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MethylGene Announces Plan to Reincorporate in the United States as Mirati Therapeutics, Inc. and List on the NASDAQ

Montreal, Canada, May 9, 2013 – [MethylGene Inc.](#) (“MethylGene”)(TSX:MYG) today announced that its Board of Directors (the “Board”), after careful analysis, consideration and advice from its legal, tax and accounting advisors, has unanimously approved a proposal to change MethylGene’s jurisdiction of incorporation from the federal jurisdiction of Canada to the State of Delaware in the United States of America by way of a court-approved plan of arrangement (the “Arrangement”).

Under the Arrangement, MethylGene will create a holding corporation, Mirati Therapeutics, Inc. (“Mirati”), incorporated in the State of Delaware, and Mirati will become the ultimate parent corporation of MethylGene and its subsidiaries. Concurrently with the Arrangement, Mirati is making an application to list its shares of common stock (“Mirati Shares”) on the NASDAQ Capital Market (“NASDAQ”), which we anticipate will result in the Mirati Shares being listed on both NASDAQ and the Toronto Stock Exchange (“TSX”) for a period of time. In connection with the NASDAQ listing, we will file with the Securities and Exchange Commission in the United States a registration statement on Form 10 for the purpose of registering the Mirati Shares under Section 12(g) of the Securities Exchange Act of 1934, as amended.

The Arrangement is subject to the approval of the Ontario Superior Court of Justice (the “Court”) and satisfaction or waiver of the conditions to closing set out in the arrangement agreement between the Corporation and Mirati dated May 8, 2013 (the “Arrangement Agreement”). In order to proceed and in addition to approval by the Court, a special resolution approving the Arrangement (the “Arrangement Resolution”) must be approved at the Meeting (as defined herein) by two-thirds of the votes cast by the shareholders of MethylGene (“Shareholders”), present in person or represented by proxy.

The annual and special meeting of Shareholders (the “Meeting”) to approve, among other things, the Arrangement Resolution, will be held on June 25, 2013 at 10:00 a.m. Toronto time (EDT), in the Grand Boardroom of the offices of Stikeman Elliott LLP at 1155 René-Lévesque Blvd. West, 40th Floor, Montréal, Québec. Shareholders of record as of the close of business May 16, 2013, will be entitled to receive notice of and vote at the Meeting.

The Board and management of MethylGene believe that the proposed Arrangement is in the best interests of MethylGene and, accordingly, recommend that Shareholders vote FOR the Arrangement Resolution. The Board determined that the Arrangement is in the best interests of MethylGene primarily due to the belief and rationale that the Arrangement should:

- improve Mirati’s ability to attract financing in the larger U.S. capital markets from a greater number of U.S. investors with investment interest in the biopharmaceutical industry, which has been where the majority of our investors in recent financings have come from;
- enhance the marketability of our capital stock by raising our profile in the United States, which is where over 90% of our Shareholders reside;
- ultimately improve the trading liquidity of the Mirati Shares compared to the current trading of the common shares of MethylGene (the “Common Shares”) on the TSX, through the combination of the additional listing on the NASDAQ, potentially lower Shareholder transaction costs and increased interest from institutional investors;
- eliminate potentially adverse “passive foreign investment company” tax issues for certain Shareholders who are U.S. citizens or resident in the United States; and
- provide greater opportunity to attract and retain key personnel.

The Board chose the State of Delaware because Delaware has a modern and flexible corporate code, well-developed corporate law and a court system with considerable expertise in dealing with corporate issues. In connection with the Arrangement, we intend to locate our corporate headquarters in the San Diego, California area, a major biotechnology center.

Upon completion of the Arrangement, it is anticipated that each Shareholder will receive one Mirati Share for every 50 Common Shares held, which will have the effect of a 1 for 50 reverse split of our Common Shares. Subject to adjustment for fractional shares and dissent rights, the Arrangement should have no material effect on the relative ownership and voting interests of Shareholders. In addition, all outstanding options and common share purchase warrants of MethylGene will become exercisable for Mirati Shares and their terms will be proportionately adjusted to reflect the 1 for 50 effective reverse split.

A management proxy circular (the “Circular”) in connection with the solicitation of proxies for the Meeting is expected to be mailed to Shareholders on approximately May 24, 2013, and will contain further details with respect to the Arrangement and

proposed NASDAQ listing. The foregoing description of the Arrangement does not purport to be complete and is qualified in its entirety by reference to the Circular and the copy of the Arrangement Agreement, which will be available at www.sedar.com. MethylGene cautions Shareholders and others considering trading in securities of MethylGene that the Arrangement is subject to certain material conditions, some of which are beyond MethylGene's control, including TSX, Shareholder and Court approval, and there can be no assurance that the Arrangement and the transactions contemplated therein, or any other transaction, will be completed. The transaction is expected to be completed in early July 2013.

About MethylGene

MethylGene is a publicly-traded biopharmaceutical company engaged in the development and commercialization of novel therapeutics for the treatment of cancer. Our compounds result from internal chemistry efforts targeting the active sites of enzymes that are key drivers of tumor growth. Our clinical development programs are focussed on treating patients with tumor types that are selected for high levels of expression of these targets in order to most effectively address unmet needs in oncology. Our lead program in clinical development is MGCD265, a multi-targeted small molecule kinase inhibitor for treatment of oncology patients with solid tumors. We are also evaluating development opportunities for pipeline programs mocetinostat, a selective HDAC inhibitor and MGCD516, a kinase inhibitor with a distinct target profile.

Notice to Investors

This news release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities.

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