

## **Melior Discovery Receives Notice of Allowance from U.S. Patent and Trademark Office for Lead Diabetes and Obesity Drug Candidate**

### **Patent to Cover Repositioned Small Molecule Drug Candidate MLR-1023**

June 8, 2010, Exton, PA – Melior Discovery, Inc. announced today the United States Patent and Trademark Office (USTPO) has awarded a Notice of Allowance for a broad patent application covering the Company's use of MLR-1023 for, among other things, the treatment of type II diabetes and obesity. The patent will cover use of MLR-1023 for the treatment of type II diabetes, obesity and metabolic syndrome, including its use in combination with other compounds and as a component in other drugs.

“This recent patent notification offers the potential for robust patent protection for MLR-1023, Melior's lead drug candidate for diabetes, and represents a significant milestone for the Company,” said Andrew Reaume PhD, President and CEO of Melior Discovery.

#### *About MLR-1023*

MLR-1023 is a repositioned small molecule drug candidate that Melior is developing for the treatment of type II diabetes. Previously, the compound was advanced through Phase II clinical trials for the treatment of gastric ulcers, but was discontinued due to lack of efficacy in that indication. Using its innovative *theraTRACE*<sup>®</sup> platform, Melior has uncovered a potential utility of MLR-1023 for the treatment of diabetes. MLR-1023 is expected to be a first-in-class, once-per-day, orally administered drug that reduces blood glucose levels, with a side effect profile that is favorable compared to available therapies. MLR-1023 exerts its glycemic control activity via a novel mechanism, the activation of enzyme lyn kinase. The Company received approval from the US FDA for an IND in 2009.

#### *About Melior Discovery, Inc.*

Melior Discovery is leading the transformation of pharmaceutical drug repositioning with its unique *theraTRACE*<sup>®</sup> platform of multiplexed *in vivo* models. Melior is using this capability to build an internal pipeline of development candidates. Melior Discovery also partners with pharmaceutical and biopharmaceutical companies to expand their drug development pipelines by using the *theraTRACE*<sup>®</sup> platform, and individual animal models, in conjunction with the Company's in-depth *in vivo* pharmacology expertise.

Melior Discovery is located in Exton, PA. The Company is privately held with investors that include Cammeby's Capital Group, VenturEast, Osage Ventures, Mid-Atlantic Angel Group, and BioAdvance.

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