Stellar Pharmaceuticals Inc.

Corporate Presentation

bloom burton & co

June 21, 2012

Forward Looking Statements

This presentation may contain forward-looking statements. These statements relate to future events and are subject to risks, uncertainties and assumptions about the Company. These statements are only predictions based on our current expectations and projections about future events. You should not place undue reliance on these statements. Actual events or results may differ materially. Many factors may cause our actual results to differ materially from any forward-looking statement, including the factors detailed in our filings with the U.S. Securities and Exchange Commission and Canadian securities regulatory authorities, including but not limited to our Forms 10-K and 10-Q. We do not undertake to update any forward-looking statements.

SECTION I

Corporate Overview

Who Are We?

…an emerging specialty pharmaceutical company with our primary focus on the acquisition, licensing, development & promotion of healthcare products in Canada…

Stellar's Mandate

…increase shareholder value through rapid growth from existing products, future acquisitions and through licensing activities...

Corporate Overview

All dollar amounts stated in CAD

COMMENCED OPERATIONS	**1997**
OTCQB QUOTATION	**SLXCF**
CASH	**$1.0M**
DEBT[(1)]	**None**
MARKET CAPITALIZATION[(1)]	**$24.2M**
SHARES OUTSTANDING	**39.6M**
FULLY DILUTED SHARES OUTSTANDING	**39.6M**
INSIDER OWNERSHIP	**53.7%**

Note: As of March 31, 2012

Recent News

- Stellar Pharmaceuticals acquires Tribute Pharmaceuticals
  - **December 1, 2011**
  - **The combined business had sales of approximately $12MM in 2011**
  - **Both companies were profitable in 2011**
- Licensed the exclusive Canadian rights to MycoVa™ – January 3, 2012
- Granted Health Canada approval for Cambia® – March 16, 2012
- Stellar secured a US$6.0MM term loan through Midcap Financials
  - **Expand sales force and promotion of existing products**
  - **Launch Cambia in Canada H2 - 2012**
  - **Business Development opportunities**
- Acquired exclusive Canadian rights to Collatamp G® - June 20, 2012

Sales Progress YTD - April 2012

- Stellar now has 7 marketed products including Uracyst®, NeoVisc®, Bezalip® SR, Soriatane®, Bladder Chek®, Daraprim® & Collatamp G®
  - **Plus 2 licensed products Cambia® and MycoVa™ (not yet launched)**
- Uracyst* domestic sales are up **24.6%** over last year
- Uracyst* international sales are up **52.7%** over last year
- NeoVisc* domestic sales are up **23.2%** over last year
- NeoVisc* International sales are up **23.8%** over last year
- Soriatane** domestic sales are up **20.1%** over last year
- Bezalip SR** domestic sales are up **6.9%** over last year

As measured by: *Stellar Ex-factory sales **IMS TSA Sales

Latest Financials – Q1 2012

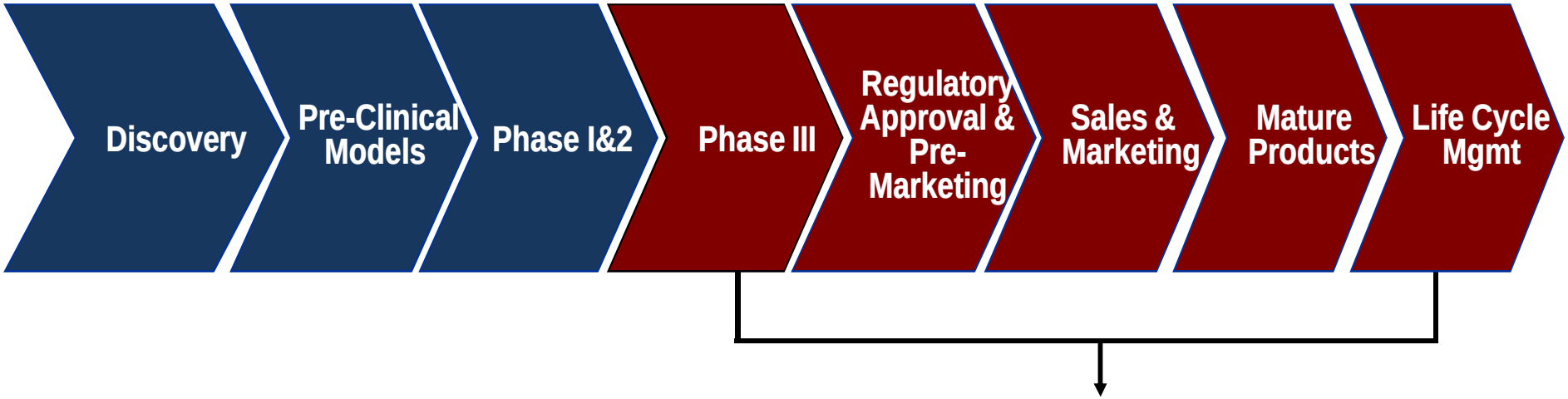
	Q1	Q1	Variance	
REVENUES	2012	2011	$	%
Licensed domestic product net sales	$1,905,862	$ -	$1,905,862	100.0%
Other domestic product sales	474,267	373,766	100,501	26.9%
International product sales	520,025	257,510	262,515	101.9%
Royalty and licensing revenues	-	2,766	(2,766)	-100.0%
TOTAL REVENUE	2,900,154	634,042	2,266,112	357.4%
GROSS PROFIT	1,232,790	462,646	770,144	166.5%
EXPENSES				
Selling, general and administrative	2,018,957	704,055	(1,314,902)	-186.8%
Amortization of assets	97,037	12,062	(84,975)	-704.5%
	2,115,994	716,117	(1,399,877)	-195.5%
LOSS FROM OPERATIONS	(883,204)	(253,471)	(629,733)	248.4%

SECTION II

Stellar's Business Model

Business Model

Stellar is focused on commercialization



SECTION III

Management Team

Management Team

- **Rob Harris – *President & CEO***
  - **30+ years of pharmaceutical industry experience**

  Past Experience:
  - **President & CEO Legacy Pharma Canada**
  - **VP Business Development, Biovail Corp. (BVF.TO; BVF:NYSE)**
  - **GM Biovail Pharmaceuticals Canada**
  - **20 years at Wyeth in various sales and management positions**
- **Scott Langille – *CFO***
  - **20 years experience in pharmaceutical & life sciences sectors**
  - **CMA, MBA – University of Toronto**

  Past Experience:
  - **CFO Virexx (VIR.TO)**
  - **VP Finance Biovail Pharmaceutical (USA) Inc. (Raleigh, NC)**
  - **Past financial experience at AltiMed and Zimmer Canada**

SECTION IV

Products

Stellar's Products

Product	Indication / Usage	Territory Rights	Currently Marketed
Specialty Care Products			
NeoVisc®	Viscosupplement/ osteoarthritis (knee)	Global	yes
Uracyst®	Interstitial cystitis	Global	yes
Collatamp G®	Prevention of post operative infections	Canada	yes
Bladder Chek®	Diagnostic for bladder cancer	Canada	yes
Primary Care Products			
Bezalip® SR	Mixed dyslipidemia	Canada & USA	Canada
Soriatane®	Moderate to severe psoriasis	Canada	yes
Daraprim®	Anti-malarial	Canada	yes
Cambia®	Acute migraine headaches	Canada	no
MycoVa™	Onychomycosis	Canada	no

