A COPY OF THIS PRELIMINARY SHORT FORM PROSPECTUS HAS BEEN FILED WITH THE SECURITIES REGULATORY AUTHORITIES IN EACH OF THE PROVINCES OF CANADA BUT HAS NOT YET BECOME FINAL FOR THE PURPOSE OF THE SALE OF SECURITIES. INFORMATION CONTAINED IN THIS PRELIMINARY SHORT FORM PROSPECTUS MAY NOT BE COMPLETE AND MAY HAVE TO BE AMENDED. THE SECURITIES MAY NOT BE SOLD UNTIL A RECEIPT FOR THE SHORT FORM PROSPECTUS IS OBTAINED FROM THE SECURITIES REGULATORY AUTHORITIES.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. ***Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada.*** *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of AnorMED Inc., at Suite 200, 20353 64th Avenue, Langley, British Columbia V2Y 1N5, Telephone: (604) 530-1057. For the purpose of the Province of Quebec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Secretary of AnorMED Inc. at the above-mentioned address and telephone number.*

The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended ("1933 Act") or any state securities laws. Accordingly, these securities may not be offered or sold within the United States of America without registration or the availability of an exemption therefrom. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

Preliminary Short Form Prospectus

New Issue November 24, 2005

AnorMED Inc.

$25,000,000

6,250,000 Common Shares

AnorMED Inc. (the "Company", "AnorMED", "we", "us" or "our") is hereby qualifying in each of the provinces of Canada 6,250,000 Common shares (together with the Common shares issued, if any, pursuant to the Underwriters' Option and Over-Allotment Option (each as defined below), the "Common Shares") of AnorMED for distribution by Raymond James Ltd., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Canaccord Capital Corp. (the "Underwriters"). The outstanding Common shares of AnorMED are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "AOM" and on the American Stock Exchange ("AMEX") under the symbol "AOM". On November 21, 2005, the business day prior to the pricing of the Common Shares, the closing price of the Common shares of the Company on the TSX was $4.10. The Company has applied to list the Common Shares on the TSX and AMEX. Listing will be subject to the Company fulfilling all of the requirements of the TSX and AMEX.

Price: $4.00 per Common Share

	Price to the Public	Underwriters' Fee	Net Proceeds to the Company[1]
Per Common Share	$4.00	$0.20	$3.80
Total[2][3]	$25,000,000	$1,250,000	$23,750,000

Notes:

(1) Before deducting expenses of this offering, estimated to be $750,000, which will be paid from the proceeds from the sale of the Common Shares.

(2) We have granted to the Underwriters an option (the "Underwriters' Option") to purchase up to 1,250,000 additional Common Shares at $4.00 per Common Share. The Underwriters' Option will be exercisable, in whole or in part at the sole discretion of the Underwriters, at any time until 48 hours prior to the closing of the offering. Taking into account the exercise of the Underwriters' Option, the total Price to the Public, Underwriters' Fee and Net Proceeds to AnorMED will be $30,000,000, $1,500,000 and $28,500,000, respectively. This short form prospectus qualifies the distribution of the Underwriters' Option, and the additional Common Shares issuable upon the exercise of the Underwriters' Option. See "Plan of Distribution".

(3) We have also granted to the Underwriters an over-allotment option (the "Over-Allotment Option") exercisable, in whole or in part at the sole discretion of the Underwriters, for a period of 30 days following the closing date of the offering, to purchase additional Common Shares in an amount of up to 15% of the aggregate number of Common Shares issued upon the closing of the offering, including pursuant to the exercise of the Underwriters' Option, at $4.00 per Common Share. If the Underwriters' Option and the Over-Allotment Option are exercised in full, the total Price to the Public, Underwriters' Fee and Net

Proceeds to AnorMED will be $34,500,000, $1,725,000 and $32,775,000, respectively. This short form prospectus also qualifies the distribution of the Over-Allotment Option and the additional Common Shares issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution".

The Common Shares offered hereby will be eligible for investment under certain statutes as set out under "Eligibility for Investment".

Investment in the Common Shares involves a high degree of risk and should be regarded as speculative due to the nature of the Company's business and because the Company's product candidates are still in research and development. The Company has incurred losses and expects to incur further losses. See "Risk Factors".

The offering price of the Common Shares offered hereunder was determined by negotiation between the Underwriters and the Company.

The Underwriters, as principals, conditionally offer these securities, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution".

Subscriptions will be received subject to allotment in whole or part and the right is reserved to close the subscription books at any time without notice. It is expected that definitive certificates evidencing the Common Shares will be available for delivery at closing, which is expected to occur on or about December 8, 2005 or such later date as the Company and the Underwriters may agree. The Underwriters may effect transactions intended to stabilize or maintain the market price for the Common Shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution". Certain legal matters relating to the Common Shares will be passed upon by Fasken Martineau DuMoulin LLP, on behalf of AnorMED, and by Farris, Vaughan, Wills & Murphy LLP, on behalf of the Underwriters.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Fasken Martineau DuMoulin LLP, counsel to the Company, and Farris, Vaughan, Wills and Murphy LLP, counsel to the Underwriters, based on legislation in force as of the date hereof and subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes referred to below (and, where applicable, the regulations, guidelines or prescribed criteria thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies, procedures or goals and, in certain cases the filing of such policies, procedures or goals, the Common Shares would not, if issued on the date hereof, be precluded as investments under the following statues:

Insurance Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Trust and Loan Companies Act (Canada)
Financial Institutions Act (British Columbia)
Pension Benefits Standards Act (British Columbia)
Alberta Heritage Savings Trust Fund Act (Alberta)
Employment Pension Plans Act (Alberta)
Insurance Act (Alberta)
Loan and Trust Corporations Act (Alberta)
The Pension Benefits Act, 1992 (Saskatchewan)
The Insurance Act (Manitoba)
The Trustee Act (Manitoba)
Loan and Trust Corporations Act (Ontario)
Pension Benefits Act (Ontario)
An Act respecting insurance (Quebec) (in respect of insurers as defined therein, incorporated under the laws of Quebec, other than a guaranteed fund)
An Act respecting trust companies and savings companies (Quebec) (in respect of trust companies and savings companies incorporated under the laws of the Province of Quebec investing their own funds and funds received as deposits)
Supplemental Pension Plans Act (Quebec)

In the opinion of such counsel, the Common Shares, if issued on the date hereof and listed on a prescribed stock exchange, which includes the TSX, would be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans under the *Income Tax Act* (Canada).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed by the Company with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference and form an integral part of this short form prospectus:

(a) the audited comparative consolidated financial statements, the notes thereto and the auditors' report thereon for the fiscal year ended March 31, 2005 (the "Annual Financial Statements") and management's discussion and analysis for the year ended March 31, 2005;

(b) the unaudited comparative interim consolidated financial statements for the six months ended September 30, 2005 and the notes thereto and management's discussion and analysis for the six months ended September 30, 2005;

(c) the management proxy circular dated as of June 23, 2005 prepared in connection with the annual meeting of the shareholders of the Company held on July 28, 2005, with the exception of the disclosure under the subheadings entitled "Composition of the Compensation Committee" and "Report on Executive Compensation", the graph under the subheading entitled "Performance of Common Shares", the section entitled "Corporate Governance" and "Exhibit A – Board Mandate and Principles";

(d) the annual information form for the fiscal year ended March 31, 2005, dated June 23, 2005 (the "Annual Information Form" or "AIF");

(e) the material change report dated and filed June 9, 2005 with respect to the Company's financial results for its fiscal year ended March 31, 2005 and the appointment of Dr. Stephen Becker to the Company's Clinical Development Team;

(f) the material change report dated and filed November 4, 2005 with respect to the listing of the Common shares of the Company on AMEX; and

(g) the material change report dated November 21, 2005 and filed November 23, 2005 with respect to clinical and preclinical abstracts on MOZOBIL™ being accepted for presentation at the American Society of Hematology (ASH) annual meeting being held December 10-13, 2005.

Any document of the type referred to in the preceding paragraph (excluding any confidential material change reports) filed by the Company with a securities commission or any similar authority in Canada after the date of this short form prospectus and prior to the termination of the offering shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this short form prospectus.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Company, at Suite 200, 20353 64th Avenue, Langley, British Columbia V2Y 1N5, Telephone: (604) 530-1057. For the purpose of the Province of Quebec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Secretary of the Company at the above-mentioned address and telephone number.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

This short form prospectus and the documents incorporated by reference, contain statements that constitute forward-looking statements, which involve substantial known and unknown risks and uncertainties. All statements regarding strategy, future operations, future financial position, future revenues, projected costs, prospects and plans and objectives of management are forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our expectations with respect to the timing, progress and success of the various stages comprising our drug discovery and preclinical, clinical and regulatory development programs;
- our expectations with respect to existing and future collaborations and licensing transactions with third parties, and the receipt and timing of any payments from such arrangements; and
- our estimates regarding capital requirements and our expectations of receiving additional financing.

