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OPERATOR: Good morning ladies and gentlemen, and thank you for standing by. Welcome to the Migenix First Quarter 2008 Financial Results Conference Call. At this time, all participants are in a listen-only mode. Following the presentation we will conduct a question and answer session. Instructions will be provided at that time for you to queue up for questions. If anybody has any difficulties hearing the conference, please press star, followed by zero for operator assistance at any time. I would like to remind everyone that this conference call is being recorded on Tuesday, September 11, 2007, at 8 a.m. Pacific Time. I will now turn your conference over to Dr. Jim DeMesa, President and CEO. Please go ahead, sir.

JAMES M. DEMESA (President and Chief Executive Officer, Migenix Inc.): Thank you operator and good morning everyone. Welcome to our Fiscal Year 2008 First Quarter Conference Call. As usual, joining me on today's call is Art Ayres, our CFO, who'll start off the call by summarizing the financials for our first fiscal quarter; which ended July 31st. Also here today on the call with us is Bill Milligan, our Chief Business Officer, who'll talk a bit about some of the recent market dynamics which are expected to affect two of our most visible product candidates; mainly Omigard, our phase 3 product candidate for preventing catheter related infections; which

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is licensed to Cadence Pharmaceuticals, Inc., and Celgosivir, our phase 2 product candidate for the treatment of Hepatitis C.

So, first let's start off with Art giving a summary of our financials.

ARTHUR J. AYRES (Senior Vice-President, Finance and Chief Financial Officer, Migenix Inc.): Before beginning, please remember that during this call, all statements and information other than those of historical fact are considered forward-looking statements or information, so please refer to this morning's news reads regarding our forward-looking statements.

Financially, the loss for the first quarter of fiscal 2008 was 3.1 million compared with 2.5 million for the same period last year; and this compares to 3.1 million in the fourth quarter of fiscal 2007. The loss for the quarter is in line with our expectations and included in this first-quarter loss is 0.7 million in non-cash expenses. Research and development expenses for the first quarter of 2008 were 1.7 million; and this compares with 1.3 million for the same period last year. General and corporate expenses for the quarter were 1 million; and this compares to .8 million for the same period last year.

At July 31st, 2007, we had approximately 12.8 million in cash, cash equivalents and short-term investments. Based on our current and

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planned burn rate, our current cash resources are expected to be sufficient for our operations into the third quarter calendar of 2008. This is before any revenues from milestone payments such as from our licensed agreements with Cadence and Catanea, or up front payments from new license agreements, such as for Celgosivir and or (inaudible) world license on MX-226.

I'll now pass the call back over to Jim for an update on our operations.

JAMES M. DEMESA: Thanks Art. What I'd like to talk about today are some of the highlights of our annual general meeting of shareholders which was held here in Vancouver yesterday. And I guess the main message we wanted to convey to our shareholders in our AGM was that we believe that calendar year 2008 is potentially a breakout year for us.

What we expect over the next 12 months or so is that our first and most advanced product, Omigard, which is in a phase 3 confirmatory clinical trial being conducted by our partner Cadence Pharmaceuticals, will complete enrollment (inaudible) Cadence in the second quarter of '08 followed in the customary time after that by results, so Cadence has not guided at this point when the results will come out. But, this is a 28 day

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study, so it's quite short, and so we expect results to be very shortly thereafter.

Also, Cadence had announced that they had achieved 1250 patients a couple of months ahead of schedule. So, they are ahead of schedule for the moment, so we're very optimistic that they will continue to do a great job there.

First of all, phase 3 results with Omigard are definitely an important milestone for us in the next year; which will then lead towards, assuming they're successful, and NDA submission to which Cadence has guided that they expect to complete that submission in the first half of '09. And obviously that will lead to a market approval if it's successful.

Now for Celgosivir, our phase two product for hepatitis C, our main priority right now is partnering. And so what our efforts are now is to partner the program as we continue to develop the program specifically with the viral kinetics study which is currently enrolling patients, and has been for quite a while. We now believe the interim results, the four week data will be out in October, so next month. We have been informed by our CRO that its analyzing the data that it will take them until October to get this data to us.

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And the other, probably the most important thing that we're doing and most focused thing that we're doing with Celgosivir right now is preparing for an IND submission to the U.S. FDA; and we expect to do that in the first quarter of '08. As most of you know, INDs are required or investigational new drug application is required to enter into clinical studies and since all of our studies to date have been conducted in Canada we need to submit an IND for the future for studies that will be conducted at least partly in the United States.

So, those are really the two major points that we wanted to get across at our AGM. And one of the other things that we talked a little bit about, were of the market dynamics that have evolved over the last couple of months; in the last couple of years actually, and so as I mentioned at the beginning of the call, Bill Milligan, our Chief Business Officer, is with us here today to comment on these recent market dynamics which could have a very positive effect on our opportunities with both Omigard and Celgosivir. So, Bill...

WILLIAM D. MILLIGAN (Senior Vice-President, Corporate Development and Chief Business Officer, Migenix Inc.): Thanks Jim. Yes, over the last few months there have been important changes in both the

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hospital infection and HCV therapeutic areas that could prove positive for both our lead compounds.