Note: Cambia to be launched later in 2012

NeoVisc®

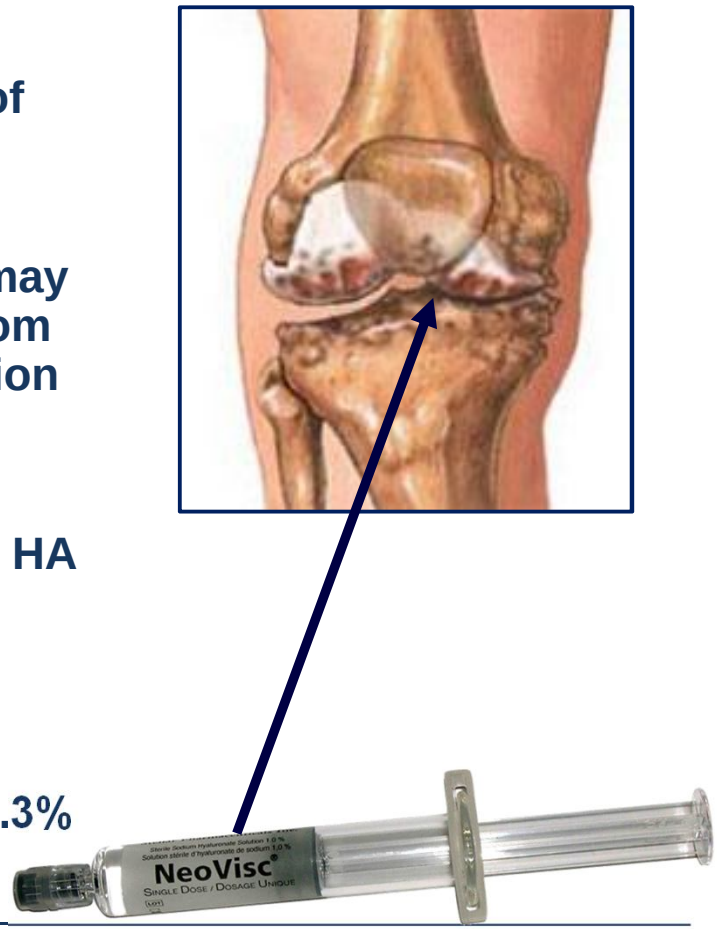
(Sterile Sodium Hyaluronate Solution 1.0%)

SECTION IV

Stellar's Products: NeoVisc®

NeoVisc® *(hyaluronate solution – HA)*

- **HA is a natural component of synovial fluid & articular cartilage**
- **In osteoarthritis (OA) both quality & quantity of HA is reduced resulting in lower than normal viscosity & elasticity of the synovial fluid**
- **The abnormally low elasticity of the OA joint may not fully protect the cells & tissue surfaces from wear & tear nor the pain receptors from irritation**
- **Viscosupplementation with HA stimulates synoviocytes and chondrocytes to produce healthy HA, restoring the quality & quantity of HA in the joint**
- **Stellar has both triple and single dose applications**
- **Total NeoVisc® sales YTD April 2012 are up 23.3%**



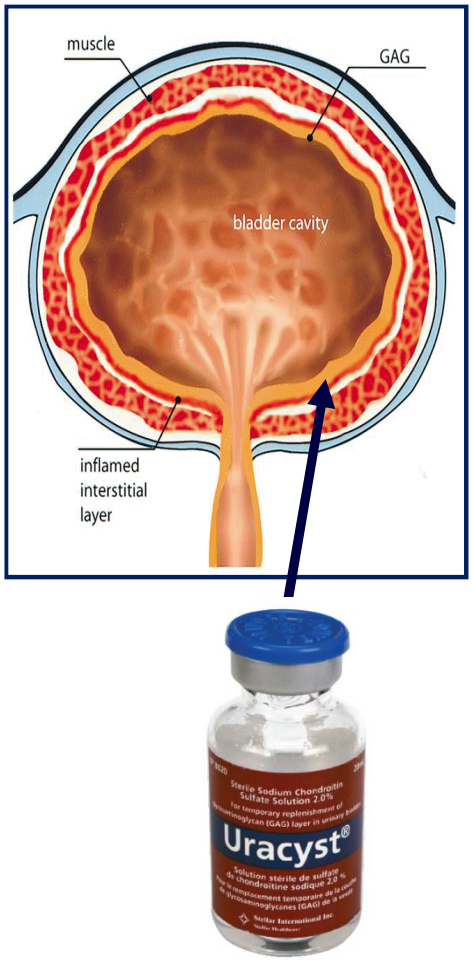
SECTION IV

URACYST®

Stellar's Products: Uracyst®

Uracyst® *(chondroitin sulfate – ChS)*

- **Uracyst® is used for interstitial cystitis (IC)**
- **Uracyst® replenishes the glycosaminoglycan (GAG) layer of the bladder in interstitial cystitis**
- **ChS is one of the most prevalent mucopolysaccharides in bladder GAG and is responsible for the barrier**
- **Studies have shown that Uracyst® re-establishes bladder GAG barrier function**
- **Uracyst® is instilled in the bladder in IC patients weekly for 6 weeks & then monthly thereafter until symptoms are resolved**
- **Total Uracyst® sales YTD April are up 46.9%**



COLLATAMP®
Targeted infection control

SECTION IV

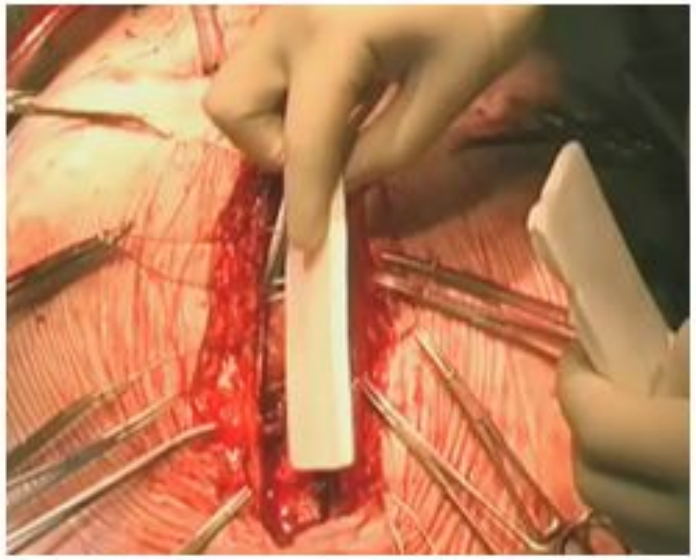
Stellar's Products: Collatamp G®

Collatamp G® *(gentamicin impregnated sponge)*

- **Collatamp G® is a fully resorbable, gentamicin-impregnated, biodegradable, collagen "sponge" for surgical implant**
- **Approved to reduce post-operative infections in areas of a high risk**
- **Easily implanted and effective in the treatment and prevention of post-operative infections during orthopedic, abdominal, cardiac, gastro-intestinal, plastic or vascular surgery**
- **Studies have shown that Collatamp G® can reduce Surgical Site Infections ("SSIs") by 50-85%**
- **Reduced SSIs can results in reduced hospital stays, healthcare costs and improved quality of life post surgery**

Collatamp G® *(gentamicin impregnated sponge)*

- **Highly concentrated and localized antibiotic action while maintaining systemic levels well below the toxicity threshold**
- **Collatamp G® also provides hemostasis directly to the target tissue**
- **Made out of collagen, a "natural" substance found in the skin**
- **Collatamp G® is approved in over 50 countries**
- **The addition of Collatamp G® helps strengthen Stellar's Specialty Care Products business**



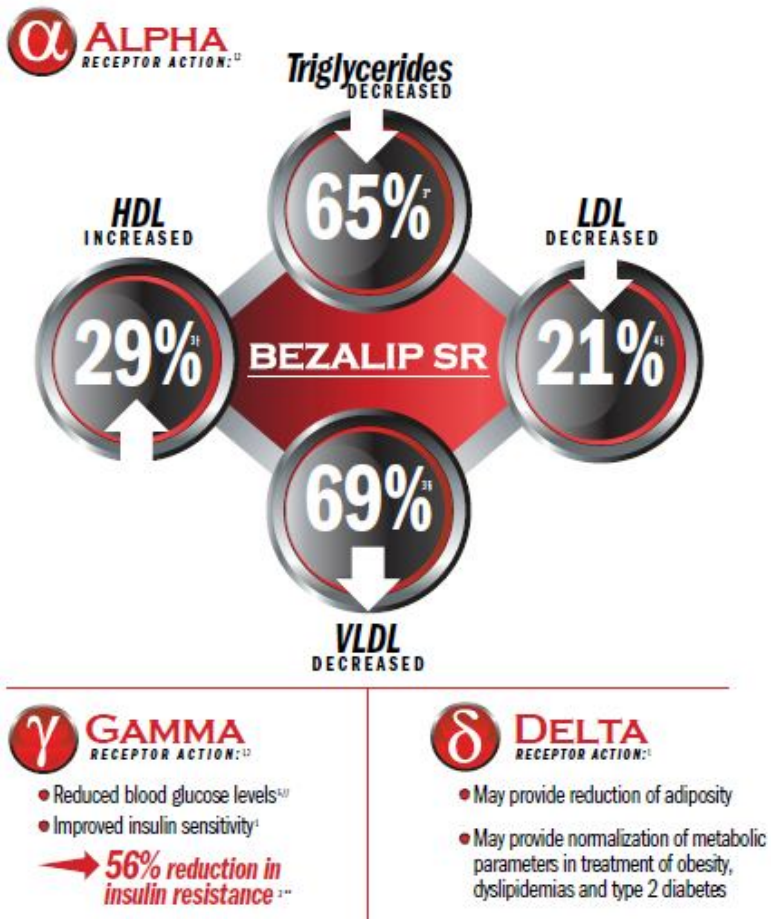
At the end of the cardiac procedure, the surgeon places two 5x20 cm Collatamp® implants in the open wound

