

To: Bradmer Pharmaceuticals Inc. U.S. Stockholders
Re: Bradmer Pharmaceuticals PFIC Annual Information Statement
Date: June 28, 2008

**PLEASE READ THIS LETTER
AS IT PRESENTS IMPORTANT AND TIME SENSITIVE
TAX INFORMATION**

Bradmer Pharmaceuticals Inc., (“Bradmer”) an Ontario corporation has determined, pursuant to Section 1297 of the Internal Revenue Code, that it is a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes for the taxable year ended December 31, 2007. Bradmer, however, has not been and continues not to be a “controlled foreign corporation” (as defined in Section 957 of the IRC) through the date of this letter. The following information and interpretations are provided for your consideration (see guidance statement on page 2)

A PFIC is a corporation not formed in the United States with either (i) seventy-five percent (75%) or more of its gross income for the taxable year being “passive income,” or (ii) on average, fifty percent (50%) or more of the assets held by it either produce passive income or are held for the production of passive income. Passive income generally includes dividends, interest, certain rents and royalties. The PFIC tax regime was implemented to curb abuses by off-shore hedge funds; however, an unintended result of the broad language of the PFIC law is that foreign biotech companies that accumulate cash reserves to conduct research and development often fall within its purview and are referred to as “accidental PFICs.”

The determination of whether Bradmer is a PFIC for any particular taxable year may not be known by Bradmer until several months after the end of such taxable year and depends, in part, on the application of complex U.S. federal income tax rules, which are subject to various interpretations. In addition, whether Bradmer will be a PFIC for the taxable year ending December 31, 2008 or for any subsequent taxable year thereafter depends on the assets and income of Bradmer for each particular taxable year. As a result, Bradmer will not be able to determine its status as a PFIC until after each particular taxable year. Therefore, Bradmer’s status as a PFIC may change from year to year.

The U.S. federal income tax consequences to you with respect to your ownership and disposition of your Bradmer stock and any dividends you may receive will depend on whether or not you make timely certain U.S. federal income tax elections that are available to you as the owner of stock in a PFIC (each, a “PFIC Election”), such as a “qualified electing fund” election or a “mark-to-market” election.

If you decide not to make a PFIC Election, certain distributions from Bradmer and any gain on the disposition of your Bradmer stock will generally be taxed at ordinary income tax rates, instead of being taxed at capital gains tax rates. In addition, Bradmer will continue to be treated as a PFIC with respect to you, regardless of whether Bradmer ceases to be a PFIC in one or more subsequent taxable years. While each particular PFIC Election has its own set of tax

rules and implications, making a PFIC Election may allow you to receive the more favorable capital gains tax rates and alleviate other consequences of not making a PFIC Election.

Bradmer will make available on a yearly basis a PFIC Annual Information Statement that will contain the necessary information required for maintaining a “qualified electing fund” election.

The PFIC tax rules and the related elections are very complex and may result in varying tax consequences to you depending on your particular circumstances. This letter is not intended to constitute a complete analysis of all of the U.S. tax consequences relating to the acquisition, ownership and disposition of your Bradmer stock. Bradmer is merely providing the information in this letter to notify you of the PFIC issue, and not in any way to advise you on how to address this issue. **Accordingly, Bradmer recommends that you consult your own tax advisor regarding the PFIC tax rules and the related elections that may be available to you to determine the U.S. federal income tax consequences of acquiring, owning and disposing of your Bradmer stock.**

The Company does not provide tax, legal or accounting advice to its stockholders. In order for the Company to comply with Internal Revenue Service Circular 230 (if applicable), you are hereby notified that any discussion of U.S. federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties that may be imposed under the Internal Revenue Code, nor (ii) promoting, marketing or recommending to another party any transaction or matter discussed herein.