The words “anticipates”, “believes”, “budgets”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “plans”, “projects”, “schedule”, “should”, “will”, “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Readers are cautioned that the plans, intentions or expectations disclosed in any forward-looking statements may not be achieved and that they should not place undue reliance on any forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations expressed or implied in any forward-looking statements as a result of numerous risks, uncertainties and other factors, including those relating to:

- our early stage of development, particularly the inherent risks and uncertainties associated with (i) developing new drug candidates generally, and specifically, drug candidates that interact with chemokine receptors (the area of cellular and molecular biology where we are primarily focused), (ii) demonstrating the safety and efficacy of these drug candidates in clinical studies in humans, and (iii) obtaining regulatory approval to commercialize these drug candidates;
- our drug candidates require time-consuming and costly preclinical and clinical testing and regulatory approvals prior to commercialization;
- clinical studies and regulatory approvals of our drug candidates are subject to delays, and may not be completed or granted on expected timetables, if at all, and such delays may increase our costs and could delay our ability to generate revenue;
- our lack of product revenues and history of operating losses;
- our ability to raise substantial additional financing required to fund further research and development, conduct planned preclinical and clinical studies, and obtain regulatory approvals;
- our ability to obtain and protect patents and other intellectual property rights for our drug candidates;
- our ability to operate without infringing the intellectual property rights of others;
- our ability to comply with applicable governmental regulations and standards, including hazardous materials and environmental regulations;
- development or commercialization of similar products by our competitors, many of which are more established and have greater financial resources than we do;
- our drug candidates, if approved, may not achieve market acceptance and commercial viability;
- our limited manufacturing experience and our lack of sales and marketing operations;

- our ability to obtain raw materials and manufacture products in commercial quantities at acceptable costs;
- our ability to successfully attract and retain skilled and experienced personnel;
- changes in government regulation, medical and healthcare standards, and drug reimbursement policies of government and other third party payors;
- changes in foreign currency exchange rates;
- our business is subject to potential product liability and other claims;
- our ability to maintain adequate insurance at acceptable costs; and
- our dependence on collaborative partners.

Our AIF, particularly in the section entitled "Risk Factors", and the information contained in our management's discussion and analysis for the fiscal year ended March 31, 2005, as well as the section entitled "Risk Factors" herein, discuss these and other risks, uncertainties and factors that our management believes could cause actual results or events to differ materially from the forward-looking statements. Although we have attempted to identify important risks, uncertainties and other factors that could cause actual results or events to differ materially from those expressed or implied in the forward-looking statements, there may be other factors that cause actual results or events to differ from those expressed or implied in the forward-looking statements.

See "Risk Factors".

THE COMPANY

AnorMED Inc. was incorporated under the *Canada Business Corporations Act* on January 5, 1996. Our head and principal business office is located at Suite 200, 20353 64th Avenue, Langley, British Columbia, Canada, V2Y 1N5, and our registered office is located at Suite 2100, 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3G2.

We were established by Dr. Michael Abrams and a team of six scientists who were members of the biomedical research group of Johnson Matthey plc of London, U.K. This group was dedicated to the discovery and preclinical development of metal-based pharmaceuticals. In June 1996, AnorMED acquired substantially all of the group's portfolio of proprietary drug candidates then under in-house development and associated intellectual property that had been developed over the previous decade, seven of its key members, including the pharmaceutical development management team, and all of the related technical expertise.

We have one wholly-owned subsidiary, AnorMED UK Limited, which was incorporated under the laws of the United Kingdom during the quarter ended June 30, 2005.

SUMMARY DESCRIPTION OF THE BUSINESS

We are a biopharmaceutical company focused on the discovery, development and commercialization of new therapeutic products in the areas of haematology, human immunodeficiency virus (HIV) and oncology. Our core strength involves the application of chemistry, biochemistry and biology to the discovery and development of small molecules (chemical compounds) with therapeutic potential. We have several products in our portfolio that are in various stages of clinical development. Two of our programs are focused on a new class of drugs that target chemokine receptors, specifically the CXCR4 and CCR5 receptors. The core products in our CXCR4 program include MOZOBIL™ (the tradename for AMD3100) and AMD070. Additional products in our portfolio include FOSRENOL™, NX473, Atiprimod, and HYNIC linker. We evaluate new product and program opportunities on an ongoing basis.

MOZOBIL™ is an inhibitor of the CXCR4 receptor, which is known to be involved in the signalling for the movement of white blood cells, and other cells of the immune system, throughout the body. MOZOBIL™ is being evaluated in two indications: stem cell transplant and cardiac tissue repair. The Company held an end of Phase II meeting with the U.S. Food and Drug Administration (FDA), on September 10, 2004. The Company also filed a Special Protocol Assessment (SPA) with the FDA, for the MOZOBIL™ Phase III trial design and endpoints, on September 15, 2004 and subsequently reached an SPA agreement on the Phase III trials design and endpoints on December 2, 2004. Patient enrolment into the Phase III program was initiated January 25, 2005. We also filed an Investigational New Drug (IND) application with the FDA, on April 1, 2005, as a first step toward investigating the ability of MOZOBIL™ to repair damaged heart tissue in cardiac patients.

AnorMED has an ongoing clinical program in HIV, which is evaluating AMD070, another CXCR4 inhibitor. AMD070 is our lead anti-HIV agent; a Phase Ia trial was started in September 2003 and was completed in July 2004. A Phase II clinical program was initiated in July 2004. In addition, we are developing new compounds that target the CCR5 receptor, as potential drug candidates for HIV, and plan to select a lead CCR5 inhibitor for clinical development in the future.

Within our research and development program we continue to evaluate the potential of compounds targeting the CXCR4 receptor in oncology. We are conducting preclinical studies with a number of external collaborators.

FOSRENOL™ (formerly Foznol and prior to that, Lambda) is exclusively licensed to Shire Pharmaceuticals Group plc ("Shire" or "Shire Pharmaceuticals"). In March 2004, we sold the global patent rights for FOSRENOL™ to Shire for milestones of up to U.S. $31 million. In October of 2004, Shire received approval from the FDA for FOSRENOL™, triggering a U.S. $18 million milestone payment from Shire. Shire received the first European approval for FOSRENOL™ in Sweden in March 2004, triggering a U.S. $1 million milestone payment. Additional approvals and an E.U. market launch are anticipated over the remainder of 2005 and 2006.

NX473 (also known as Picoplatin, formerly AMD473 and prior to that, ZD0473) is a new platinum based anti-cancer agent (chemotherapy) that is active in a variety of tumor types. In April 2004, we exclusively licensed NX473 to NeoRx Corporation for all territories except Japan. NeoRx initiated a Phase II clinical trial for NX473, in patients with platinum-resistant or refractory small cell lung cancer, in 2005. On November 10, 2005, NeoRx received Orphan Drug Designation, from the FDA, for NX473 in this indication.

We have licensed our chemical linker technology, HYNIC, to Solulink Inc., who is developing HYNIC for its potential in various diagnostic applications. North American Scientific Inc. and Bristol-Myers Squibb Medical Imaging Inc. ("BMSMI") (formerly DuPont Pharmaceuticals) were previously developing HYNIC for use in medical imaging, but terminated their license agreements to HYNIC on February 21, 2005. We have also licensed Atiprimod to Synergy Pharmaceuticals Inc., a wholly-owned subsidiary of Callisto Pharmaceuticals, Inc. Synergy has initiated a Phase Ib/IIa clinical trial to evaluate Atiprimod's potential as an anti-cancer agent in multiple myeloma and bone resorption. On May 23, 2005, Synergy also announced that it will investigate Atiprimod in myelodysplastic syndrome (MDS). Preliminary Phase I data on Atiprimod in 12 patients with refractory or relapsed multiple myeloma showing Atiprimod was generally well tolerated will be presented at the American Society of Hematology (ASH) meeting in Atlanta, Georgia on December 12, 2005.

Business Strategy

AnorMED focuses on the research and preclinical and clinical development of small molecule drug candidates. To add value to our product candidates, we intend to take them through Phase II and, potentially, Phase III clinical trials. By doing so, AnorMED can establish proof of efficacy in human patients before negotiating the financial and other terms of any corporate partnerships. We will also consider undertaking the commercialization of drug candidates in specific markets, if we determine that the opportunity to do so is both feasible and compelling. In addition, we may enter into partnerships at earlier stages of development, such as preclinical or Phase I, if such collaborations would substantially accelerate product development and the likelihood of clinical and market success. For more details regarding our business and all of our product candidates and research program, see our Annual Information Form.

Products Under Development

Our understanding of medicinal chemistry, combined with our biological and pharmaceutical expertise, support our activities to develop new product candidates for treating unmet medical needs. We have also built in-house facilities and developed the know how to vary the chemical structure of any class of compound and, as a result, modify its biological activity and pharmacological profile. We have published numerous scientific articles relating to our work and the resultant drug candidates. The value of both our capabilities and experience is validated by our previous partnerships with leading companies in their respective fields, such as AstraZeneca Pharmaceuticals Limited ("AstraZeneca") and BMSMI. This collective expertise drives our initiatives in the discovery and development of new pharmaceuticals.

We have a number of product candidates currently in clinical development and an active research program focused on discovering new chemical compounds with therapeutic potential. We are specifically focused on select chemokine receptors as targets for new drug discovery and development. We plan to spend significant resources on the drug candidates in clinical development as well as our research programs. We also have a number of additional product candidates that we believe are potential assets to us that have been out-licensed to partners who are funding their development.

Products & Programs

Product Candidates and Products	Disease Focus	Stage of Development [1]	Partner
CORE PRODUCTS & PROGRAMS			
MOZOBIL™ *CXCR4 Inhibitor*	Stem Cell Transplant	Phase III	Unpartnered
MOZOBIL™ *CXCR4 Inhibitor*	Cardiac Tissue Repair	Preclinical Filed IND	Unpartnered
AMD070: *CXCR4 Inhibitor*	HIV	Phase Ib/IIa	Unpartnered
CCR5 *Inhibitors*	HIV	Preclinical	Unpartnered
CXCR4 *Inhibitors*	Oncology	Early Preclinical	Unpartnered
ADDITIONAL PRODUCTS			
FOSRENOL™ *(formerly Foznol and Lambda)*	Excess phosphate levels in kidney disease	Approved in U.S. and Sweden; Additional approvals anticipated	Shire Pharmaceuticals Group plc
NX473	Oncology	Phase II [2]	NeoRx Corporation
Hynic Linker	Medical imaging agent for prognosis and diagnosis of various diseases. Also veterinary use.	Phase I/II and Preclinical	North American Scientific Inc.[3]; BMSMI Inc. (formerly DuPont)[4]; Solulink Inc.
Atiprimod	Oncology	Phase Ib/IIa	Synergy Pharmaceuticals Inc. (subsidiary of Callisto Pharmaceuticals Inc.)

Notes:

(1) For a description of the stages of development in the drug approval process, see "Narrative Description of Business - Product Approval Process" in our AIF.