SECTION IV

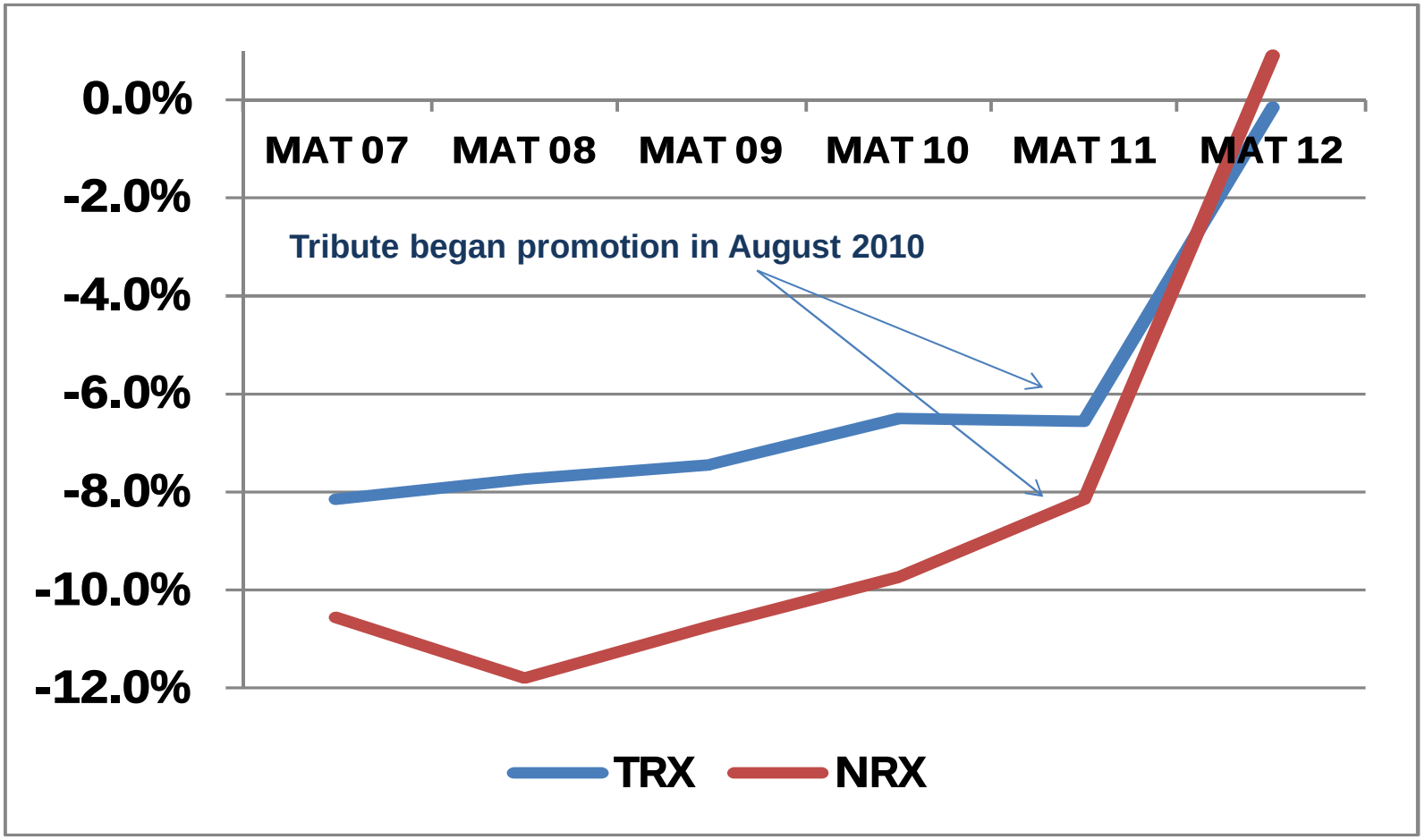
Stellar's Products: Bezalip® SR

Bezalip® SR *(bezafibrate)*

- Indicated for mixed dyslipidemia; lowers LDL cholesterol, increases HDL cholesterol and lowers triglycerides
- Bezalip® SR is a fibrate and competes with other fibrates including Lipidil® (fenofibrate – also called Tricor® in the US) and Lopid® (gemfibrozil)
- Bezalip® SR is the only pan-PPAR activator fibrate
- Stellar has re-introduced promotion of Bezalip® SR to high prescribing physicians in Canada
- Bezalip® SR is reimbursed on all major Canadian provincial, public formularies and by private insurance plans
- Recent promotion has resulted in an increase in sales; year-to-date April sales are up 6.9%

