration activities on the Standard claim or to finance subsequent exploration projects that we decide to undertake. If we decide to raise money through offerings in the future all shareholdings will be diluted.

3. There is no public trading market for our common shares and our shareholders may not be able to sell his or her shares at any time and on terms and conditions he or she considers reasonable.

There is currently no public trading market for our common stock and therefore, there is no central place, like a stock exchange or electronic trading system, to resell one's shares. If one of our shareholders does want to resell his or her shares, they will have to locate a buyer and negotiate their own sale. Even if our shareholder is able to find a willing buyer, there can be no assurance he or she will be able to sell their shares at or above the price at which these shares were purchased.

4. If we are successful in obtaining a market for our shares certain internal and external forces will affect the value of our trading shares.

The stock market has experienced extreme volatility in recent years and may continue to do so in the future. We cannot be sure an active public market for our shares will develop or if an active market should develop that it would continue. The price for our shares will be determined in the marketplace and may be influenced by many factors, including both internal and external forces as follows:

- variations in our financial results compared to companies similar to ours; especially in the exploration of the Standard claim compared to other exploration properties in North America;
- changes in earnings estimates, if any, by industry research analysts for our Company or for similar companies in the same industry;
- future investors' or other market participants' perceptions of our Company as a current or future investment; and
- general or regional economic conditions normally have a wide impact on the price of shares trading on the stock market and our Company's shares will be affected by changes in such conditions.

The problem we encounter with a volatile stock market, which we have no control over, is that we might not require funds when the market price of our shares are high but when the price is lower we might require funds to maintain the Company and explore the Standard claim. This would result in having to issue additional shares during lower prices; resulting in a greater dilution effect on our shareholders.

5. We may not be able to maintain a quotation of our common stock on the OTCBB due to not filing the required information as it is due, which would make it more difficult for an investor to sell our shares.

Even if our Company is accepted for a quotation on the OTCBB, we cannot guarantee that it will always be available for quotation. The OTCBB is not an issuer listing service, market or exchange. Although the OTCBB does not have any listing requirements per se, to be eligible for quotation on the OTCBB, issuers must remain current in their filings with the SEC. Market makers will not be permitted to begin quotation of a security whose issuer does not meet this filing requirement. Securities already quoted on the OTCBB that become delinquent in their required filings will be removed following a 30 or 60 day grace period if they do not make their required filing during that time. If our shares were not quoted on the OTCBB, trading in our shares would be conducted, if at all, in the over-the-counter market.

This would make it more difficult for stockholders to dispose of their common stock and more difficult to obtain accurate quotations for our shares. This could have an adverse effect on the price of the common stock.

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6. We are not planning to declare a dividend in either cash or shares in the near future.

We are not planning to declare a dividend in either cash or shares in the near future since our policy will be to retain any earnings received for the future exploration of the Standard or any other mineral claims obtained by us. Dividends are only declared by your Director when he feels that surplus funds can be distributed to the shareholders without encroaching upon working capital of our Company.

7. We want to advise our shareholders and future investors that the purchase of shares in our Company involves a high degree of risk.

An investment in the shares of our Company is highly speculative and involves a high degree of risk. For example, the Company is a start-up situation and the failure rate for most start-up companies is high. Any person considering an investment in our shares should be fully aware that they could lose their entire investment.

### **RISK FACTORS ASSOCIATED WITH STANDARD**

1. Our auditors have indicated, in their opinion report, a concern regarding the going concern status of our Company.

The auditors have expressed a concern regarding whether our Company will continue as a going concern if it does not receive adequate financing to meet its obligations. The auditors are indicating there might be substantial doubt regarding our Company's continuation as an operating concern over the next twelve months. If our director is unwilling to advance us some funds to maintain our Company in good standing, there is the possibility that we might cease to be an operating company. As a shareholder of our Company you should read the auditors' report and Note 5 to the audited financial statements included in this Form 10-KSB.

2. We lack an operating history and have accumulated losses, which are expected to continue into the future.

Since inception, we have not realized any revenue to date and have no operating history upon which an evaluation of our future success or failure can be made. The accumulated losses since February 24, 1998 are \$ 105,389. Our ability to achieve and maintain profitability and positive cash flow is dependent upon:

- Our ability to successfully explore the Standard claim;
- Our ability to generate future revenues from a viable ore reserve on the Standard claim; and
- Our ability to reduce our exploration costs in order to increase our profit margins.