(2) NX473 (formerly AMD473 and ZD0473) was exclusively licensed to AstraZeneca between 1998 and 2001. AstraZeneca was responsible for all aspects of product development. As of February 2002 we retained all rights to the product, and subsequently exclusively licensed this drug candidate to NeoRx Corporation in April 2004.

(3) North American Scientific Inc. discontinued all operations, including the Hynic Annexin V program at its wholly owned subsidiary, Theseus Imaging Corporation, on September 15, 2004.

(4) On February 21, 2005 the license agreement with BMSMI was terminated.

RECENT DEVELOPMENTS

MOZOBIL™

MOZOBIL™ (the tradename for AMD3100) is currently under clinical investigation in North America and Europe as a potential new agent for stem cell mobilization in cancer patients undergoing a stem cell transplant and is not yet approved for commercial use. To date, MOZOBIL™ has been administered to 595 cancer patients in clinical studies, and safety data has been reported on 190 subjects. Recruitment into the Phase III trials for MOZOBIL™ continues to make steady progress. As of November 24, 2005, 112 non-Hodgkin's Lymphoma (NHL) patients and 105 multiple myeloma (MM) patients have entered into the Phase III trials. Currently, 33 sites are recruiting NHL patients and 33 sites are recruiting MM patients. Phase III enrolment and three month follow up is planned to be completed by the end of calendar year 2006. For MOZOBIL™ in stem cell transplant, two Phase III trials and 5 Phase II trials are ongoing, 5 Phase II trials have completed enrolment, and at least 4 additional Phase II trials are expected to be initiated in calendar 2006. A summary of MOZOBIL™ clinical trials is provided below.

Summary of AnorMED Sponsored Clinical Trials

	Study	Patients	Trial Status	Results
Phase III	3101: A Multicenter, Randomized, Double-blind, Placebo-controlled, Comparative Trial of AMD3100 (240 μg/kg) plus G-CSF (10 μg/kg) Versus G-CSF (10 μg/kg) Plus Placebo to Mobilize and Collect ≥ 5 x 10^6 CD34+ Cells/kg in non-Hodgkin's Lymphoma Patients for Autologous Transplantation.	300	Ongoing. 112 patients enrolled as of Nov. 24, 2005	Enrolment and 3-month follow-up complete end of 2006
	3102: A Multicenter, Randomized, Double-blind, Placebo-controlled, Comparative Trial of AMD3100 (240 μg/kg) plus G-CSF (10 μg/kg) Versus G-CSF (10 μg/kg) Plus Placebo to Mobilize and Collect ≥ 6 × 10^6 CD34+ Cells/kg in Multiple Myeloma Patients for Autologous Transplantation.	300	Ongoing. 105 patients enrolled as of Nov. 24, 2005	Enrolment and 3-month follow-up complete end of 2006
Phase II	2101: Comparison of the number of peripheral blood (PB) CD34+ cells collected for transplantation of multiple myeloma and non-Hodgkin's lymphoma patients given a mobilization regimen of either AMD3100 plus G-CSF or G-CSF alone and measurement of the success of PB CD34+ cells mobilized by AMD3100 plus G-CSF in engrafting MM and NHL patients. ***Proof of principle study**	25	Completed	ASH Dec. 2003 NMDP Oct. 2004 Blood Journal 2005 106:1867-74
	2102: Stem cell mobilization and transplantation of proven and/or predicted poor mobilizers with multiple myeloma. *** No mobilization of myeloma cells**	25	Completed	ASCO Jun. 2004
	2103: Treatment with AMD3100 in non-Hodgkin's Lymphoma patients to increase the number of Peripheral Blood Stem Cells when given with a mobilizing regimen of G-CSF. ***No mobilization of lymphoma cells**	20	Completed	ASH Dec. 2004
	2104: Treatment with AMD3100 in Multiple Myeloma or non-Hodgkin's Lymphoma patients to increase the number of Peripheral Blood Stem Cells when given with a mobilizing regimen of chemotherapy and G-CSF. ***Safety and activity in a chemo regimen**	55	Enrolment complete	ASH Dec. 2004 EBMT Mar 2005
	2105: Treatment with AMD3100 in non-Hodgkin's Lymphoma and Multiple Myeloma patients to increase the number of Peripheral Blood Stem Cells when given with a mobilizing regimen of G-CSF. ***Regimen and schedule**	55	Enrolment complete	ASH Dec. 2004 Tandem Feb. 2005
	* This data was required by and submitted to the FDA at the End of Phase II meeting (09/04) *			
	C201: Treatment with AMD3100 in non-Hodgkin's lymphoma and multiple myeloma patients to increase the number of peripheral blood stem cells when given with a mobilizing regimen of G-CSF.	20	Ongoing	to be determined
	EU21: Treatment with AMD3100 in non-Hodgkin's Lymphoma and Multiple Myeloma Patients to Increase the Number of Peripheral Blood Stem Cells when given with a mobilizing Regimen of G-CSF.	40	Ongoing	EBMT Mar. 2005 ASH Dec. 2005

	Study	Patients	Trial Status	Results
Phase II	2106: Treatment with AMD3100 Added to a Mobilizing Regimen of G-CSF to Increase the Number of Peripheral Blood Stem Cells in Patients with Hodgkin's Disease	16	Ongoing	ASH Dec. 2005
	2108: Treatment with AMD3100 in Multiple Myeloma Patients to Mobilize Peripheral Blood Progenitor Cells for Collection and for Transplantation.	20	Ongoing	to be determined
	2109: An Observational Study of the Effect of AMD3100 (240 μg/kg) on the Apheresis Yield of CD34+ Cells When Given to Multiple Myeloma or Non-Hodgkin's Lymphoma Patients Predicted to be Unable to Mobilize $\geq 2 \times 10^6$ CD34+ Cells in Three Apheresis Days When Given G-CSF Alone.	15	On hold	to be determined
	2112: A Phase 2, Multicenter, Prospective, Observational, Open-label Study to Evaluate the Safety and Efficacy of AMD3100 (240 μg/kg) Added to a G-CSF Mobilization Regimen in Poor Mobilizing Adult Patients Who Have Previously Failed Stem Cell Collections or Collection Attempts	25	Ongoing	to be determined
	CUP and Investigator Sponsored Pilot Studies			
CUP & Pilot Studies	Program for the Compassionate Use of AMD3100 to Mobilize Peripheral Blood StemCells For Collection and Transplantation	Entry evaluated on a per patient basis	Ongoing	ASH Dec. 2005
	Investigator Study: A pilot study evaluating the safety and efficacy of AMD3100 for the mobilization and transplantation of HLA-matched sibling donor hematopoietic stem cells in patients with advanced hematological malignancies.	44	Ongoing	ASH Dec. 2004 ASBMT Feb. 2005 SCT May 2005 ASH Dec. 2005
	Investigator Study: (1) Peripheral blood hematopoietic progenitor mobilization using granulocyte colony stimulating factor (G-CSF) combined with AMD3100 in healthy volunteers. (2) Peripheral blood hematopoietic progenitor mobilization using with AMD3100 in healthy volunteers previously mobilized with G-CSF.	25 25	Ongoing	to be determined

In August 2005, we announced that the tradename for AMD3100 is MOZOBIL™. The tradename MOZOBIL™ (Plerixafor) will be re-reviewed as part of the New Drug Application submission to the FDA and will also be submitted to European regulatory authorities for review at the appropriate time.

Also reported in August 2005, Mr. Mark Levonyak joined us as our Vice President, Marketing. Mr. Levonyak is responsible for continuing marketing and commercial development initiatives relating to MOZOBIL™.

In September 2005, we reported that results from the Phase II study 2101 were published in the current issue of the peer-reviewed journal, Blood. The article reported that cancer patients who received MOZOBIL™ plus granulocyte-colony stimulating factor (G-CSF) were able to collect more stem cells in less time compared to the standard mobilization regimen, G-CSF alone. Results indicate that with the combination of MOZOBIL and G-CSF, 100% of patients collected enough cells for transplant, compared to 64% of patients using G-CSF alone. Further,

84% of patients in the MOZOBIL™ +G-CSF study arm collected 50% more stem cells per day than patients in the G-CSF alone arm, and 60% of patients in the MOZOBIL™ +G-CSF arm collected the ideal amount of stem cells in two days, compared to 16% in the G-CSF alone arm. These results were statistically significant with a p-value less than or equal to 0.001, which we believe demonstrates improved collection of stem cells with the MOZOBIL™ + G-CSF protocol.

This Phase II study was the first study to evaluate the combination of MOZOBIL and G-CSF in cancer patients requiring stem cell transplantation. The Phase II study included 25 patients, 10 patients with multiple myeloma and 15 patients with NHL. The study was designed to determine if patients who are given MOZOBIL™ plus G-CSF, compared to G-CSF alone, have more stem cells available for transplantation. This study also evaluated the number of stem cell collections needed to obtain the target number of stem cells required for transplantation. As described in the publication, each patient in this Phase II study served as their own control, receiving either MOZOBIL™ and G-CSF or G-CSF alone first. After the initial treatment, stem cells were collected from each patient followed by a 13- to 17-day wash out period, which allowed the medication to be cleared from the patient's system before the patient began the alternative treatment regimen, in the second phase of the trial. The patient then received the alternate treatment and underwent stem cell collection again. Patients in the study experienced fewer additional side effects with the combination therapy compared to therapy with G-CSF alone. Side effects related to MOZOBIL™ were generally very mild and transient. The most frequently reported side effects included gastro intestinal, injection site redness and nausea.

The Phase II study, 2109, which was initiated in April 2005, was put on hold in September 2005 after enrolling 5 patients. The study was put on hold because the patients eligible for the Phase II study, 2109, were also eligible for MOZOBIL's™ Phase III protocol. Patients eligible for Study 2109 have subsequently been entered into the Phase III protocol. The 2109 study will be reinitiated after completion of enrolment in the Phase III protocol.