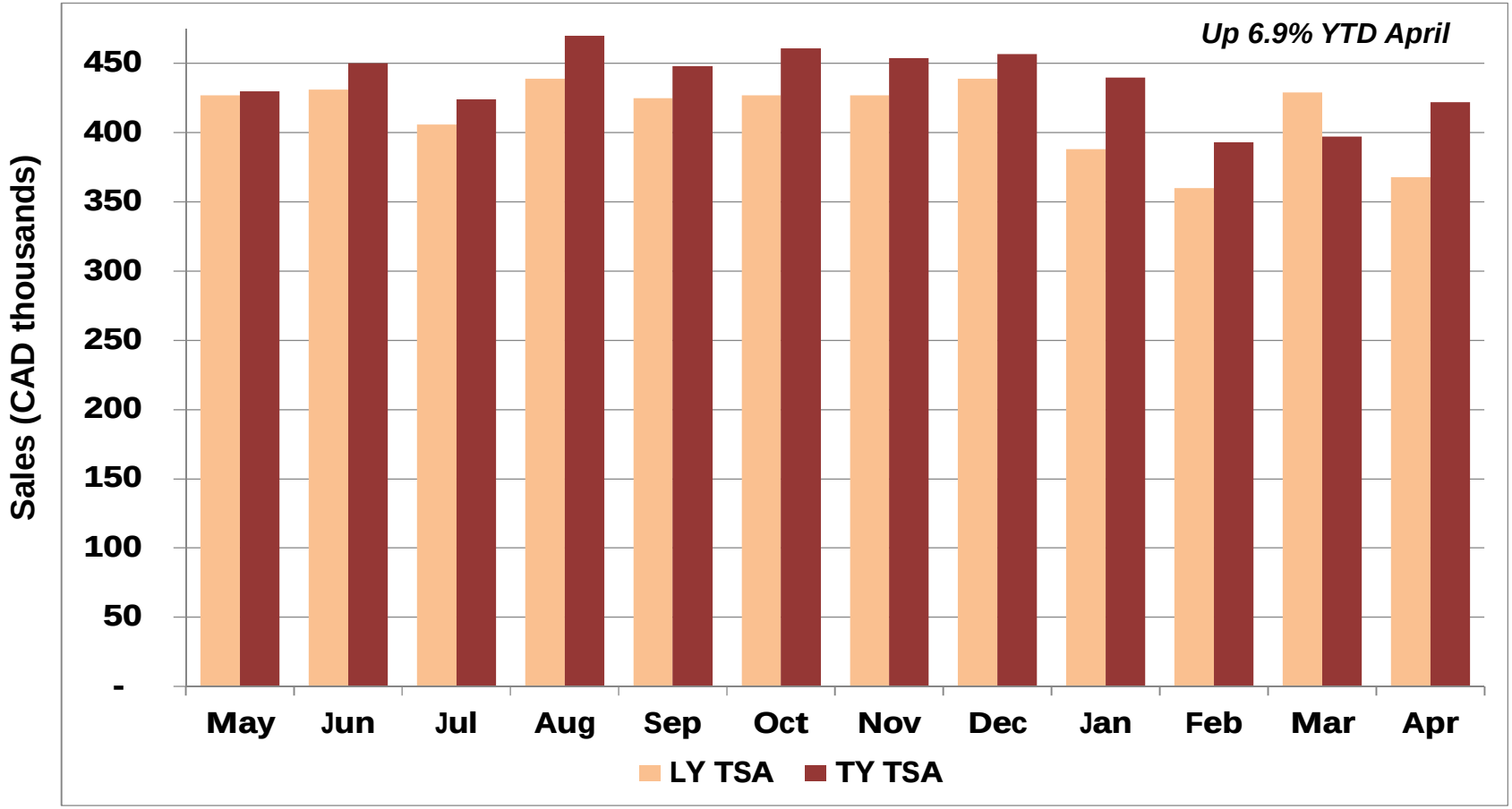


Bezalip® SR Recent Rx Trends



Source: IMS Q1-2012 data

Bezalip® SR Total Sales



Source: IMS Total Sales Audit (TSA)

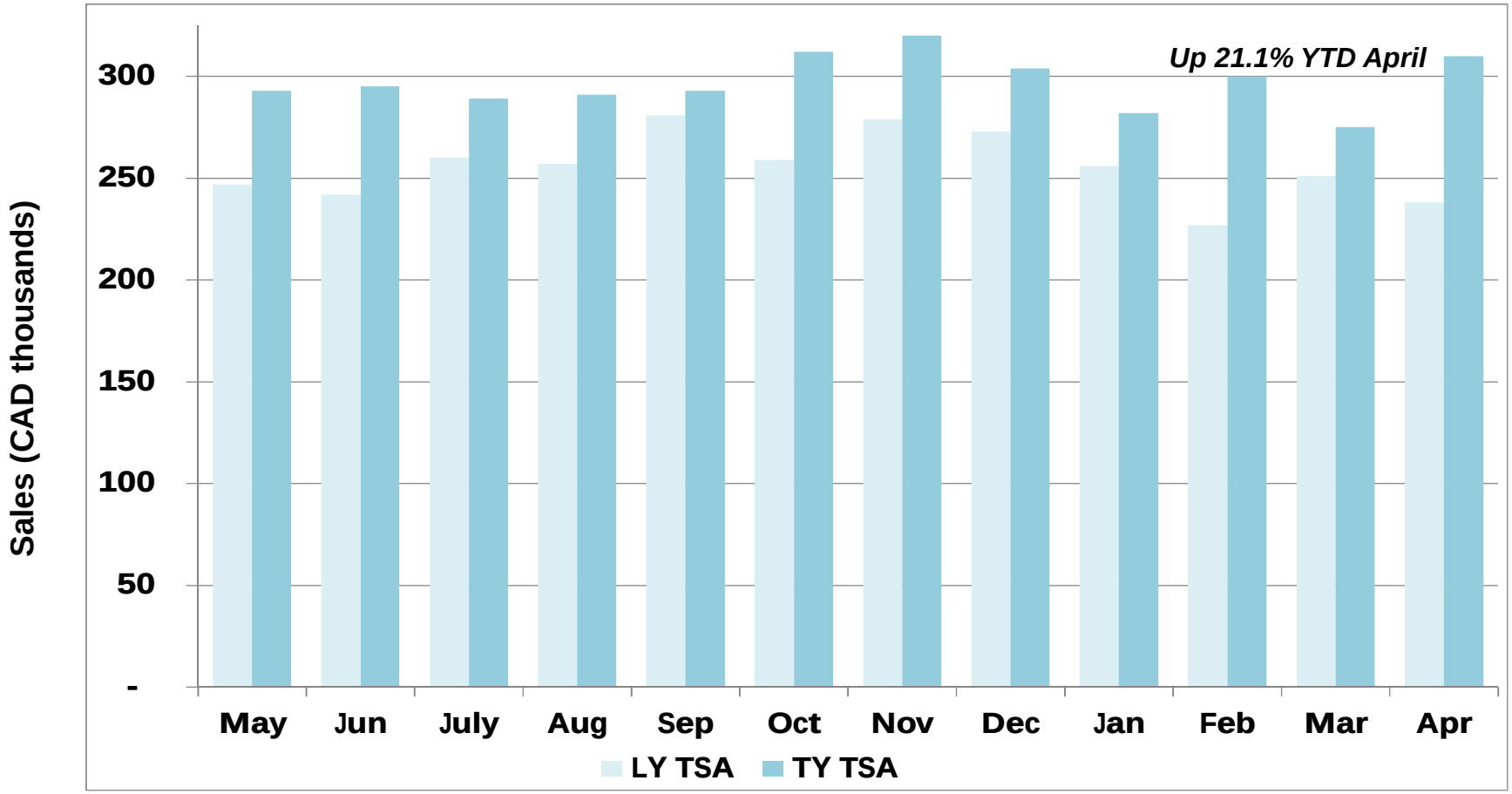
SECTION IV

Stellar's Products: Soriatane®

Soriatane® *(acitretin)*

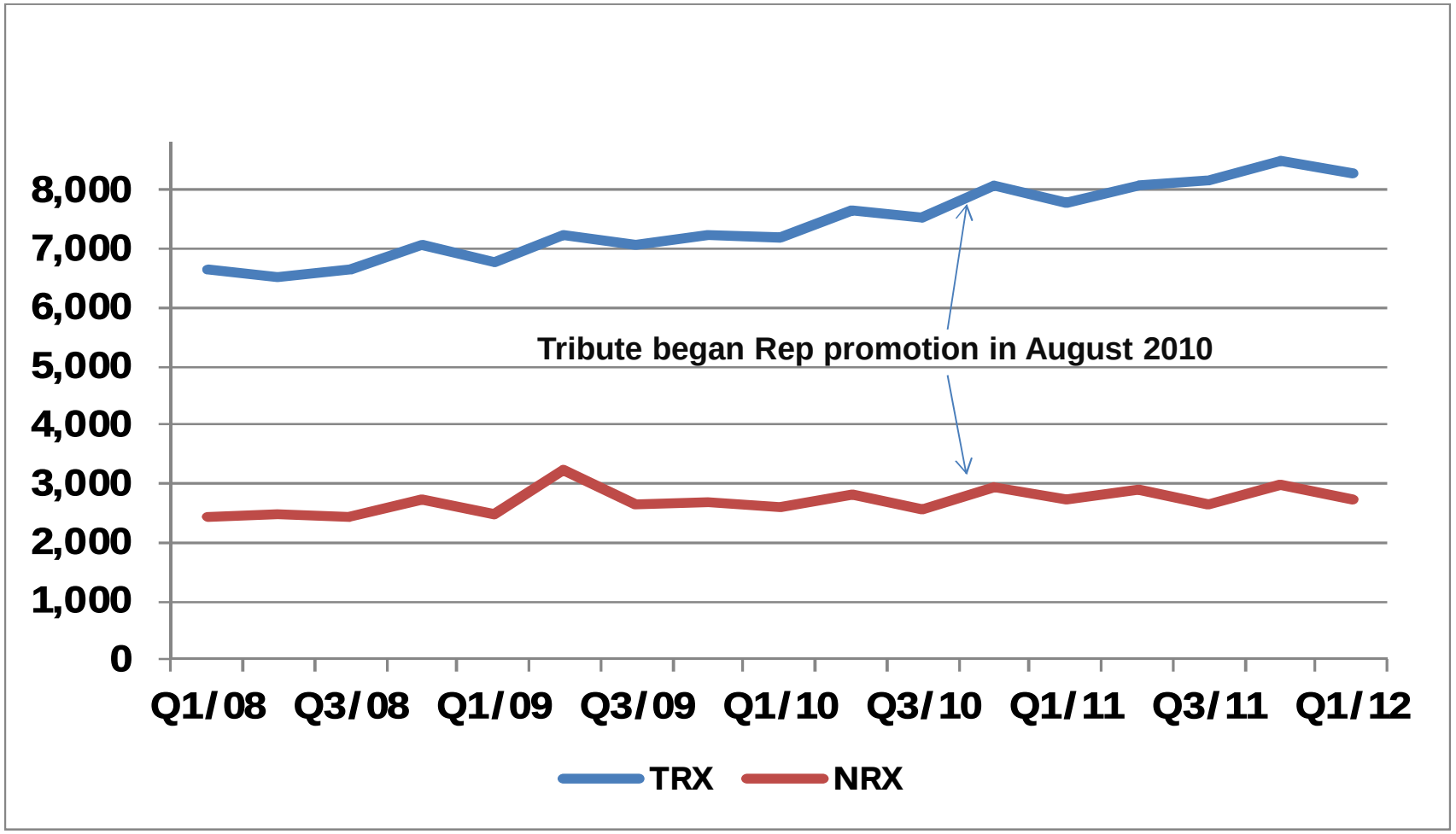
- Soriatane® is a type of medicine known as a retinoid, which works by inhibiting excessive cell growth
- Soriatane® is indicated for the treatment for severe psoriasis & severe disorders of keratinisation
- Soriatane® is reimbursed in Canada on all major provincial public formularies and private insurance plans
- Soriatane® is sold by GlaxoSmithKline in the US
- Recent promotion has resulted in an increase in sales; year-to-date April sales are up 20.1%
- Stellar is positioning Soriatane as the preferred oral systemic agent for moderate – severe psoriasis