As in most mineral claims, the chances of success of identifying and developing an ore reserve are extremely remote. The majority of mining companies never find an ore reserve and therefore are never profitable.

3. Presently we have only four employees and will require additional employees during the exploration of the Standard claim.

We currently only have three employees, the President, E. Del Thachuk, Chief Financial Officer and Chief Accounting Officer, Gordon Brooke and Secretary Treasurer, Maryanne Thachuk. There is a substantial risk we may not have the funds necessary to hire additional employees that would be needed in our future exploration program. We may not be able to maintain the Standard claim in good standing with the Ministry of Energy and Mines for the Province of British Columbia if we do not have individuals prepared to work during the exploration stage.

4. Our mineral claim is considered “grass roots” because it has not had adequate exploration work performed on it to identify an ore reserve.

Our mineral claim is considered a “grass roots” claim having no known ore reserves associated with it. In addition, there has, over the years, not been enough exploration work on the claim to determine the extent, if any, of any mineralization. Therefore, there is a good chance our claim might prove to be barren; having no commercial viable mineralization associated with it.

5. We can spend funds on exploration with no assurance we will prove the Standard claim has an ore body associated with it.

No matter how many dollars are spent in the future on the Standard claim, there is no guarantee that such expenditures will result in it being a property of merit; having a proven commercially viable ore reserve on it. We might spend hundreds of thousands of dollars and prove nothing. As more money is required for exploration, the present and future investors will have their share positions diluted without realizing any future benefits from the Standard claim.

6. We may not be able to raise money for exploration when needed due the prevailing price of gold which is beyond our control.

Even with gold prices having increased over the past year, there is reluctance in the investment community to consider speculative ventures such as exploration companies. With this reluctance, we might find it difficult to raise any money and therefore inhibit any future exploration on the Standard claim. When gold prices are lower, we will have a difficult time to attract money even if we have started to identify gold showings on the Standard claim. The market price of gold is beyond our control and will greatly affect our raising of money.

7. Our Company is a one-property company, which does not allow for exploration of another mineral claim in the event no ore reserve is discovered on the Standard claim.

Our only mineral claim is the Standard claim, which has no known ore reserves on it. Being a one claim company means that if the Standard claim does not prove to have any viable mineral reserves associated with it, there is no other claim which we can immediately explore. Most investors would want to have an investment in a company that has some diversification in its mineral properties to allow for continual operations.



8. Our mineral property, when explored, may not be of economic quality to warrant a decision to go into production.

We might discover an ore reserve which is either too small or the ounces per ton makes it uneconomical to develop. Such a mineral deposit would not enhance the value of the Standard claim and have resulted in money having been spent, which would have proven nothing. No production decision can be made if this is the case. Minerals are only economic to us if they can be sold above the cost of mining them; otherwise, the Standard claim has little or no value.

9. We will have to compete with both large and small mining companies for such things as money, properties of merit, workers and supplies.

In both the United States and Canada, there are many large and small mining companies each trying to explore and, hopefully, eventually developing their mineral properties into a producing mine. We are not in direct conflict with the larger mining companies in North America such as Newmont Mining Corp., Inco Limited, Barrick Gold Corp. and Teck Cominco Limited, to name a few. These larger companies have the available money to explore their properties and the professional personnel to assist in the exploration process. Unless a major mineral reserve is discovered on the Standard claim, the larger mining companies would have no interest in either developing the claim themselves or joint venturing with us. The competition to us would be from the smaller exploration companies who are competing for money to explore their mineral claims and in hiring professional staff to assist them. There is only a limited amount of money available for exploration as well as professional personnel during the exploration season. We might not be able to attract either the money or professional personnel due to the other smaller exploration companies having more money and better known mineral properties.

10. Weather interruptions in the Province of British Columbia may affect and delay the proposed exploration operations.

The weather in the Province of British Columbia is always uncertain since the annual rainfall, especially in the Bralorne area, can be many inches in the fall and spring months. The winters are marked with below zero temperatures and accumulated snow covers of several feet. The constant rain, during the spring and fall months, will lessen the chances of our exploration crew performing any meaningful work on the Standard claim due to the possibilities of injuries from slippery rock surfaces and the inconvenience of setting up equipment that becomes immediately wet. During the drier summer months, the Ministry of Forestry for the Province of British Columbia might impose bans on exploration to avoid the possibilities of forest fires. With these factors in mind, our exploration season could be reduced substantially and we might not be able to obtain the results we want during our exploration program.

