

ASX ANNOUNCEMENT

Encouraging Results from Safety Test

- **No signs of toxicity in mice after repeatedly injecting with therapeutic doses of RECCE® 327**

Perth, Western Australia, 25 May 2016 – Recce Ltd (ASX: RCE) the developer of a new class of patented drugs targeted at antibiotic and anti-cancer human applications, is pleased to announce no signs of toxicity were observed during a safety test on mice conducted by an independent (FDA registered) Contract Research Organisation in USA.

This is the third favourable, safety result completed by independent USA laboratories.

During the test reported today, five mice were injected with RECCE® 327 at the dosage of 70 mg/kg of mouse, every second day over a 10 day period i.e. each mouse was injected with 70 mg/kg of mouse of RECCE® 327 on days 1, 3, 5, 7 and 9.

The purpose of the test was to determine whether continued doses of RECCE® 327 (known to be therapeutic from a single dose) would have any adverse impacts on the mice. In determining whether RECCE® 327 was toxic, the mice were observed for:

- Morbidity (twice daily) – visual signs of deteriorating health e.g. ruffling of fur, inactivity ;
- Mortality (twice daily) – death of the mouse; and
- Body Weight (once daily) – especially decrease in the order of 25%.

During this test **no mice died, all mice remained visually healthy** and the **mice's body weights remained substantially stable**.

The table below shows the recorded weight of each mouse during treatment with RECCE® 327.

TABLE 1 - Tolerability Study of RECCE® 327 when Given by Intravenous Injection to Female Naïve Athymic Nude Mice

	Measurement Day					
	0	1	3	5	7	9
Mouse 1 - grams	22.6	22.6	22.4	22.5	22.7	22.4
Mouse 2 - grams	26.0	25.3	26.0	26.0	25.8	25.4
Mouse 3 - grams	23.2	23.3	23.6	24.8	25.0	25.3
Mouse 4 - grams	23.7	23.7	24.0	24.8	24.9	25.1
Mouse 5 - grams	21.6	21.3	21.6	22.3	22.4	22.4
Mean Weight - grams	23.4	23.3	23.5	24.2	24.2	24.1
Standard deviation	1.64	1.50	1.70	1.61	1.50	1.60



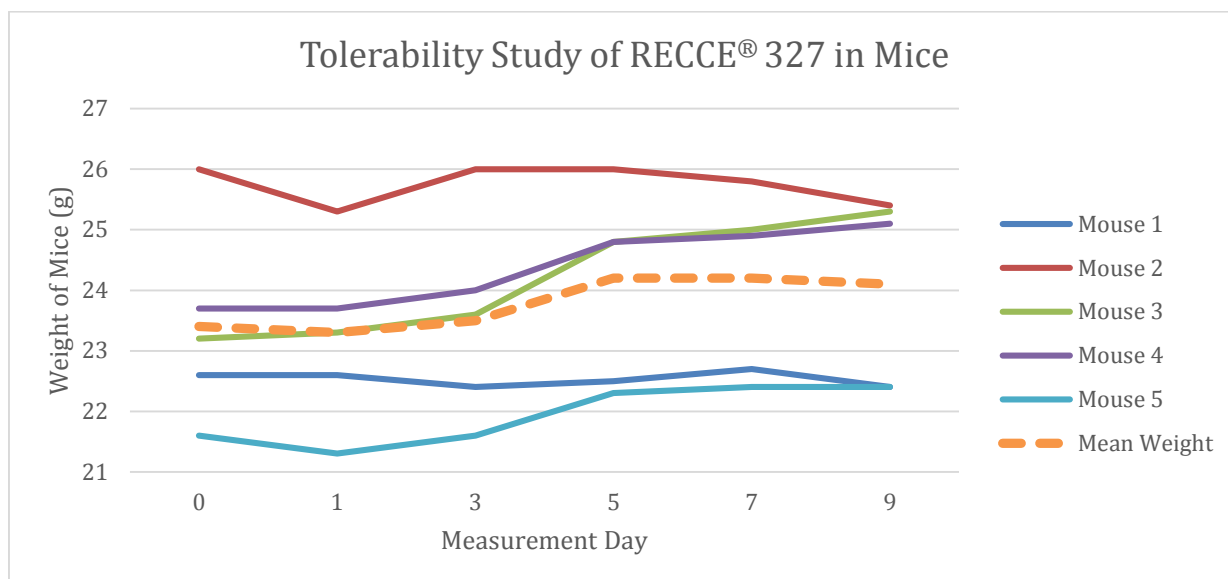
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The following shows graphically, the same information contained in Table 1 above



At the conclusion of the test, the Study Director commented “There are no signs of toxicity”.

The result from this test is significant because this dosage of RECCE® 327 (70 mg/kg of mouse), which has been found to be efficacious in curing, by a single dose, mice infected by the superbug *MRSA* (Methicillin-resistant *Staphylococcus aureus*) (Announced on 2 February 2016) – and this dose is now shown to be capable of repeating, without toxicity.

Dr Graham Melrose, Executive Chairman commented, “This is great news. It opens the way for us to continue our progress through the pre-clinical studies in pursuit of IND status with the FDA”.

For further information please visit www.recce.com.au or contact:

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About Recce Ltd

Recce Ltd (ASX: RCE) is a world-leader in synthetic-polymer antibiotics. The RECCE® antibiotics have been synthesized by an extremely simple and economic method.

RECCE® antibiotics have shown in laboratory tests that they have continued activity against bacteria, including superbugs, even after repeated use.

Recce is positioned to achieve milestones in both pre-clinical trials for FDA purposes, and the development of the manufacture of RECCE® 327 antibiotic.

The discovery of RECCE® 327’s capabilities against cancer (as well as bacteria-superbugs) has greatly increased the value of the Company’s technology, especially in view of synergism between the anti-cancer and antibiotic properties.



Recce has granted patents in Australia, United States, Europe, Japan and China – giving it legal monopolies and potential financial returns from manufacture and distribution in some 80% of the world's pharmaceutical markets.