Soriatane® Total Sales – Last 12 Months



Source: IMS Total Sales Audit (TSA)

Soriatane® Prescription Growth



Pr CAMBIA®

DICLOFENAC POTASSIUM POWDER FOR ORAL SOLUTION

Stellar's Products: Cambia®

Pr CAMBIA®

DICLOFENAC POTASSIUM POWDER FOR ORAL SOLUTION

Coming soon…..

Indication

- CAMBIA® (diclofenac potassium for oral solution) is a non-steroidal anti-inflammatory drug (NSAID) indicated for the acute treatment of migraine attacks with or without aura in adults 18 years of age or older
- CAMBIA is the only prescription NSAID available for the acute treatment of migraine

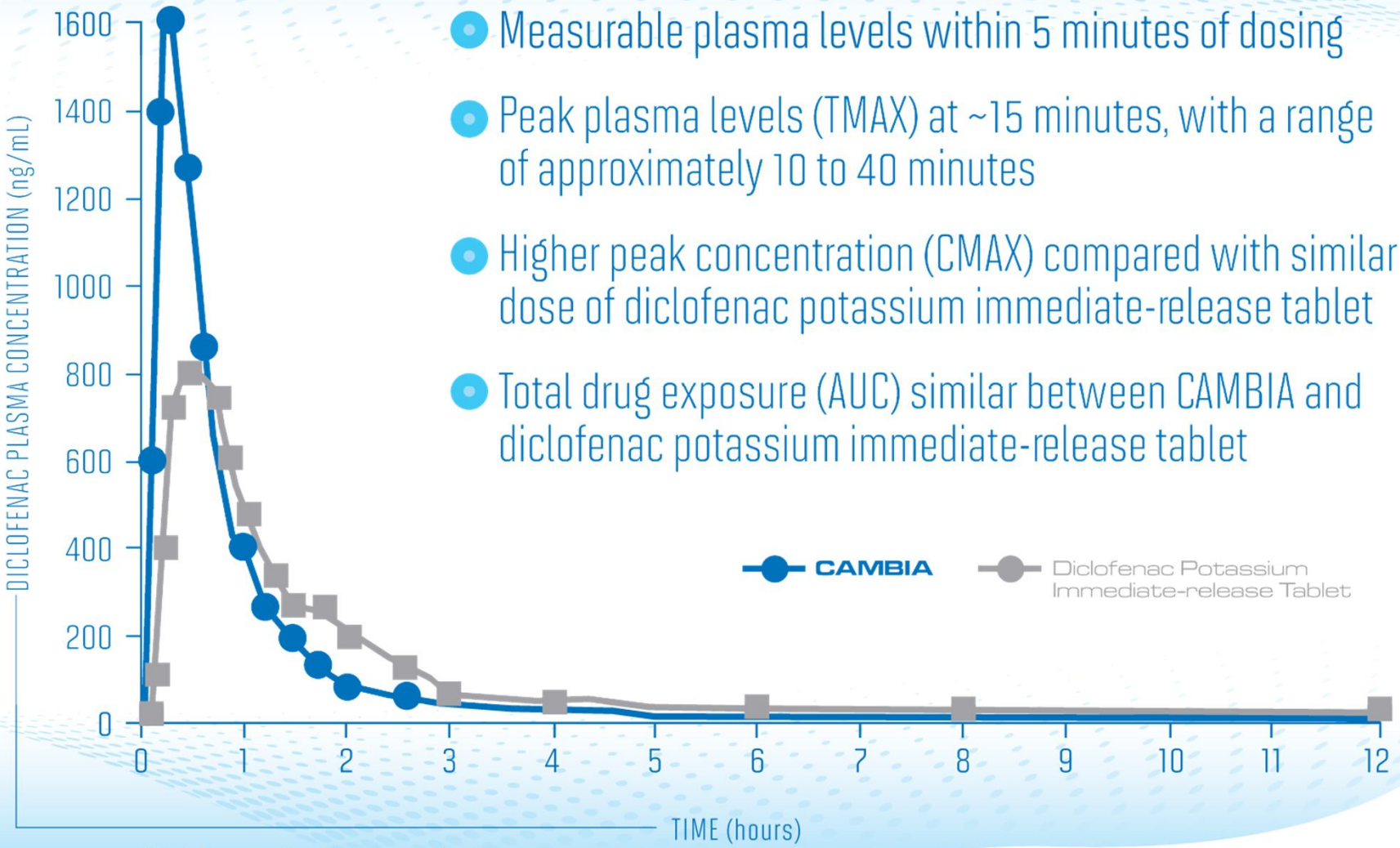
PrCAMBIA®

Dynamic Buffering Technology™

- The solubility of diclofenac salts is pH dependent
- The pKa of ~4 indicates that diclofenac potassium would be largely insoluble in the stomach pH environment
- The Dynamic Buffering Technology (DBT) uses potassium bicarbonate to buffer the pH of the water into which CAMBIA is dissolved, changing the balance to the ionized, soluble form

Pr CAMBIA®

Pharmacokinetic Profile*



- Measurable plasma levels within 5 minutes of dosing
- Peak plasma levels (TMAX) at ~15 minutes, with a range of approximately 10 to 40 minutes
- Higher peak concentration (CMAX) compared with similar dose of diclofenac potassium immediate-release tablet
- Total drug exposure (AUC) similar between CAMBIA and diclofenac potassium immediate-release tablet

*This study was conducted in fasting, healthy volunteers.
AUC=area under the curve; CMAX=maximum drug concentration; TMAX= time to maximum plasma concentration.
ProEthic Pharmaceuticals Inc. Clinical Study Report for Study PRO-513301.

PrCAMBIA®

Efficacy and tolerability of a new powdered formulation of diclofenac potassium for oral solution for the acute treatment of migraine:

- Results from the International Migraine Pain Assessment Clinical Trial (IMPACT)

Pr CAMBIA®

Results from the International Pain Assessment Clinical Trial

(IMPACT)

STUDY ENDPOINTS

Four Co-Primary Endpoints

Percentage of Subjects at Two Hours Post-Treatment Reporting:

- No headache pain
- No nausea
- No photophobia
- No phonophobia

Pr CAMBIA®

Results from the International Pain Assessment Clinical Trial

(IMPACT)

SECONDARY ENDPOINTS

Headache Response Rates

Reduction of Moderate or Severe Pain to Mild or No Pain at Two Hours

- Calculated based upon the subjects recording of pain intensity scores after treatment

Sustained Pain Free

- Percentage of subjects reporting a pain-free response at two hours with no use of rescue medication or recurrence of pain for up to 24 hours post-treatment

*Headache response was not defined as a secondary end point in the study protocol; it was calculated as a post-hoc analysis based upon its common use as an end point in migraine studies.