11. The terrain surrounding the Standard claim is rugged and is not conducive to exploration activities.

The terrain surrounding the Standard claim is mountainous and extremely rugged with steep ridges and deep valleys. The exploration crew will find it difficult to explore the entire Standard claim without the use occasionally of a helicopter. Access to the claim during the winter months is virtually impossible due to the heavy snow conditions. Even with snowmobiles, the exploration crew would find it difficult to reach our claim and return to Gold Bridge within one day. It is not an option during the winter to use tent facilities on our claim due to the possibility of snow slides. The terrain has a definite effect on the exploration activities on the Standard claim.



12. We will have to address the environmental concerns in the Bralorne area and adhere to the various Acts legislated to protect the environment.

During the exploration stage, there are few problems with environmental issues in the Province of British Columbia if the exploration work involves mapping, establishment of a grid, soil and rock sampling and some minor drilling. If the exploration program involves work near an existing stream or removal of a substantial amount of overburden and foliage, then permission for the work must be obtained from one of the various Ministries involved in that area of environmental concern. If a production decision is ever made, we will have to adhere to various Acts established by the Provincial Government. Under these Acts the main concerns are wildlife, including fish in streams, and vegetation. The Government does not want exploration activities to cause excessive hardship on the environment and to disfigure our claim for decades to come. It is important to protect wildfire since the area in which our claim is situated has been their natural habitat for centuries. The cost of adhering to these Acts might be too expensive for us and exploration activities might have to be cancelled or delayed until adequate money is available to us to adhere to the requirements of the Acts. At the present time, we have no indication as to what the dollar amount of adherence would be.

13. We are a small Company without much money to devote to a full exploration program on our mineral claim.

The small size of our Company and the present lack of money means a limited exploration program on our claim. Unless adequate money is raised, we will be unable to devote the time necessary to fully explore our claim. With only a limited budget for exploration activities, we will not have many employees to perform the exploration activities on our claim. By limiting our operations, it will take longer to explore the Standard claim. Our shareholders should be aware that it might take a number of years to realize any exploration results from our claim due to the present lack of exploration money.

14. We cannot guarantee the title of our claim since there may be unregistered claims that we are unaware of at this time. Through to the market, one way to do that is to try to monetize that asset by selling the territorial rights to it to somebody else. And that was the concept from a business development perspective that we were pursuing.

What became very clear to us this year is, as you have more financial strength, more corporate strength, that you reevaluate those types of decisions based upon what is the ultimate way to maximize the commercial potential of that product, and then that becomes the driver for the types of relationships that you build vis-à-vis potential marketing partners or co-promotional partners for XYOTAX.

So right now, we are real happy to say that, not only do we have a strong balance sheet and a great pipeline but we own all the rights, for all intents and purposes, in all the major territories and we think that that, at the end of the day, is a very strong statement about the asset pool that we have accumulated as we continue to show the market what the true commercial potential of these products may be.

Female: I have one from the Web site and that is why did CTI decide to take on more debt, especially since you did the Novuspharma merger, which comes with a good amount of cash? And could you talk about the timing of the debt issuance and why you didn't wait until you had a XYOTAX global partnership or XYOTAX pivotal trial results?

Jim Bianco: Yes, we had a couple of questions throughout the day about why did you put out the merger news and then you put out the convert news, and it was kind of like they both hit the stock. And, from a legal perspective, you needed to get the merger news out and let the market have time to digest it before you went out with the convert news.

Now, obviously, they were both planned. You don't just, at 12:59, decide that you're going to go out and say I want to go raise, you know, \$75 or \$100 million. And the rationale for all of this is that yes, while you have a mandate, or a specific objective of forming a global partnership with a potential pharmaceutical company, you never sit there from a position of weakness as opposed to saying if the market is receptive to providing you additional operating capital, which combined with the Novuspharma acquisition excuse me the Novuspharma merger, the combined balance sheet now provides you in a position of strength to negotiate the absolute best terms that you can to ensure that this company, its assets, and its shareholders are appropriately represented in any type of commercial partnership. I would do that every time over and over again.

And so, I think that, from that perspective, that is a sign of strength, that's not a sign of weakness, that's not a sign of hedging. That is a sign of being forward-looking in saying that this merger provides us a transforming element for our business that gives us critical mass, it's financially extremely attractive, and then, on top of that, don't forget that you have this product that may become a best-in-class agent that fits right into your business strategy for developing a significant presence in the blood-related cancer market.