In October 2005, we initiated Study 2112 in a small number of patients who had previously failed to collect the minimum number of cells required for transplant (2 million CD34+ stem cells/kg of patient weight). The objective of the study is to determine if patients who are eligible for transplantation, but who have failed previous collections with standard regimens, can collect enough stem cells for transplantation with a mobilization regimen of MOZOBIL™ and G-CSF.

In October 2005, AnorMED announced plans to seek a Conditional Marketing Authorization (CMA) for MOZOBIL™ in Europe, in early 2007. The Company also plans to file a Marketing Authorization Application (MAA) with the European Medicines Agency (EMEA), based on the Phase III program currently ongoing in the U.S.

A CMA filing is a process whereby a product is granted conditional approval by the EMEA. The types of products that qualify for conditional approval include orphan drugs that demonstrate a presumed positive benefit to risk ratio. The process allows full preclinical data and existing clinical data to be provided upon application and full clinical data to be provided post-approval.

AnorMED's CMA filing will be based on the successful mobilizations within a program for the compassionate use of MOZOBIL™. The program, established in August 2003, is for cancer patients who, using standard mobilization regimens, have failed to collect the minimum number of stem cells required to undergo a stem cell transplant. In addition, the CMA filing will be supported by data from completed and ongoing Phase II studies.

The MAA in Europe will be based on the results from the current Phase III study, ongoing in the U.S., that is enrolling 300 NHL patients. The MAA endpoint is the number of patients that collect the minimum number of stem cells, 2 million CD34+ cells/kg patient body weight, and successfully engraft. The NHL study is 80% powered to show a minimum of a 20 percentage point difference between the control and experimental study arms.

On November 15, 2005, abstracts for presentations to be made December 12th at the American Society of Hematology (ASH) meeting in Atlanta, Georgia were published online. At the meeting, new clinical data is scheduled to be presented from our Phase II program (EU21 and 2106), our compassionate use program (CUP) and our investigator sponsored allogeneic trials.

Data from Phase II studies continue to show that MOZOBIL™, in combination with standard stem cell mobilization regimens, provides a rapid increase in the number of peripheral blood stem cells (PBSC) capable of engraftment and increases the proportion of patients reaching at least the minimum PBSC target required for transplant. Additional results, from an investigator sponsored trial, support MOZOBIL™'s potential use as a single agent to mobilize stem cells from healthy donors for allogeneic stem cell transplantation in cancer patients. Preclinical data, looking at the potential of MOZOBIL as a chemopotentiator and a mobilizing agent of primitive CD34 cells and angiogenic cells, will also be presented. Also to be presented at ASH is preclinical data from mouse models, demonstrating the enhanced repopulating capacity of human MOZOBIL™ mobilized cells and increased incidence of graft versus host disease (GVHD), a disease which can occur in allogeneic transplant patients. As well, data on expression of adhesion molecules in the bone marrow following treatment with MOZOBIL™ will be presented at ASH. Four additional abstracts were rejected for presentation but accepted for publication. These include preclinical data on engraftment, MOZOBIL™ induced mobilization of leukemia cells and the effect on the addition of MOZOBIL™ to a chemotherapy regimen for mobilization. Clinical data on improved GVHD profile in allogeneic transplant patients was also published but not accepted for presentation.

Also to be presented at ASH is data from 70 patients in the compassionate use program (CUP). A summary of results from 63 patients with the 4 most common types of cancer in this protocol (non Hodgkin's lymphoma, NHL; multiple myeloma, MM; acute myelogenous leukemia, AML; and Hodgkin's disease, HD) is presented in the abstract. Preliminary data showed that 58% of NHL patients, 64% of MM patients, 50% of AML patients and 70% of HD patients were able to collect at least the minimum number of stem cells (2 million CD34+ stem cells/Kg of patient weight) required to go onto transplant. For those collecting 2 million CD34+ stem cells/Kg of patient weight the median collection was 4.7 million CD34+ stem cells/Kg of patient weight. The number of patients transplanted was 36 of 40, with 31 successful engraftments, 3 pending and 2 deaths post successful leukocyte but not platelet engraftment.

At ASH, new clinical data will be presented showing that MOZOBIL™ may improve the Absolute Lymphocyte Count at day 15 (ALC15) in autologous transplant patients. The ALC15 after autologous stem cell transplantation is an independent, prognostic indicator for survival in multiple hematological malignancies[1]. Data reported in this abstract, from 7 NHL patients who had undergone transplant with MOZOBIL™ + G-CSF grafts and 29 patients transplanted with G-CSF alone grafts, demonstrated that the absolute lymphocyte count of the MOZOBIL™ graft was 41.6 x 10^9 cells/kg, compared to 2.9 x 10^9 cells/kg for the G-CSF alone, and the ALC15 was 7.9 x 10^8 compared to 5.8 x 10^8 cells/kg, respectively. Further, none of the patients who received MOZOBIL™ had relapsed at 1-year post transplant whereas 10 of the 29 control patients had relapsed at one year. This suggests that the increased lymphocyte content of a MOZOBIL™ + G-CSF graft may have a positive impact on transplant patient clinical outcomes, such as relapse rate.

Additional data to be presented on 8 patients with Hodgkin's disease, Study 2106, shows that MOZOBIL™ produced a median 3-fold increase in the number of circulating CD34+ stem cells. Five patients (63%) achieved the ideal number of stem cells for transplant, and all patients achieved the minimum number of cells required for transplant. When compared to historical data, MOZOBIL™ +G-CSF improves the proportion of patients collecting the minimum number of cells for transplant (78 vs. 100%) and the proportion of patients achieving the ideal number of cells for transplant (15 vs. 63%).

An update of AnorMED's European trial, which includes 6 patients with NHL and 4 patients with MM, will show that the addition of MOZOBIL™ to the mobilization regimen causes an almost tripling (2.8 fold increase) in the number of circulating CD34+ cells. In addition, there was no mobilization of B cells; therefore, there is no indication that MOZOBIL™ co-mobilizes tumour cells. Adverse events were mild, with one patient reporting grade I nausea and emesis. To date, 4 patients have been transplanted and have engrafted leukocytes and thrombocytes.

An update on the allogeneic trial with MOZOBIL™ will also be presented at ASH. To date, 8 of 9 donors have collected at least 2 million CD34+ cells / kg patient weight. In comparison to the G-CSF alone mobilized grafts, MOZOBIL™ mobilized grafts contained fewer CD34 cells and more T, B and NK cells. One of 6 patients experienced acute graft versus host disease (GVHD), and 2 of 4 patients experienced chronic GVHD, requiring

[1] Leukemia and Lymphoma. (2005) 46: 1287-94

immunosuppressive therapy. The rate of GVHD does not appear to increase in the patients receiving the MOZOBIL™ mobilized grafts, and the reconstitution of hematopoiesis was similar.

Also to be presented at ASH, new preclinical data in a mouse model of acute promyelocytic leukemia (APL) shows that MOZOBIL™ given 11 days after APL cell injection into the mouse results in a 10 fold increase in leukemic blast cells in the peripheral blood. Furthermore, mice that received chemotherapy along with MOZOBIL™ at day 11 had a longer overall survival compared to mice that only received chemotherapy. These results suggest that MOZOBIL may disrupt the interaction of leukemia cells with the bone marrow, making them more sensitive to chemotherapy. Based on this early data, AnorMED plans to initiate a clinical study to evaluate the potential of MOZOBIL™ as a chemosensitizer in leukemia patients.

AMD070

In October 2005, AnorMED expanded its AMD070 CXCR4 Entry Inhibitor clinical program. In addition to a Phase Ib/IIa study for AMD070 being conducted by the U.S. Adult AIDS Clinical Trials Group (ACTG), the Company has initiated patient screening for a new Phase Ib study in HIV patients. This trial, called XACT, will involve two sites, one in the U.S. and the other in the U.K. The trial is similar to the ACTG trial, with a major difference being the fact that patients will not be required to undergo treatment for the 7 days after the 10-day treatment with AMD070.

We plan to report preliminary data on AMD070 at the Conference on Retroviruses and Opportunistic Infections (CROI), meeting in February 2006. In addition, over the next year, we expect to initiate standard drug interaction studies in healthy volunteers, initiate a screening protocol to identify X4-tropic patients (those harbouring virus that uses the CXCR4 chemokine receptor) for the ACTG trial, and complete three-month pre-clinical safety testing with AMD070.

Also, our in house research program continues to make progress in the identification of HIV entry inhibitors targeting the CCR5 receptor and in the optimization of pharmacokinetic parameters for the selection of a lead for clinical development.

Corporate Developments

During the quarter ended June 30, 2005, we incorporated a U.K.-based subsidiary, AnorMED UK Limited. Currently, this wholly-owned subsidiary's sole purpose is to be our legal representative in the E.U. as is now required for carrying on clinical trials in the E.U. The conduct of our E.U. clinical trials will be the responsibility of AnorMED.

In August 2005, Mr. Mark Levonyak joined AnorMED as the Vice President, Marketing. He has over 20 years of experience in pharmaceutical marketing, sales and product launches. From 2000 to 2005, Mr. Levonyak was Vice President, Marketing with Cell Therapeutics, Inc. ("CTI"). At CTI, his responsibilities spanned product management, strategic planning, and market research for CTI's oncology and hematology product portfolio. This portfolio includes TRISENOX®, XYOTAX™, Pixantrone and CT-2106. Prior to CTI, Mr. Levonyak spent 15 years in sales of oncology products with SmithKline Beecham Pharmaceuticals, in the U.S. Mr. Levonyak will be responsible for continuing marketing and commercial development initiatives relating to MOZOBIL™. Mr. Levonyak holds a B.A. in Biological Sciences and Chemistry from California State University.

On November 3, 2005, the United States Securities & Exchange Commission ("SEC") declared our registration statement on Form 40-F effective. In addition, we received approval for the listing of our Common shares on AMEX. Our Common shares began trading on the AMEX on November 4, 2005 under the stock symbol "AOM".