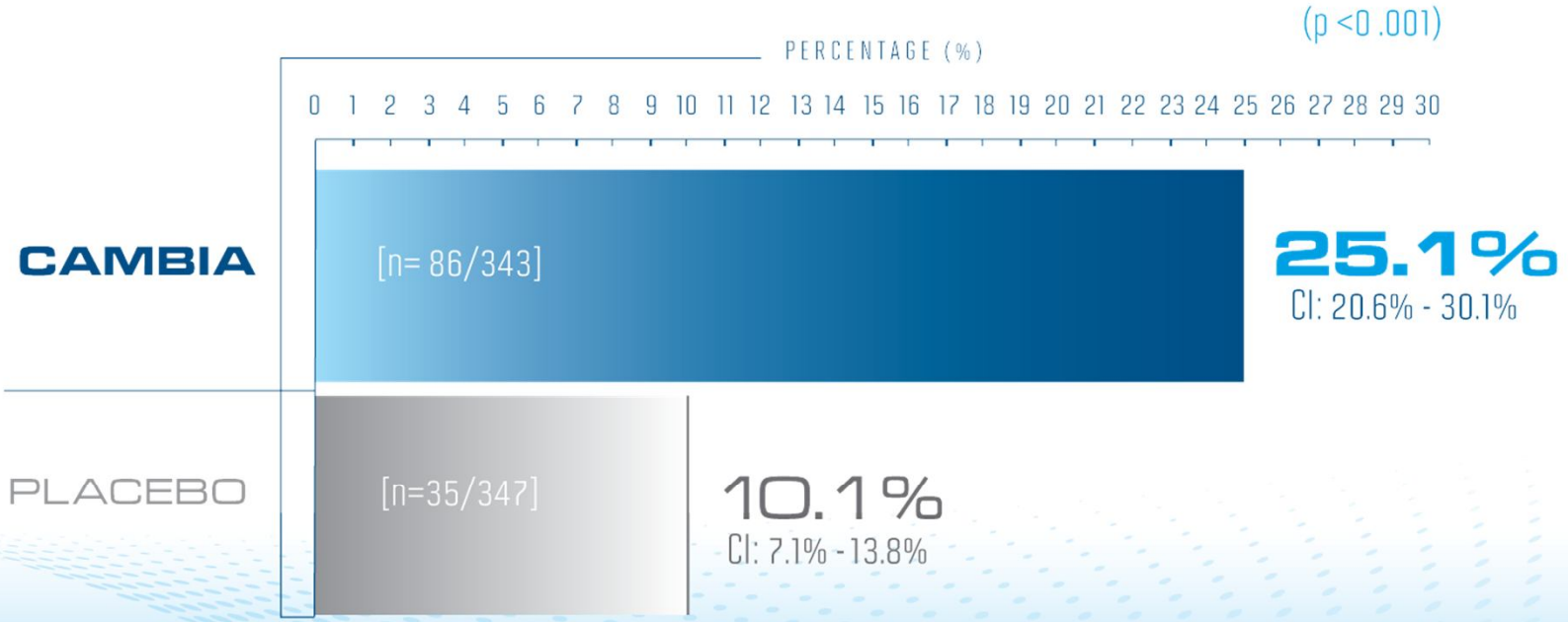
Pr CAMBIA®

Results from the International Pain Assessment Clinical Trial

(IMPACT)

PRIMARY ENDPOINT - PERCENT OF PATIENTS

PAIN FREE AT TWO HOURS



PrCAMBIA®

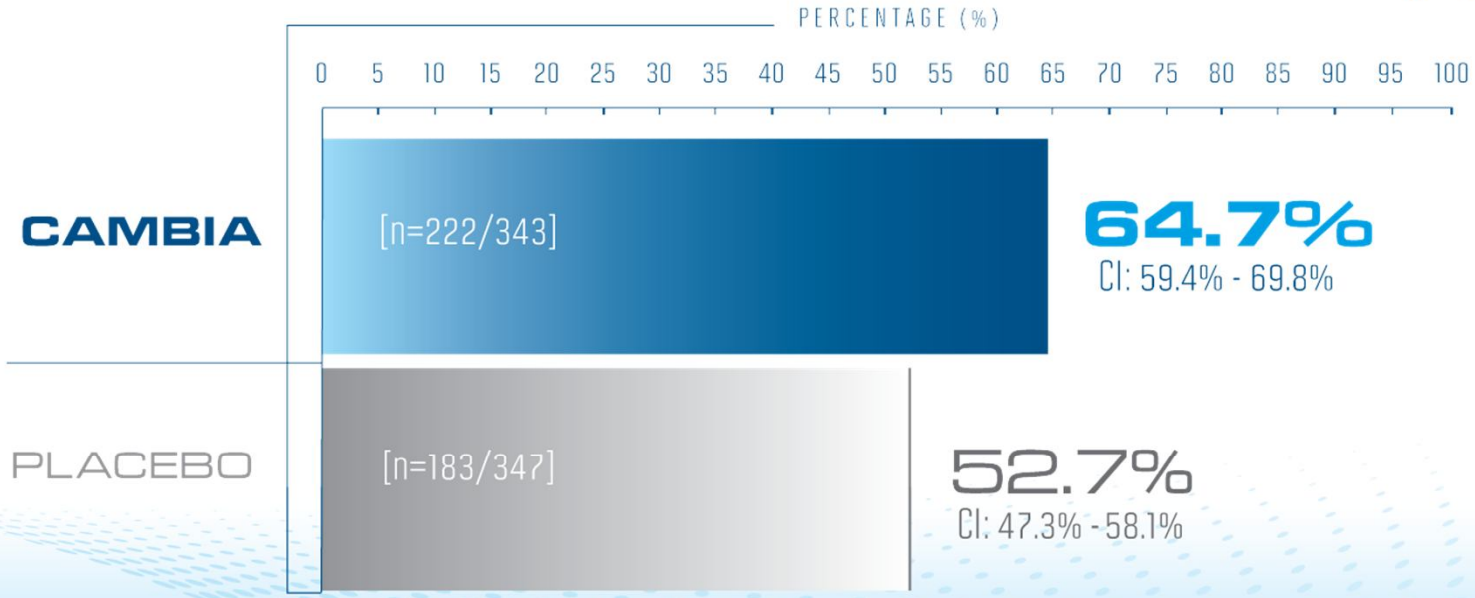
Results from the International Pain Assessment Clinical Trial

(IMPACT)

PRIMARY ENDPOINT - PERCENT OF PATIENTS

NAUSEA FREE AT TWO HOURS

($p < 0.002$)



PrCAMBIA®

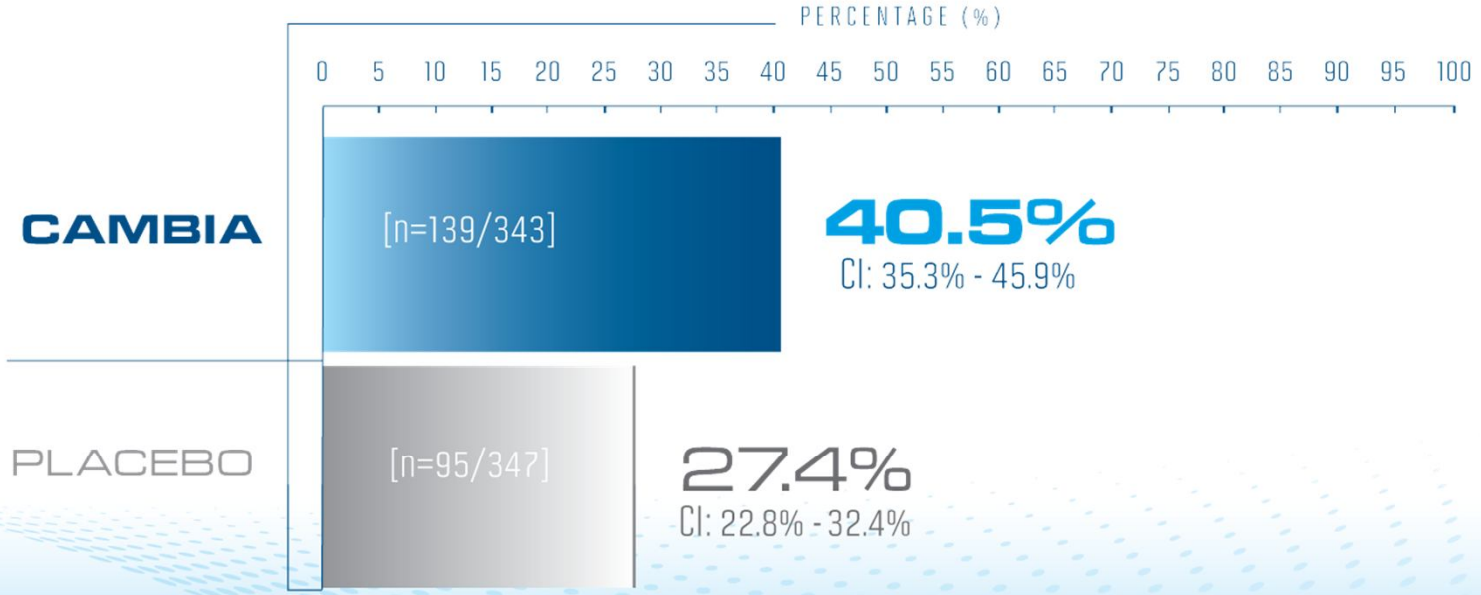
Results from the International Pain Assessment Clinical Trial