First with Omigard, as you know, there has been legislative action in the US over the last couple of years that's bringing new laws to bear to enforce mandatory reporting of hospital acquired infections. This trend is continuing and up to 20 states in the US have now adopted these new laws and are enacting them.

But, more recently, on August 19th, the Bush administration made a significant Medicare policy change when they stated that Medicare will no longer pay the extra costs of treating preventable infections that occur in hospitals, including those resulting from the prolonged use of catheters in blood vessels or the bladder. In the reporting around this announcement, it was also suggested that private third party payers may consider this route to avoid the high burden of illness costs related to treating these hospital acquired infections. Without payer support, in treating hospital acquired infections, the burden of cost could default to hospitals and state funding. This could rapidly lead to increasing demand for products like Omigard that can help hospitals reduce the incidence of these infections. So, this is very positive trending for Omigard.

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For Celgosivir, the market opportunity here may have increased over the last few months primarily due to the discontinuation of at least four clinical stage HCV product development programs, including two full light prospectors (phon) and two pulmonary (phon) inhibitor product candidates. Also, the sequential regiment approach to HCV therapy that is currently being executed in the Vertex proved series of clinical trials with Telaprevir, their protease inhibitor, may offer additional opportunities for a product like Celgosivir to be used adjunctively in future protease inhibitor combination regiments. So, for both Omigard and Celgosivir, these recent dynamics have likely increased the potential market opportunities. Jim...

JAMES M. DEMESA: Thanks Bill. One other thing I want to mention just before we take questions. That I've talked a bit about milestones that we expect over the next year, specifically with Omigard and with Celgosivir; where Omigard, the phase three clinical program is the most visible, and with Celgosivir, partnering is our main priority along with the study results in our IND. I just wanted to mention because we don't talk about it a lot, but we do have a product that's in phase two that's partnered with Cutania (phon) Life Sciences out of the Philadelphia area, and they're expecting phase two results in a rosacea indication before the end of this calendar year. That could lead to, obviously, getting into late

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stages of clinical development for that program if that trial is successful. It's quite a large trial, enrolling approximately 240 patients in a phase two trial for rosacea.

So, all of these things are the important near term considerations which could have a very meaningful impact for our company over the next year and beyond. And we believe that with a positive outcome to the milestones that I just mentioned, we're well positioned for calendar year 2008 to be a possible breakout year for our company.

So, with that let me stop for any questions you may have.

OPERATOR: Thank you. Ladies and gentlemen we will now conduct a question and answer session. If you have a question please press the star followed by the one on your touch tone phone. You will hear a tone acknowledging your request. Your questions will be polled in the order they are received. Please ensure you lift the headset if you are using a speakerphone before pressing any keys. Your first question comes from Neil Marioca (phon) from Canaccord Adams. Please go ahead.

NEIL MARIOCA: Hi guys. Could you provide an update on partnership negotiations with Celgosivir and how they may be progressing with any prospective partners; and have any of the partners requested or

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wanted to take a look at the phase two viral kinetic data or the viral resistance data that you presented yesterday? And finally I just want to know if you expected to move forward with future clinical testing if you have not found a partner at that point?

JAMES M. DEMESA: Okay, let me try to answer all your questions. The first one; I can't give you a lot, as you might expect of detail on, but just suffice to say that we are in various discussions with potential partners and they're at various stages of discussions from very preliminary to ones that are quite advanced into some negotiations on terms. As you know, in these kinds of things, it's very difficult to predict how quickly or how slowly these negotiations will go; and in general, the larger the company, the longer they take to complete. So, we can't really give any specifics on the timing. All that I can say is that they are going very well for us and we think, we expect, or we plan to have a partnership as soon as we can get it done.

Now on your second point, as far as the; do they want to see other data? Yes, I think that all of these partners want to investigate the product as closely as possible. And I don't think that anybody is waiting for data. It's part of the process and we expect that when we announce the viral kinetic data that will supplement any due diligence that these companies

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are doing. And some of these companies are even getting more information; wanting to test the product on their own in some of their own assays. So, it's all over the map as far as what some people will want.

As far as our development plan, we do have a development plan that we've been operating under that goes all the way out through phase three. One of the things that we are making sure that we do is to consider: A) What the protocols for these trials will be as far as the data that we are gathering... One of the reasons that we have been conducting this viral kinetic study is to give us some insight on what the next protocol will, how it will look. And also, we feel that partnering and some of the potential partners that we have been talking with would like to be somewhat involved as sharing was with our last study, in the process.

So, we haven't guided on what our next study will be yet, but we expect to do that as soon as we're ready to do so.

NEIL MARIOCA: Okay, thanks.

JAMES M. DEMESA: Thank you Neil.

OPERATOR: Ladies and gentlemen, if there are any additional questions at this time please press the star followed by the one. As a reminder, if you are using a speakerphone please lift the handset before pressing the keys.

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Dr. Demesa, we have no further questions at this time, please continue.

JAMES M. DEMESA: Well thank you everyone for your attention this morning. We are very excited, as you can imagine, about our prospects for the future since we have some very meaningful milestones over the next year. And we hope to be able to announce positive outcomes to many of these important milestones that we face over the next year.

So, until next time, bye for now.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating and please disconnect.

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