Since the date of our AIF, we have applied for and been granted additional patents in the U.S., bringing our total patents granted and patent applications to 70. Of these, 27 are pending applications and the total U.S. patents granted to us is 43.

CAPITALIZATION

The following table sets forth the capitalization of the Company, as adjusted to give effect to this offering. See "Description of Securities Being Offered".

	Authorized Shares	Outstanding at September 30, 2005 (unaudited)	Outstanding at October 31, 2005 before issue of Common Shares (unaudited)	Outstanding at October 31, 2005 after giving effect to this offering[1] (unaudited)
		(In thousands of Canadian Dollars)		
Shareholders' equity				
Preference shares, without par value	unlimited	--	--	--
Common shares	unlimited	$153,905 (31,870,692 shs)	$153,912 (31,873,692 shs)	$176,912[1] (38,123,692 shs)[2]
Additional paid in Capital		2,333	2,333	2,333
Accumulated deficit[3]		(107,253)	(107,253)	(107,253)
Total shareholders' equity		48,985	48,992	71,992
Total capitalization		$48,985	$48,992	$71,992[4]

Notes:

(1) Reflects the issuance of 6,250,000 Common Shares at a price of $4.00 per share less the Underwriters' fee of $1,250,000 and estimated expenses of the offering of $750,000. See "Plan of Distribution" for further details.

(2) Excludes 3,555,863 Common shares of the Company reserved for issuance upon the exercise of options granted to certain of the Company's executive officers, directors, employees, consultants and members of the Scientific Advisory Board.

(3) As at September 30, 2005.

(4) Upon exercise of the Underwriters' Option of 1,250,000 Common Shares and the exercise of the Over-Allotment Option of 1,125,000 Common Shares at a price of $4.00 per share less the additional Underwriters' fee of $475,000, the total capitalization would be $81,017 and total shares outstanding would be 40,498,692.

From March 31, 2005 to November 22, 2005, the Company has issued 15,800 Common shares for aggregate proceeds of approximately $54,000 pursuant to the Company's Employee Share Purchase Plan, and 31,399 Common shares for aggregate proceeds of approximately $79,000 pursuant to exercises of options granted under the Company's Incentive Stock Option Plan.

RISK FACTORS

Investment in our Common shares involves a high degree of risk and should be regarded as speculative due to the nature of our business and because our product candidates are still in research and development. We have incurred losses and expect to incur further losses.

Prospective investors should carefully consider the risks described below, together with all of the information disclosed in this short form prospectus, including all documents incorporated by reference, prior to making an investment in our Common shares. If any of the following risks materialize, our business, financial condition, results of operations and future prospects will likely be materially and adversely affected. In that event, the market price for our Common shares could decline and you could lose all or part of your investment.

Risks Related to our Business and our Industry

We are at an early stage of development and have not yet demonstrated an ability to successfully overcome the risks and uncertainties associated with our business.

We were founded in 1996 and are at an early stage of development. As a development stage company, we have limited experience and have not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical area. There are inherent risks and uncertainties associated with (i) developing new drug candidates generally and specifically drug candidates that interact with chemokine receptors (the area of cellular and molecular biology where we are primarily focused), (ii) demonstrating the safety and efficacy of these drug

candidates in clinical studies in humans, (iii) obtaining regulatory approval to commercialize these drug candidates, and (iv) obtaining, enforcing and defending patents claiming our inventions and operating without infringing the patents or other intellectual property rights of third parties. In order to execute our business plan, we will need to successfully advance our core products and programs through the development process, select and develop further drug candidates, build and maintain a strong intellectual property portfolio and avoid infringing the intellectual property rights of third parties, develop and maintain successful strategic relationships, manage costs associated with our research and product development plans, conduct preclinical and clinical trials, obtain regulatory approvals and deliver pharmaceutical products to the market. If we are unsuccessful in accomplishing these objectives, we may not be able to develop drug candidates, raise capital, expand our business or continue our operations.

Our drug candidates require time-consuming and costly preclinical and clinical testing and regulatory approvals prior to commercialization.

The development and commercialization of our products, including MOZOBIL™, are subject to extensive regulation by government agencies. These drug regulatory agencies include the U.S. FDA, Health Canada, the European Medicines Agency and country-by-country market regulators in Europe, the Japanese Ministry of Health, Labour and Welfare, the Chinese State Food and Drug Administration, and counterparts of these agencies in other countries. Before we can market a drug product in any of these countries, the applicable regulatory authority in that country must approve a marketing authorization application that we submit for that product. In the United States, the applications for the type of products we are developing are called "New Drug Applications". In some countries there are also provincial, state and other local government agencies with authority over the marketing of drugs in their jurisdictions. Although the U.S., Europe and Japan, together with other nations, have for a number of years been engaged in an ongoing process to harmonize their respective drug testing and marketing authorization approval regulations, there are still substantial variances in these regulations as well as varying scientific and medical opinions among these regulators as to what constitutes proof of safety and efficacy. Consequently, variances among regulatory approval procedures from country to country may, in some circumstances, require us to conduct additional preclinical or clinical studies that could delay or prevent marketing approval of any of our drug candidates on a country-by-country basis. In response to well-publicized recent events relating to the safety of approved drugs, drug regulators around the world are increasing their focus on pharmacovigilance (drug safety) during the conduct of clinical trials as well as following the approval of marketing authorization applications, such as New Drug Applications in the United States. In addition, in the United States and other jurisdictions, the study protocol to be followed, the informed consent form to be signed by patients, the medical ethics of the study, and related matters for any clinical trial to be conducted at any particular medical center must be approved by the institutional review board at that medical center.

Our drug candidates require significant additional preclinical and clinical testing and investment prior to commercialization. Conducting preclinical and clinical trials is a lengthy, time-consuming and expensive process, and the results of these trials are inherently uncertain. We and, where applicable, our collaborators must commit substantial resources to conduct research and clinical trials in order to complete the development of our portfolio of drug candidates. We cannot assure that any of our drug candidates will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs or be successfully marketed. We do not expect our products, with exception of FOSRENOL™, which is commercially available in the U.S., to be commercially available for several years.

Clinical studies and regulatory approvals of our drug candidates are subject to delays and may not be completed or granted on expected timetables, if at all, and such delays may increase our costs and could delay our ability to generate revenue.

The process of completing preclinical and clinical testing and obtaining regulatory approvals generally takes many years and requires the expenditure of substantial resources, and we do not know whether any preclinical or clinical studies by us or our collaborators will be successful, or that regulatory approvals will be received in a timely manner, or at all, for any of our drug candidates under development. The commencement and completion of clinical trials for any of our drug candidates may be delayed or prevented by many factors, many of which are beyond our control, including:

- ineffectiveness of our drug candidate or perceptions that the candidate is not safe or effective for a particular indication;

- data from our preclinical and clinical studies may be subject to varying interpretations by regulators which could result in failure to obtain regulatory approval for any or all of our drug candidates;
- delays or failures in obtaining regulatory clearance to commence a clinical trial;
- delays or failures in obtaining sufficient clinical materials;
- delays or failures in reaching agreement on acceptable clinical trial agreement terms or clinical trial protocols with prospective sites;
- delays or failures in the regulatory process we must follow, such as the IND process in the United States, in order to commence any clinical trial or in obtaining approval of our clinical trial protocols and related matters from institutional review boards;
- slower than expected rates of patient recruitment or failure to reach full enrolment;
- failure of patients to complete the clinical trial;
- death of, or serious adverse effects experienced by, one or more patients during a clinical trial even if the reasons are not related to our drug candidate;
- inability to monitor patients adequately during or after treatment and, where we rely on third parties for data collection and analysis, inability or unwillingness of such third parties to do so in a timely or accurate manner in accordance with our clinical trial protocols or good clinical practices generally;
- inconclusive or negative results as to efficacy and unforeseen safety issues;
- clinical costs that are greater than we anticipate; and
- government or regulatory delays.

Even if we achieve positive interim results in any clinical trials for any of our drug candidates, these results do not necessarily predict final results, and positive results in early trials may not be indicative of success in later trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials, even after promising results in earlier trials. Negative or inconclusive results or adverse medical events during a clinical trial could cause us or any of our applicable collaborators to repeat or terminate a clinical trial or conduct additional trials. We do not know whether our existing or any future clinical trials of our drug candidates will demonstrate safety and efficacy sufficiently to result in marketable products. Any one or more of our clinical trials may be suspended at any time for a variety of reasons, including the occurrence of any events or results that cause us, any of our collaborators or any drug regulatory agency to believe that the patients participating in these trials are exposed to unacceptable health risks or that there are deficiencies in the conduct of these trials. Failures or perceived failures in our clinical trials may directly delay our product development and regulatory approval process, damage our business prospects, make it difficult for us to establish collaborations and negatively affect our reputation and competitive position in the pharmaceutical community.

Even if we receive approval to market any product from any regulatory authorities on the basis of successful clinical studies of that product, following the market introduction of that product we or others may discover safety and efficacy problems not observed in the clinical studies. In this respect, as a condition to granting approval to market any of our products or at any time after granting such approval, one or more regulatory authorities may require us to conduct further studies (referred to as “Phase 4 studies”) to determine the safety and efficacy of the product following market introduction. If such problems arise, one or more regulatory authorities may withdraw the approval for that product or we may otherwise voluntarily withdraw the product from the market.

Despite the time and resources expended by us, regulatory approval of drug candidates is never guaranteed. If any of our development programs are not successfully completed in a timely fashion, required regulatory

approvals are not obtained in a timely fashion, or products for which approvals are obtained are not commercially successful or are ultimately found to not be safe or effective, our business could be seriously harmed.

We have not recorded any revenues from the sale of products, have a history of operating losses and expect to incur additional losses in the future.