And so, from our perspective, that was why the timing was done, and again, it's always from a position of strength as opposed to being, you know, capital markets change as they did. The market and the window was opened briefly, we anticipated that this would be a time when the markets may be receptive to an offering. The next cycle may be six months, may be 12 months, may be 18 months, and so, the one thing that we've learned over the last 10 years is you don't want to be a financing risk, you want to make sure you have adequate capital to realize the full potential of the products that you now are advancing to the market.

Other questions?

Female: I have another one from the Web site. Regarding the merger, what is the timeline for the shareholder vote and potential completion of the merger? And what percent of shareholders are required to approve the merger for both Novuspharma and CTI?

Jim Bianco: The timing should be somewhere around the end of September is the target for a potential September/October for a potential shareholder vote and then the close of the transaction probably in the fourth quarter, as we stated.

Mike, if you want to speak at the mic and talk a little bit about what's required for the transaction for the vote?

Mike Kennedy: Yes. On the Novuspharma side two-thirds of their shareholders have to approve the merger, and on our side it'll be half the shares that vote, so a majority. So they are two-thirds, we're a majority.

I should mention that, at least on their side, we've obtained voting agreements from their major stockholders where roughly over 50 percent of them have agreed to vote in favor of the merger, so we don't anticipate a problem there.

Jim Bianco: Thank you. Other questions?

Female: I have one regarding the camptothecin the CT-2106. Why did you choose to study the 20S camptothecin instead of one that's already approved? Could this increase the risk of failure or toxicity to your patients? And what was the MTD for the 20S camptothecin? How long will it be before your trials reach this?

Jim Bianco: And that's good those are several questions for Dr. Singer.

Jack Singer: Let me just say when we started out, we not only looked at the commercial camptothecins, we even looked at all the ones we could we could make. And, as I said before, the 20S is actually the most potent of these.

The reason it failed in clinical trials about 20 years ago was it wasn't easy to formulate and the formulation they used wound up being inactivated by a plasma protein they weren't aware of and causing toxicity to the kidney and the bladder. We get around all that by putting this on polyglutamate and we actually solved all the pharmaceutical issues that caused the initial drug to fail.

We actually did look at not irinotecan but the irinotecan which is the Camptosar, is actually a pro-drug for an active agent called SN38 which we actually did look at putting on the polymer and it wasn't as active as the as the 20S camptothecin we did. So we actually chose to go with a natural product. The actual MTD we expect is about twice where we are right now but we are definitely in the therapeutic range.

Was there one I missed there? Great. So thank you.

Jim Bianco: Another Web question?

Female: Actually, I have two more. Could you provide an update on the status of your PanGenex subsidiary? And then the last question from the Web site is does your recent announcement regarding fast track change the timeline for XYOTAX development?

Jim Bianco: You want to do the PanGenex update?

Jack Singer: Sure. PanGenex is currently in the process of building a library of 100,000 vectors to cover a good portion of the genome and these are knockout vectors you could take an individual gene out and see what a drug will do. They were recently awarded a grant from the National Cancer Institute for about \$300,000 a year, which will help support them. And they are currently in discussions with a number of pharma to actually who are interested in purchasing some of their vectors. So they are making progress.

We're hoping to turn them into a revenue producing, rather than losing, proposition for us within the next within the foreseeable future. I won't give you an exact time but they continue to make some progress.

Jim Bianco: The other question was whether or not fast track status will change our timeline for the NDA. The project team is currently exploring what the impact will be in terms of the upside potential of having the fast track designation. Needless to say, that is certainly something that will come under a lot of a lot of interest internally over the next couple of months. So we probably will wait until we've had time internally to digest just how good news this is with respects to our timeline objectives for XYOTAX. But, again, clearly, yes, it's true. Not everybody get fast track.

I mean, we're looking at some of the buzz that was out there but you have to recognize that not everybody files for fast track because their products may not even, at the outset, have clinical data that can support the argument that it should be viewed as potentially better than the available therapies and we think that that was a real validation back from the agency agreeing that that data would potentially support that designation.

Jim Bianco: So in closing, I'm just going to make one reminding comment. You know, in 1998, we had the foresight of acquiring a technology called polyglutamate from the MD Anderson Cancer Center. That technology is now being applied to two of the largest classes of anticancer agents being taxanes and camptothecins. And the clinical data to date in over 350, 400 patients in the database demonstrates that that technology may, in fact, be able to modify significantly how Taxol<sup>®</sup>-like drugs could be administered to patients, and if our trials are successful, demonstrate that that not only is a more tolerable product, but more efficacious, meaning that you can improve survival.

