

EVENT: MIGENIX INC. THIRD QUARTER 2008
FINANCIAL RESULTS CONFERENCE CALL

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OPERATOR: Welcome to the MIGENIX Third 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 anyone has any difficulties hearing the conference, please press the star followed by the zero for Operator assistance at anytime. I would like to remind everyone this conference call is being recorded on Thursday, March 13, 2008 at 11 a.m. Eastern Time. I will now turn the conference over to Dr. James DeMesa, President and Chief Executive Officer. Please go ahead sir.

JAMES DEMESA (President and Chief Executive Officer): Thank you, Maria and good morning everyone. Welcome to our fiscal year 2008 third quarter conference call. Joining me on the call today is Art Ayres, our CFO who will start off with the call with summarizing the financials for our third fiscal quarter which ended January 31. Art.

ARTHUR AYRES (Senior Vice-President, Finance and Chief Financial Officer): Thank you, Jim. Before beginning, please remember that during this call all statements and information other than those of

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historical fact are considered forward-looking statements or information. So, please refer to this morning's news release regarding our forward-looking statements.

Financially, the loss for the nine months ended January 31, 2008 was \$9.5 million and this compares with the loss of \$12.9 million for the same period last year. These losses include approximately \$2.5 million and \$5.5 million respectively in non-cash expenses, what this means is that our losses on net cash basis are approximately \$9 million on an annual basis, about \$9 million annual burn rate.

At January 31, 2008, we had approximately \$7.9 million in cash, cash equivalents and short-term investments. Based on our current and planned burn rate, our current cash resources are expected to be sufficient for our operations into the fourth quarter of calendar 2008.

We have reduced our annual burn guidance to a range of \$9 million to \$10 million from the previous range of \$11 million to \$13 million. This change in guidance is based on our continuing management of the burn rate. Our burn rate guidance is before any revenues from potential milestone payments such as from our licence agreements with Cadence and Catanea or upfront payments from new license agreements such as Celgosivir and/or a rest-of-world license on MX-226.

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

JAMES DEMESA (President and Chief Executive Officer): Thanks Art. I'm going to be relatively brief today in my prepared comments for this past quarter and then be happy to take questions from any of you. But before updating on our programs, I wanted to add a little to Art's comments about our financials, and as Art said based on our current cash position we are very focused on managing our resources tightly. To that end, we've taken action to reduce our burn rate and we have done that successfully which is now under \$10 million per year which is below our previous guidance of the \$11 to \$13 million annually that Art mentioned.

Our objective is to continue to manage our burn with even tighter cash management over the next few months as we advance Omigard, to Omigard results in the second half of this year. And this has and will partly be achieved by delaying some non-essential activities, managing our IP and patent cost very tightly and, continuing to work very lean in our organization as we have.

Based on this very tight cash management as Art indicated, we now expect our cash to extend into the fourth quarter of 2008. This is very

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important as discussed last quarter in our Q2 quarterly conference call in December because of the near term completion of the Omigard Phase III trial and the subsequent results from the trial being our most immediate and most predictable value driving milestones.

With enrollment being completed soon which is in calendar Q2 according to the guidance provided by our partner in this program, Cadence Pharmaceuticals, along with the likelihood of success in this international Phase III study which is based on the previously statistically significant Phase III results and a special protocol assessment with the US FDA. Those things along with the milestone payment we expect to get following NDA submission and the very positive evolving market dynamics with the product. All make this sequence of events represent a key catalyst in building momentum for our company over the next several months and into next year.

Importantly, a positive series of events between now and the NDA for Omigard to trigger the transition for us into one of the relatively few revenue producing biotech companies.

Now, adding to that potential for near term revenue, we anticipate that CLS001, our omiganan based dermatology product, this could

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advance to Phase III in 2008 as per guidance from our partner in that program Cutanea Life Sciences.

Now, for Celgosivir, the addition of the 600 milligram dose arm to our viral kinetics study as we announced recently is expected to provide us additional safety and efficacy information which can maximize our chances for success with this program. Now, shortly after making that announcement, the main contract research organization or clinical site we were using to conduct the Phase II viral kinetics study actually shutdown operations unexpectedly.

Now, we're in the process of transferring the conduct of this study to another clinical site and which is almost complete now and along with obtaining the required Institutional Review Board or IRB approvals for this new site, even with all this we maintain our expectation for results from that study in calendar Q3 of this year and since there are already several patients who have qualified to enter the study and are prepared to get scheduled for drug.

Now concurrent with the process of completing this study, we continue to pursue a partner for Celgosivir, but because of the nature of partnership discussions as in the past we do not provide guidance on the timing of such a partnership.

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Regarding our next expected clinical candidate MX-2401 which is our IV lipopeptide anti-bacterial. This program continues to advance well through the preclinical development process and we're targeting getting it into the clinic by late 2009.

One other program I like to mention before I stop for questions regard to technology, we hadn't actually discussed for a while but it has advanced a bit, so we feel that it's important to mention it. Next is the Hepatitis B product candidate, we licensed to Spring Bank Technologies a while back. Spring Bank has made considerable progress in advancing what they're now calling SB 9000 through preclinical development. This is a dinucleotide and they have done this partly with approximately \$4 million in NIH Grant Funding and they're expecting to advance this SB 9000 program through preclinical development and into the clinic next year.

So, another potential clinical candidate for next year in 2009 and we maintain a significant ownership position in Spring Bank and under our license agreement with them we would receive milestone payments upon successful achievement of various milestones.

So, that is an update of – a quick update of our programs with that synopsis of our current status and activities. Let me stop for any questions you may have.