(IMPACT)

PRIMARY ENDPOINT - PERCENT OF PATIENTS

PHOTOPHOBIA FREE AT TWO HOURS

(p <0 .001)



PrCAMBIA®

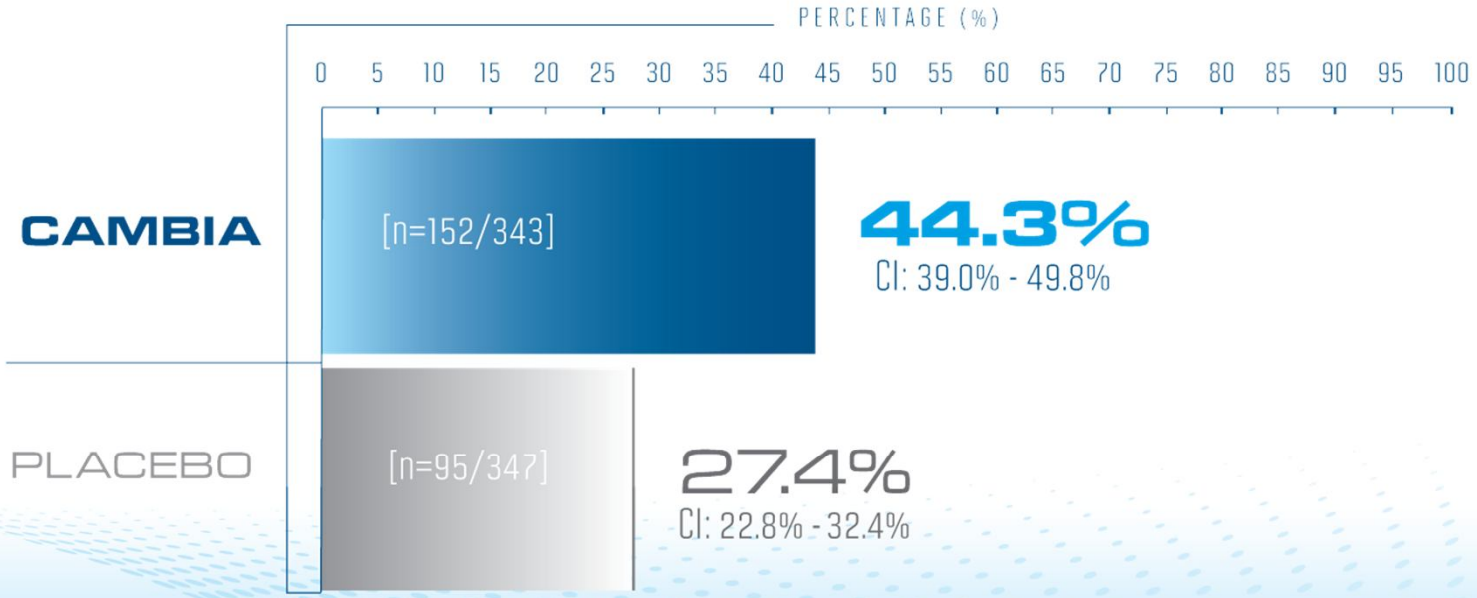
Results from the International Pain Assessment Clinical Trial

(IMPACT)

PRIMARY ENDPOINT - PERCENT OF PATIENTS

PHONOPHOBIA FREE AT TWO HOURS

(p <0 .001)



PrCAMBIA®

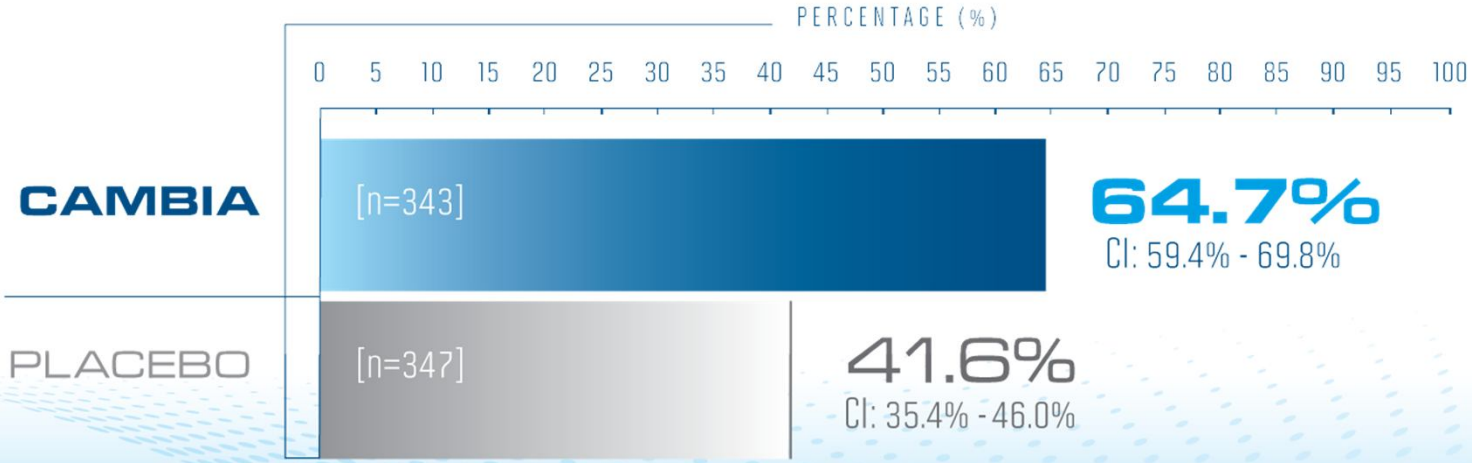
Results from the International Pain Assessment Clinical Trial

(IMPACT)

SECONDARY ENDPOINT

HEADACHE RESPONSE RATES*

Treatment with CAMBIA significantly reduced moderate or severe migraine pain to mild or no pain compared to placebo at two hours.