To date, we have not recorded any revenues from the sale of products. From our date of incorporation to September 30, 2005, we have accumulated net losses of approximately $107 million. Although we have received certain milestone and royalty payments in the past, we cannot assure you that we will receive any milestone or royalty payments in the future. (For further information see "Narrative Description of the Business – Prior Royalty Agreements" and "Narrative Description of the Business – Corporate Partnerships" in our AIF.) Consequently, we expect losses to increase in the near term as we fund our preclinical and clinical trials and eventually seek regulatory approval for the sale of our products. We expect to continue to incur substantial operating losses unless and until such time as product sales and milestone and royalty payments generate sufficient revenues to fund our continuing operations. We cannot predict if we will ever achieve and sustain profitability.

We need to raise substantial additional financing to fund further research and development, conduct preclinical and clinical studies, and obtain regulatory approvals.

Since inception, we have raised approximately $140 million, net of offering costs, from the sale of equity securities in private placements and public offerings. We will require substantial additional funds to fund further research and development, conduct planned preclinical and clinical trials and obtain regulatory approvals. Further funding for these purposes may be achieved through public or private equity or debt financings, collaborative arrangements with pharmaceutical companies and/or from other sources. We have no established bank financing arrangements, and there can be no assurance that we will be able to establish such arrangements on satisfactory terms. There can be no assurance that additional funding will be available at all or on acceptable terms to permit successful commercialization of our products. If adequate funds are not available, we may be required to delay, reduce the scope of, or eliminate one or more of our research or development programs or commercialization efforts.

Our success will depend, in part, on our ability to obtain and protect patents and other intellectual property rights for our drug candidates.

Our success will depend, in part, on our ability to obtain and enforce patents and other intellectual property rights and maintain trade secret protection. We have filed and are actively pursuing applications for patents in the United States, Canada, various countries in Europe, Japan and other countries. The patent rights of biotechnology and pharmaceutical companies can be highly uncertain and involve complex legal and factual questions. Thus, we cannot assure that any of our patent applications will result in the issuance of patents, that we will develop additional proprietary products that are patentable, that any patents issued to us or those that already have been issued will provide us with any competitive advantages or will not be challenged by any third parties, that the patents of others will not impede our ability to do business or that third parties will not be able to circumvent our patents. Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of our products not under patent protection, or design around the inventions we claim in any of our existing patents, existing patent applications or future patents or patent applications.

A number of pharmaceutical and biotechnology companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that are related to or affect our business. Some of these technologies, applications or patents may conflict with our technologies or patent applications. Such conflict could limit the scope of the patents, if any, that we may be able to obtain or result in the denial of our patent applications.

Patent applications in the United States are maintained in secrecy and not published if either: (i) the application is a provisional application or, (ii) the application is filed and we request no publication, and certify that the invention disclosed "has not and will not" be the subject of a published foreign application. Otherwise, U.S. applications or foreign counterparts, if any, publish 18 months after the priority application has been filed. Since publication of discoveries in the scientific or patent literature often lag behind actual discoveries, we cannot be certain that we or any of our licensors were the first creator of inventions covered by pending patent applications or that we or such licensor was the first to file patent applications for such inventions. Moreover, we might have to

participate in interference proceedings declared by the U.S. Patent and Trademark Office to determine priority of invention or opposition proceedings in the European Patent Office to determine whether any patent issued to us or any third party should be maintained, amended or revoked, which could result in substantial cost to us, even if the eventual outcome were favourable to us. There can be no assurance that our patents, if issued, would be held valid or enforceable by a court or that a competitor's technology or product would be found to infringe such patents.

Much of our know-how and technology may not be patentable. To protect our rights, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance, however, that these agreements will provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure. Further, our business may be adversely affected by competitors who independently develop competing technologies, especially if we obtain no, or only narrow, patent protection. (For further information see "Narrative Description of the Business - Intellectual Property" in our AIF.)

Our success will depend, in part, on our ability to operate without infringing the intellectual property rights of others.

Our success will depend, in part, on our ability to operate without infringing the patents and other proprietary rights of third parties. Infringement proceedings in the pharmaceutical and biotechnology industries can be lengthy, costly and time-consuming and their outcome is uncertain. If we become involved in any patent litigation, interference, opposition or other administrative proceedings, we may incur substantial expense and the efforts of our technical and management personnel may be significantly diverted. As a result of such litigation or proceedings we could lose our proprietary position and be restricted or prevented from developing, manufacturing and selling the affected products, incur significant damage awards, including punitive damages, or be required to seek third-party licenses. If patents that cover our activities are issued to other companies, we cannot assure that we would be able to obtain licenses to these patents at a reasonable cost or be able to develop or obtain alternative technology. We cannot assure that that any such licenses required under third-party patents or proprietary rights would be made available, if at all, on terms we find acceptable. If we need but cannot obtain such licenses on terms that are acceptable to us, we could encounter delays in the introduction of our products or be prohibited from developing, manufacturing, using, selling or otherwise commercializing our own products.

We may incur substantial costs, delays and difficulties in complying with government regulations, including drug manufacturing regulations and environmental regulations.

The manufacture and sale of human therapeutic and diagnostic products in countries around the world, including those in North America, Europe and Asia, are governed by a variety of statutes and regulations. In addition to the statutes and regulations described above relating to the preclinical and clinical studies that we must conduct to demonstrate the safety and efficacy of our drug candidates, we must also comply with statutes and regulations relating to current Good Manufacturing Practices (cGMP), that regulate the production and storage of drugs, the control of advertising, labelling and other marketing activities, the protection of the environment, and the protection of occupational safety and health of manufacturing personnel.

We believe that the manufacturing processes and facilities by and in which the drug candidates that we are currently studying in clinical trials are manufactured and stored comply with cGMP as adopted by the FDA, Health Canada, the EMEA and Europe national drug regulatory agencies, and counterparts of these regulatory agencies in other countries. Under cGMP, the manufacturing processes and facilities in which our drug candidates are manufactured and stored are subject to periodic review by the FDA, Health Canada and, in the case of the EMEA, authorized third parties. We cannot assure, however, that any of these processes, facilities or future such processes or facilities that we utilize will remain in or be able to achieve such compliance. The failure to comply with cGMP of any of the processes or facilities by or in which our drug candidates are manufactured or stored is more than likely to result in our failure to obtain or maintain regulatory approval to market the applicable drug candidate or product. In the United States, the FDA has been engaged during the past several years in revising its cGMP regulatory program to encourage the early adoption of new technological advances by the pharmaceutical industry, facilitate industry application of modern quality management techniques, including implementation of quality systems approaches, to all aspects of pharmaceutical production and quality assurance, encourage implementation of risk-based approaches that focus on critical areas, ensure that regulatory review and inspection policies are based on state-of-the-art pharmaceutical science, and enhance the consistency and coordination of the FDA's drug quality

regulatory programs, in part, by integrating enhanced quality systems approaches into the FDA's business processes and regulatory policies concerning review and inspection activities. This program, as well as similar programs under consideration by drug regulators in other countries, may result in revisions in the cGMP regulations in the United States and elsewhere that require us or any third party contract manufacturers that we use to modify the facilities in which our drug candidates are manufactured and stored. We cannot assure that we will be able to do so if so required.

Our discovery and development processes also involve the controlled use of hazardous and radioactive materials. We are subject to federal, provincial and local laws and regulations governing the use, manufacture, storage, handling and disposal of such materials and certain waste products. Although we believe that our safety procedures for handling and disposing of such materials comply with the standards prescribed by such laws and regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, we could be held liable for any damages that result and any such liability could exceed our resources. We are not specifically insured with respect to this liability. Although we believe that we are in compliance in all material respects with applicable environmental laws and regulations and currently do not expect to make material capital expenditures for environmental control facilities in the near-term, we cannot assure that we will not be required to incur significant costs to comply with environmental laws and regulations in the future, or that our operations, business or assets will not be materially adversely affected by current or future environmental laws or regulations.

We currently face and will continue to face significant competition.

We are engaged in a rapidly changing field. Other products and therapies that will compete directly with the products that we are seeking to develop and market currently exist or are being developed. Competition from fully integrated pharmaceutical companies and more established biotechnology companies is intense and is expected to increase. Most of these companies have significantly greater financial resources and expertise in discovery and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and marketing than ourselves. Smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with large pharmaceutical and established biotechnology companies. Many of these competitors have significant products that have been approved or are in development and operate large, well-funded discovery and development programs. Academic institutions, governmental agencies and other public and private research organizations also conduct research, seek patent protection and establish collaborative arrangements for therapeutic products and clinical development and marketing. These companies and institutions compete with us in recruiting and retaining highly qualified scientific and management personnel. In addition to the above factors, we will face competition based on product efficacy and safety, the timing and scope of regulatory approvals, availability of supply, marketing and sales capability, reimbursement coverage, price and patent position. We cannot assure that our competitors will not develop more effective or more affordable products, or achieve earlier patent protection or product commercialization, than our own.

Other companies may succeed in developing products earlier than ourselves, obtaining government regulatory approvals for such products more rapidly than we will, or in developing products that are more effective than products we propose to develop. While we will seek to expand our technological capabilities in order to remain competitive, there can be no assurance that research and development by others will not render our technology or products obsolete or non-competitive or result in treatments or cures superior to any therapy we develop, or that any therapy we develop will be preferred to any existing or newly developed technologies. (For further information see “Narrative Description of the Business - Competition” in our AIF.)

We may not succeed at establishing a successful commercialization program for any of our products either through resources that we will have to establish or through outsourcing contracts with third parties.

We have not yet introduced any products to market and have limited manufacturing, sales, marketing and distribution experience. To develop internal sales, distribution and marketing capabilities, we would have to invest significant amounts of financial and management resources. If we decide to perform sales, marketing and distribution functions for certain drugs ourselves, we would face a number of risks, including:

- we may not be able to build a significant marketing or sales force;

- the cost of establishing, training and providing oversight for a marketing or sales force may not be justifiable in light of the revenues generated by any particular product;
- our sales and marketing efforts may not be successful; and
- there are significant legal and regulatory risks in drug marketing and sales that we have never faced, and any failure to comply with legal and regulatory requirements for sales, marketing and distribution could result in enforcement action by drug regulatory authorities, such as the FDA or Health Canada, that could jeopardize our ability to market the product or subject us to liability.