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OPERATOR: Thank you. Ladies and gentlemen we'll now conduct the question and answer session. If you have a question please press the star followed by the one on your touchtone phone. You will hear a tone acknowledging your request. Your question will be polled in the order they are received. Please ensure you lift the handset if you are using a speakerphone before pressing any key. One moment please, for your first question.

Your first question comes from Mark Mitchell from Canaccord Adams. Please go ahead.

MARK MITCHELL: Hi guys.

JAMES M. DEMESA: Hi Mark.

MARK MITCHELL: I got a few questions here. The milestone – are there any milestones tied to this Phase III initiation from Cutanea?

JAMES DEMESA: Yes.

MARK MITCHELL: Yes, okay. Can you provide an update on the IND submission for Celgosivir any update or...?

JAMES DEMESA: We're not providing guidance on that Mark, just now because of the 600 milligram dose and our need for looking at that

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information before submitting the IND, but we are in preparation stages of that. It's going quite well and we feel we'll be prepared as soon as we're ready.

MARK MITCHELL: Okay. And I know you can't really provide any timing on any potential partnership for Celgosivir, but can you give any additional information you are still talking to specialty companies or big pharma or are there numerous companies involved and do you think it could be possible that a deal could to be completed before the Omigard Phase III results?

JAMES DEMESA: Before the Omigard Phase III results, yeah anything is possible on that. We are in discussions with the -- yeah, and have been with all kinds of companies. The full range from small specialty companies to very large pharmaceutical companies, some continue to come into the mix, some had gone out as you would expect as part of the process and it could be that it is before Omigard results, but it, you know, our goal is not -- we're balancing two different things as you would expect. One is the timing, we want to get something done as quickly as possible, but we also on the other hand want to get the best deal possible and do what's best for our shareholders long-term. So we're balancing that and we are doing that same thing with our rest-of-world partnership, for

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example with the Omigard there. There's a lot of company there that are in the mix in discussions as well all the way from global players to small regional players and we could do something very quickly, but it might not be the best deal for the Company. I think obviously for – in the case of Omigard for example, I'm going a little on tangent here, but it's so much more clear as far as the a result affecting the value of the product where the Phase III result. If it is positive, the value of that program goes up significantly in a deal after Phase III results might be a better deal to do than the one we might do before Phase III results. So again, a long answer to your question about this, you're right, I can't give much specifics, but the answer is we're in multiple discussions with different – I have been in discussions of different types of partners and we can't give guidance on the timing, but we will do it when it's the best deal for the Company.

MARK MITCHELL: Okay. Last question, are there – should we expect any other asset write downs related to 4509 in the year or beyond?

JAMES DEMESA: The 4509 program was fully written off in the third quarter of fiscal 2007. The update that was provided today was that we have provided notice to terminate the University of Florida license agreement that was related to that 4509 program and there were some

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other technologies involved with that as well but the 4509 which was the principal technology under that license.

MARK MITCHELL: Okay. So, nothing else. Okay. Alright, thanks guys.

JAMES DEMESA: Thank you Mark.

OPERATOR: The next question comes from Parimal Nathwani from Versant Partners. Please go ahead.

PARIMAL NATHWANI: Good morning gentlemen.

JAMES DEMESA: Good morning.

PARIMAL NATHWANI: Just a quick question on your viral kinetics study based on the last update in January where you had added the 600 milligram dose, you had indicated that the NDA has flexibility to increase patients up to fifty patients and...

JAMES DEMESA: Yes.

PARIMAL NATHWANI: Just wondering what your strategy there is in a sense of, to expect the data from more than, I know in the press release you say you are planning on enrolling six patients, but I'm just wondering what your strategy is on increasing or getting up to that fifty

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patients if your planning to that earlier or before the data comes out or are you waiting to see the data from the 600 milligram dose ...?

JAMES DEMESA: No, yeah, well our plan is to put at least six patients into this 600 milligram arm. Look at the results and at that point announce the results. Now having said that because we have this flexibility if we get many more than six patients in a very short time and it meets, it continues to meet our guidance for the third quarter announcing results then sure if we get six or seven or eight or ten patients then we will continue to enroll them, that's what the flexibility gives because the more patients obviously the better the data will be. Now, we don't anticipate going up to thirty or forty or fifty patients before announcing results. Part of the strategy there has been that, if we are in partnering discussions and getting close to a deal or a deal being completed and there is a need or a benefit that have more patients to get even better data from the study rather than starting a whole new study then we'll continue to enroll patients long thereafter, but we won't wait for that to announce results. We think six patients is the amount we need to get meaningful results in the study that can allow us to move forward.

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PARIMAL NATHWANI: Okay, and just to be clear the – these additional six patients that are going to be enrolled are all going to be enrolled in the 600 milligram dose arm?

JAMES DEMESA: That's correct.

PARIMAL NATHWANI: Okay. Great. Thanks a lot.

JAMES DEMESA: You're welcome.

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. One moment, please for any additional questions.

Dr. DeMesa there are no further questions at this time, please continue.

JAMES DEMESA (President and Chief Executive Officer): Okay, thanks. Well by the time of our next quarterly conference call enrollment is expected to have been completed in the Omigard Phase III study and we will be nearing final results. Certainly a significant event for us in our evolution into a revenue producing company, something we have been looking forward to. In addition, we will be getting close to results from our

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Celgosivir Phase II viral kinetics study and a lot of other activities that we are looking forward to over the next 6 to 12 months. So, with that I thank you for your attention today. We look forward to updating you on the progress during the next call in July. Thank you everyone.

OPERATOR: Ladies and gentlemen this concludes the conference call for today. Thank you for participating. Please disconnect your lines.

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