*Headache response was not defined as a secondary end point in the study protocol; it was calculated as a post-hoc analysis based upon its common use as an end point in migraine studies

Pr CAMBIA®

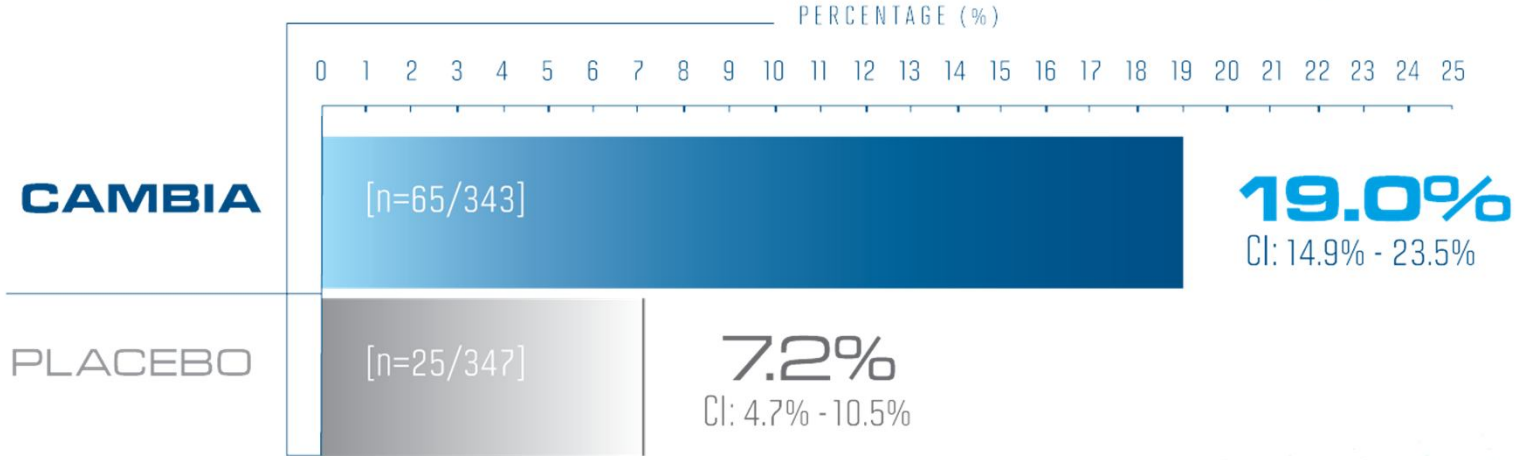
Results from the International Pain Assessment Clinical Trial

(IMPACT)

SECONDARY ENDPOINT

SUSTAINED PAIN FREE

(p <0 .001)



PrCAMBIA®

Results from the International Pain Assessment Clinical Trial

(IMPACT)

ADVERSE EVENTS

Treatment-Emergent Adverse Events with Incidences of > 1% by Treatment Group Following a Single Dose of CAMBIA

	CAMBIA n=634 (%)	PLACEBO n=646 (%)
Abdominal pain upper	5 (0.8)	4 (0.6)
Dyspepsia	7 (1.1)	6 (0.9)
Nausea	25 (3.9)	18 (2.8)
Vomiting	8 (1.3)	5 (0.8)
Dysgeusia	3 (0.5)	2 (0.3)
Insomnia	3 (0.5)	0 (0)
Restlessness	3 (0.5)	0 (0)

Note: Adverse Event Profile from the Product Monograph

PrCAMBIA®

Results from the International Pain Assessment Clinical Trial

(IMPACT)

CONCLUSIONS

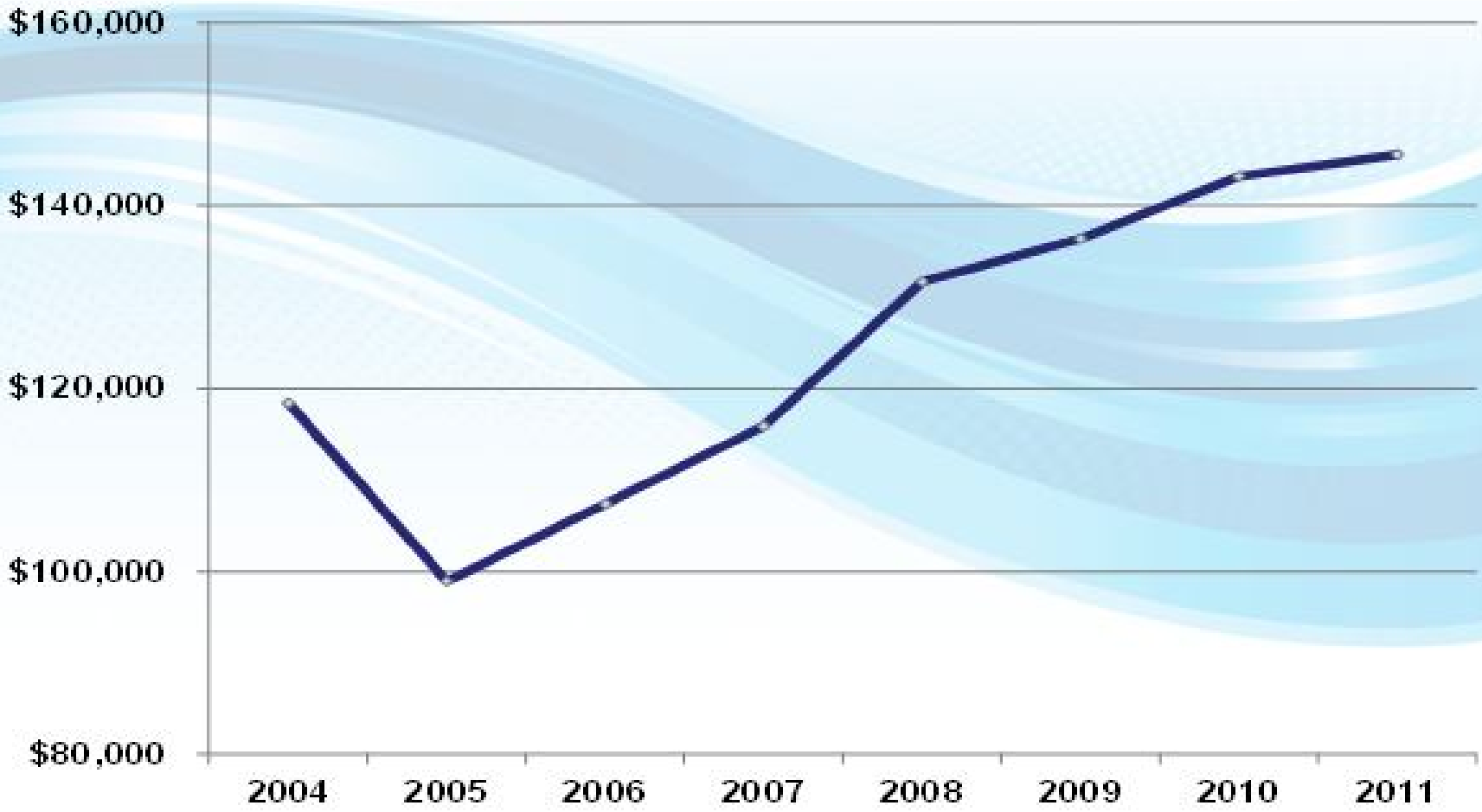
This Study Shows that CAMBIA, a NEW, Patented Acute Treatment for Migraine Attacks With or Without Aura Demonstrated:

- a rapid onset of action, within 30 minutes of dosing
- sustained pain relief through 24 hours post-treatment

Pr CAMBIA®

The Canadian Migraine Market Opportunity

Total Canadian *"Triptan"* Market Sales ($'000's)



CAMBIA
DICLOFENAC POTASSIUM POWDER FOR ORAL SOLUTION

MycoVa™

SECTION IV

Our Products: MycoVa®

MycoVa™ Product Features

- **Terbinafine + DDAIP (NexACT® technology) for the treatment of onychomycosis (DDAIP increases drug permeability)**
- **Clinical Studies in > 900 patients**
  - **2 Phase 3 trials completed in US, EU & Canada**
  - **I EU comparator trial vs. Loceryl® (amorolfine)**
- **Improves drug availability**
  - **Drug does not get trapped in lacquer matrix**
  - **Easily treats adjacent skin and folds**
- **Patient Convenience**
  - **Ease of application, quick drying**
  - **Easily washes off, no lacquer removal**

SECTION VI

International Business

Uracyst® International Partners

Partner	Markets	Initial Product Selling Period
Galen	UK/Ireland	Q1 2009
Vitaflo Scandinavia	Scandinavia/Iceland	Q1 2009
EIP Eczacibasi	Turkey	Q1 2009
EuroCept Pharma	Netherlands & Belgium	Q1 2009
Ecupharma Italia	Italy	Q3 2009
Laboratories Inibsa	Spain	Q3 2010
CPH Companhia	Portugal	Q3 2010
Medac	Germany, Austria	Q3 2010
Jeilmedix	Korea	Q1 2011

SECTION V

Summary

Growth Strategies