If we rely on third parties to launch and market our drug candidates, if approved, we may have limited or no control over the sales, marketing and distribution activities of these third parties and our future revenue may depend on the success of these third parties. In addition, if these parties fail to comply with applicable regulatory requirements, the FDA, Health Canada or other authorities could take enforcement action that could jeopardize our ability to market the drug candidate.

We believe that there will be many different applications for our products. We also believe that the anticipated market for our products will continue to expand. However, these assumptions may prove to be incorrect for a variety of reasons, including competition from other products and the degree of our products' commercial viability.

Our success depends, in part, on our ability to obtain raw materials and manufacture products in commercial quantities at acceptable costs.

To be commercially successful, our drug candidates, if approved, must be manufactured in commercial quantities in compliance with regulatory requirements and at acceptable costs. In order to manufacture any of our products in commercial quantities, if we elect to do so, we will need to develop our own manufacturing facilities or contract with third parties to do so. We cannot assure that we will be able to make the transition to commercial production of any of our products either by manufacturing them on our own or through contract manufacturers.

In addition, production of our products may require raw materials for which the sources and amount of supply are limited or could be limited in the future. Any inability to obtain adequate supplies of such raw materials on acceptable terms, could significantly delay the development, regulatory approval and marketing of our products.

If we fail to hire and retain key management and scientific personnel, we may be unable to successfully implement our business plan.

We are dependent on certain members of our management and scientific staff, the loss of services of one or more of whom could materially adversely affect us. Currently, six members of our management and scientific staff are permitted to work in Canada pursuant to employment authorizations issued by Immigration Canada. Employment authorizations are required to be renewed periodically. We cannot assure that these employment authorizations will be renewed.

Our ability to manage growth effectively will require us to continue to implement and improve our management systems and to recruit and train new employees. Although we have done so in the past and expect to do so in the future, we cannot assure that we will be able to successfully attract and retain skilled and experienced personnel.

Healthcare reform and cost control initiatives by third-party payors could reduce the prices that can be charged for drugs, which could limit the commercial success of our drug candidates and reduce or revenues and profitability.

Our ability to commercialize products successfully will depend in significant part on the extent to which reimbursement for the cost of such products and related treatments will be available from government health administration authorities, private health coverage insurers and other organizations. Both the federal and state governments in the United States, federal and provincial governments in Canada and governments in other countries continue to propose and pass new legislation, rules and regulations affecting third-party payors' coverage and

reimbursement policies, which are designed to contain or reduce the cost of health care. There may be future changes that result in reductions in current coverage and reimbursement levels for the type of products we are developing, and we cannot predict the full scope of the changes or the impact that those changes would have on our operations. In addition, third-party payors in the United States and elsewhere are increasingly challenging the price and cost-effectiveness of medical products and services. Significant uncertainty exists as to the coverage and reimbursement status of newly approved healthcare products, and we cannot assure that adequate third-party coverage will be available to establish price levels sufficient for us to realize an appropriate return.

We may incur losses associated with foreign currency fluctuation and may not be able to effectively hedge our exposure.

We maintain our accounts in Canadian dollars. A portion of our revenue and expenditures are in foreign currencies, most notably in U.S. dollars, and therefore we are subject to foreign currency fluctuations, which may, from time to time, impact our financial position and results. We currently do not hedge for foreign currency fluctuations. In the future, we may enter into hedging arrangements under specific circumstances, typically through the use of forward or futures contracts, to minimize the impact of decreases in the value of the U.S. dollar.

If product liability lawsuits are successfully brought against us, we will incur significant liabilities and may be required to limit the commercialization of our product candidates.

Our business exposes us to potential product liability risks, which are inherent in the testing, manufacturing, marketing and sale of therapeutic products. Human therapeutic products involve an inherent risk of product liability claims and associated adverse publicity. While we will continue to take precautions we deem appropriate, there can be no assurance that we will be able to avoid significant product liability exposure.

Our success may depend, in part, on our ability to maintain adequate insurance at acceptable costs.

We have product liability insurance coverage to a maximum of $5 million per incident and an aggregate of $10 million. Such insurance is expensive, difficult to obtain and may not continue to be available on acceptable terms, if at all. An inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of our current or potential products. A product liability claim brought against us in a clinical trail or a product withdrawal could have a material adverse effect upon us and our financial condition.

If we are not successful in establishing and maintaining existing and additional collaborations with third parties, our business will be adversely affected.

Our strategy is to enter into various arrangements with corporate and academic collaborators, licensors, licensees and others for the research, development, clinical testing, manufacturing, marketing and commercialization of our products. To date, we have also entered into research collaborations for the potential development and commercialization of our product candidates with pharmaceutical firms, pursuant to which we could receive additional funding, including milestone payments from those parties. We intend to enter into additional corporate partnering agreements to develop and commercialize products based upon our products and technology. We cannot assure, however, that we will be able to establish such additional collaborations on favourable terms, if at all, or that our current or future collaborative arrangements will be successful.

Should any collaborative partner fail to develop or commercialize successfully any product to which we have rights, or any of the partner's products to which we have rights, our business may be adversely affected. In addition, while we believe that our collaborative partners will have sufficient economic motivation to continue their funding, we cannot assure that any of these collaborations will be continued or result in successfully commercialized products. Failure of a collaborative partner to continue funding any particular program could delay or halt the development or commercialization of any products arising out of such program. In addition, we cannot assure that the collaborative partners will not pursue alternative technologies or develop alternative products either on their own or in collaboration with others, including our competitors, as a means for developing treatments for the diseases and conditions targeted by our programs.

Risks Related to our Common shares and this Offering

Further equity financing may substantially dilute the interests of our shareholders.

We will require substantial additional funds to fund further research and development, conduct planned preclinical and clinical trials and obtain regulatory approvals. If we raise additional funding by issuing additional equity securities, such financing may substantially dilute the interests of our shareholders and reduce the value of their investment.

Our Common shares may experience price and volume fluctuations and the market price for our Common shares after this offering may drop below the price you pay.

The market price of our Common shares could be subject to significant fluctuations after this offering, and may decline below the public offering price. Market prices for securities of early stage companies like ours have historically been particularly volatile. As a result of this volatility, you may not be able to sell your Common shares at or above the offering price. The market price of our Common shares may fluctuate substantially due to a variety of factors, many of which are beyond our control, including:

- announcements concerning the results of clinical trials for our drug candidates;
- announcements regarding regulatory approval or rejection of New Drug Applications in the United States and marketing authorization applications in other countries, if any, that we file for any of our drug candidates;
- market acceptance of each of our products, if approved for marketing by government regulators;
- the amount of reimbursement for our products under government programs, such as Medicare and Medicaid in the United States, and by other third party payors, as well as the prices for our products that we are able to negotiate with government regulators in those countries where we are required to do so;
- the need to recall any of our products after they have been approved and introduced into the market;
- reports and publications by drug regulatory, health or medical authorities, academic or other researchers, the media or other third parties regarding the potential benefits, side effects or other disadvantages of our drug candidates in particular, the general type of products we are developing, or biopharmaceutical products in general;
- announcements of technological innovations or new products by us or our competitors;
- announcements concerning our competitors or the biopharmaceutical industry in general;
- new regulatory pronouncements and changes in regulatory guidelines;
- the timing of our achievement, if at all, of profitability and positive cash flow from operations;
- actual or anticipated variations in our quarterly operating results; and
- changes in financial estimates or recommendations by securities analysts, or the failure to meet or exceed securities analyst recommendations.

The market prices of securities of pharmaceutical and biotechnology companies have been highly volatile and are likely to remain highly volatile in the future. This volatility has often been unrelated or disproportionate to the operating performance of the particular companies. These broad market fluctuations could result in extreme fluctuations in the price of our Common shares, which could cause a decline in the value of a shareholder's investment.

In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm our profitability and reputation.

We do not expect to pay dividends on our Common shares in the foreseeable future.

We have never paid cash dividends on our Common shares. We currently intend to retain our future earnings, if any, to fund the development and growth of our business, and do not anticipate paying any cash dividends on our Common shares for the foreseeable future. As a result, you will have to rely on capital appreciation, if any, to earn a return on your investment in our Common shares in the foreseeable future. Furthermore, we may in the future become subject to contractual restrictions on, or prohibitions against, the payment of dividends.

We have discretion in the use of the net proceeds from this offering.

We currently intend to allocate the net proceeds we will receive from this offering as described below under "Use of Proceeds". However, our management will have discretion in the actual application of the net proceeds, and we may elect to allocate proceeds differently from that described in "Use of Proceeds" if we believe it would be in our best interests to do so. Our shareholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds. The failure by our management to apply these funds effectively could have a material adverse effect on our business.

Sales of substantial amounts of our securities may have an adverse effect on the market price of our securities.

Sales of substantial amounts of our securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for our securities. A decline in the market prices of our securities could impair our ability to raise additional capital through the sale of securities should we desire to do so.

We follow corporate governance requirements of Canadian corporate and securities laws.

Non-Canadian residents holding our Common shares should be aware that we follow the corporate governance requirements of applicable Canadian corporate and securities laws which may differ from corporate governance requirements under laws applicable in their place of residence. In addition, although we substantially comply with the corporate governance guidelines of AMEX, we have obtained exemptions from AMEX permitting us to follow the shareholder meeting quorum requirements of our bylaws, which provide that a quorum is met by two persons holding or representing not less than 10% of the outstanding voting shares (as compared to 33 1/3% under AMEX requirements), and permitting the chair of our Board of Directors to serve on our Nominating and Compensation Committees, notwithstanding the fact that the chair is considered an officer under our governing corporate statute and therefore not independent under AMEX requirements.