In 2000, we had the foresight of acquiring a little company called PolaRx. They had an arsenic compound that had just been completed; a trial in acute leukemia. We reviewed that data and we were very enthusiastic about the fact that this drug, now called TRISENOX<sup>®</sup>, was able to potentially offer patients who were otherwise looking at a three- or four-month survival the ability to be cured. And, as now with three years behind us, we can say that maybe half of those patients will be, given that they're disease free.

That product, when it was approved, was the fastest drug approval for a cancer product in the United States according to the FDA by their own Web site. And so, when we tell you that we saw Pixantrone and we moved quickly—quickly meaning it took us six months to complete this merger—and have the folks at Novuspharma agree that the prospects of the combined company are better than the prospects of their company alone, and clearly, from our perspective, Pixantrone has as much of the excitement, if not more, of the agents that we have in our pipeline.

So we have a track record. We certainly have not been proven wrong to date and we don't believe that we'll be proven wrong going forward. We're very excited about this acquisition, about this merger, and we're now in a position from strength to actually become a significant player in the oncology related marketplace.

So we look forward to updating you in the near future, we look forward to reporting our numbers at the end of the quarter, and we invite you all to the second floor where we do have a luncheon and reception and we encourage you to talk to our colleagues and friends at the various local cancer support groups here.

At this point, I'd like to say that the meeting is officially adjourned unless there are any additional questions. Well, thank you all for your time, your attention, and your support. Thank you.

END

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#### CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The forward-looking statements contained in this presentation include statements about future financial and operating results, the proposed CTI/Novuspharma merger, and risk and uncertainties that could affect CTI's product and products under development. These statements are not guarantees of future performance, involve certain risks, uncertainties and assumptions that are difficult to predict, and are based upon assumptions as to future events that may not prove accurate. Therefore, actual outcomes and results may differ materially from what is expressed herein. For example, if either of the companies do not receive required stockholder approvals or fail to satisfy other conditions to closing, the transaction will not be consummated. In any forward-looking statement in which CTI expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement or expectation or belief will result or be achieved or accomplished. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: risks associated with preclinical, clinical and sales and marketing developments in the biopharmaceutical industry in general and in particular including, without limitation, the potential failure to meet TRISENOX<sup>®</sup> revenue goals, the potential failure of XYOTAX to prove safe and effective for treatment of non-small cell lung and ovarian

cancers, the potential failure of TRISENOX<sup>®</sup> to continue to be safe and

effective for cancer patients, determinations by regulatory, patent and administrative governmental authorities, competitive factors, technological developments, costs of developing, producing and selling TRISENOX® and CTI's products under development in addition to the risk that the CTI and Novuspharma businesses will not be integrated successfully; costs related to the proposed merger, failure of the CTI or Novuspharma stockholders to approve the proposed merger; and other economic, business, competitive, and/or regulatory factors affecting CTI's and Novuspharma's businesses generally, including those set forth in CTI's filings with the SEC, including its Annual Report on Form 10-K for its most recent fiscal year and its most recent Quarterly Report on Form 10-Q, especially in the Factors Affecting Our Operating Results and Management's Discussion and Analysis of Financial Condition and Results of Operations sections, and its Current Reports on Form 8-K. CTI is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

WHERE YOU CAN FIND ADDITIONAL INFORMATION:

Cell Therapeutics, Inc. (CTI) will file a proxy statement/prospectus and other documents concerning the proposed merger transaction with the Securities and Exchange Commission (SEC). Investors and security holders are urged to read the proxy statement/prospectus when it becomes available and other relevant documents filed with the SEC because they will contain important information. Security holders may obtain a free copy of the proxy statement/prospectus (when it is available) and other documents filed by CTI with the SEC at the SEC's website at <http://www.sec.gov>. The proxy statement/prospectus and these other documents may also be obtained for free from CTI, Investor Relations: 501 Elliott Avenue West, Suite 400 Seattle, WA 98119, [www.cticseattle.com](http://www.cticseattle.com).

CTI and Novuspharma S.p.A. and their respective directors and executive officers and other members of their management and their employees may be deemed to be participants in the solicitation of proxies from the shareholders of CTI and Novuspharma with respect to the transactions contemplated by the merger agreement. Information about the directors and officers of CTI is included in CTI's Proxy Statement for its 2003 Annual Meeting of Stockholders filed with the SEC on May 14, 2003. This document is available free of charge at the SEC's website at <http://www.sec.gov> and from CTI.