USE OF PROCEEDS

The estimated net proceeds to the Company from the issue and sale of the Common Shares (excluding the sale of any Common Shares to be issued on exercise of the Underwriters' Option and the Over-Allotment Option) will be approximately $23,000,000 after deducting the estimated expenses of the offering, including the Underwriters' fee. The Company currently intends to use the estimated net proceeds of the offering, primarily to fund Phase II and Phase III trials for MOZOBIL™ as a potential new agent for peripheral blood stem cell transplant in cancer patients and Phase II trials as a potential stem cell agent to help repair damaged heart tissue in heart attack patients, for the ongoing development of AMD070, a CXCR4 chemokine antagonist for the treatment of HIV, for the development of additional CCR5 HIV entry inhibitors, and for general corporate purposes.

The amount actually expended for the purposes described above could vary significantly depending on, among other things, the progress of the Company's research and development programs, regulatory approvals,

technological advances, the commercial potential of the Company's products, the terms of any collaborative arrangements entered into by the Company and the status of competitive products.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, the only persons who own beneficially, directly or indirectly, or exercise control or direction over, 10% or more of the Common shares of the Company as at the date of this short form prospectus are set forth below:

Name and Municipality of Residence	Number of Common Shares Owned or Over Which Control or Discretion is Exercised	Percentage of Class Before Giving Effect to Issue of Common Shares	Percentage of Class After Giving Effect to Issue of Common Shares[1] [2]
Baker Biotech Fund I, L.P., Baker Biotech Fund II, L.P., Baker/Tisch Investments, L.P., Baker Bros. Investments L.P., Baker Bros. Investments II, L.P., Baker Biotech Fund II (Z), L.P., Baker Biotech Fund III, L.P., Baker Biotech Fund III (Z), L.P. and 14159, L.P., New York, New York (collectively, the "Baker Funds")	6,271,500	19.7%	15.5%

Notes:

(1) Includes the Common Shares issuable upon exercise of the Underwriters' Option and the Over-Allotment Option.

(2) The Company understands that the Baker Funds may acquire 3,140,000 Common Shares pursuant to this offering. If the Baker Funds acquire 3,140,000 Common Shares, upon completion of the offering they will collectively hold 24.7% of the Common shares of the Company, assuming neither the Underwriters' Option nor the Over-Allotment Option are exercised, and 23.2% of the Common shares, assuming the full exercise of the Underwriters' Option and the Over-Allotment Option.

PLAN OF DISTRIBUTION

Under an agreement (the "Underwriting Agreement") dated as of November 22, 2005 between the Company and Raymond James Ltd., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Canaccord Capital Corp. (collectively, the "Underwriters") as underwriters, the Company has agreed to sell, and the Underwriters have agreed to purchase on December 8, 2005 or on such later date as the Company and the Underwriters may agree (the "Closing Date"), 6,250,000 Common Shares at a price of $4.00 per Common Share payable in cash to the Company against delivery. The Company also granted to the Underwriters the Underwriters' Option to purchase up to an additional 1,250,000 Common Shares at $4.00 per Common Share. The Underwriters' Option is exercisable, in whole or in part in the sole discretion of the Underwriters, at any time until 48 hours prior to the closing of the offering. The Company has also granted to the Underwriters the Over-Allotment Option, exercisable, in whole or in part in the sole discretion of the Underwriters, for a period of 30 days following the Closing Date of the offering, to purchase at $4.00 per Common Share in an amount up to 15% of the aggregate number of Common Shares issued upon the closing of the offering. This short form prospectus also qualifies the grant of the Underwriters' Option and the Over-Allotment Option, and the distribution of the Common Shares issuable upon exercise of the Underwriters' Option and the Over-Allotment Option.

The obligations of the Underwriters under the Underwriting Agreement may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement. The offering price of the Common Shares has been determined by negotiation between the Company and the Underwriters.

Under the Underwriting Agreement, the Company agreed to pay to the Underwriters a fee equal to 5% of the gross proceeds from the issue and sale of the Common Shares, to reimburse the Underwriters for certain expenses relating to this offering and to indemnify the Underwriters against certain liabilities. The Company further agreed that it will not, for a period of 90 days from the Closing Date without prior written consent of the

Underwriters, issue or sell, or announce any intention to sell, any Common shares of the Company or securities convertible or exchangeable into Common shares of the Company, subject to certain exceptions.

The Company has applied to list the Common Shares distributed under this prospectus on the TSX and AMEX. Listing will be subject to the Company fulfilling all of the requirements of the TSX and AMEX.

Pursuant to the policies of the Ontario Securities Commission and the Commission des valeurs mobilières du Québec, the Underwriters may not, throughout the period of distribution under this prospectus, bid for or purchase Common shares of the Company. The foregoing restriction is subject to certain exceptions. The Underwriters may rely on such exceptions on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common shares of the Company. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities. Subject to the foregoing, the Underwriters may over-allot or effect transactions in connection with this offering intended to stabilize or maintain the market price of the Common shares of the Company at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Common Shares to be issued have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state, and may not be offered or sold within the United States; except that the Underwriters may, acting as placement agents, through certain of their qualified U.S. broker-dealer affiliates, offer Common Shares to "institutional accredited investors" as defined in Rule 501(a)(1), (2), (3), (7) or (8) under the 1933 Act and we may sell Common Shares directly to qualified substituted purchasers in transactions that comply with exemptions from registration under the 1933 Act.

This prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Common Shares in the United States. The Underwriters have agreed that, except in certain transactions exempt from the registration requirements of the 1933 Act as specified in the Underwriting Agreement, they will not offer or sell within the United States, the Common Shares as part of their distribution. The Underwriters have further agreed that all offers and sales of the Common Shares outside the United States will be made in compliance with Rule 903 of Regulation S under the 1933 Act, or in compliance with other applicable exemptions from registration thereunder.

In addition, until 40 days after the commencement of the offering, any offer or sale of Common Shares offered hereby within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an available exemption under the 1933 Act.

Certificates representing any securities which are sold in the United States will bear a legend to the effect that the securities represented thereby are not registered under the 1933 Act and may only be offered pursuant to certain exemptions from the registration requirements of the 1933 Act as specified in such legend.

DESCRIPTION OF SECURITIES BEING OFFERED

The authorized capital of the Company consists of an unlimited number of Common shares and an unlimited number of preferred shares ("Preferred Shares"), of which 31,876,692 Common shares and no Preferred Shares are issued and outstanding as of the date of this short form prospectus.

All of the Common shares of the Company rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders of the Common shares are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at such meetings. Each Common share of the Company carries with it the right to one vote.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of its assets, the holders of the Common shares of the Company will be entitled to receive on a pro rata basis, all of the assets of the Company remaining after payment of all of the Company's liabilities, subject to the rights of the holders of Preferred Shares. The Common shares of the Company carry no pre-emptive, exchange or conversion rights.

Subject to the rights of the holders of Preferred Shares, the holders of Common shares of the Company are entitled to receive on a pro rata basis such dividends as the board of directors of the Company may declare out of funds legally available therefor. For particulars on the Company's dividend policy, see "Dividends and Dividend Policy" in the Annual Information Form incorporated herein by reference.

Provisions as to the modification, amendment or variation of the rights attached to the Common shares of the Company are contained in the Company's articles and the *Canada Business Corporations Act*. Generally speaking, substantive changes to the share capital require the approval of the shareholders by special resolution (at least 2/3 of the votes cast).

If Preferred Shares were outstanding, the holders of such shares would be entitled priority over the Common shares of the Company in the distribution of assets of the Company on a liquidation, dissolution or winding-up of the Company or other distribution of its assets and in the entitlement to dividends.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to the applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

LEGAL MATTERS

Certain Canadian legal matters relating to the issue and sale of the Common Shares will be passed upon for the Company by Fasken Martineau DuMoulin LLP and for the Underwriters by Farris, Vaughan, Wills & Murphy. As at November 24, 2005, partners of Fasken Martineau DuMoulin LLP and Farris, Vaughan, Wills & Murphy LLP as a group, own less than 1% of the outstanding Common shares of the Company.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditors of the Company are KPMG LLP, 777 Dunsmuir Street, Vancouver, British Columbia, Canada, V7Y 1K3.

The registrar and transfer agent for the Common shares is Computershare Trust Company of Canada at its principal offices in Vancouver and Toronto.

EXPERTS

The audited consolidated financial statements of the Company as at March 31, 2005 and 2004, and for each of the years in the three year period ended March 31, 2005 incorporated by reference in this short form prospectus have been so incorporated in reliance on the report of KPMG LLP, independent chartered accountants, and the authority of such firm as experts in auditing and accounting.

CERTIFICATE OF THE COMPANY

DATED: November 24, 2005

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. For the purpose of the Province of Quebec, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

(Signed) MICHAEL J. ABRAMS
President and
Chief Executive Officer

(Signed) WILLIAM J. ADAMS
Vice President, Finance,
Chief Financial Officer,
Treasurer and Secretary

On Behalf of the Board of Directors

(Signed) WILLEM WASSENAAR
Director

(Signed) JULIA LEVY
Director

CERTIFICATE OF THE UNDERWRITERS

DATED: November 24, 2005

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. For the purpose of the Province of Quebec, to our knowledge, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

RAYMOND JAMES LTD.

By: (Signed) PATRICK J. WOLFE

BMO NESBITT BURNS INC.

By: (Signed) ANDREW B. MCLENAN

CIBC WORLD MARKETS INC.

By: (Signed) MARC LÉTOURNEAU

CANACCORD CAPITAL CORP.

By: (Signed) STEVEN L. WINOKUR

AUDITORS' CONSENT

The Board of Directors of AnorMED Inc.

We have read the short form prospectus dated November <*>, 2005 relating to the sale and issue of common shares of the Company. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the use by incorporation by reference in the above-mentioned short form prospectus, of our report to the shareholders of the Company on the balance sheets of the Company as at March 31, 2005 and 2004 and the statements of operations, changes in shareholders' equity and cash flows for each of the years in the three-year period ended March 31, 2005. Our report is dated May 6, 2005.

(<*>) KPMG LLP

Chartered Accountants

Vancouver, Canada
<*>, 2005