

ASX ANNOUNCEMENT

Successful Test Results for Genetic Toxicity

- Encouraging safety results in *in-vitro* testing of RECCE® 327 for potential carcinogenicity
- Screening tests a critical gateway to further IND testing and drug development for human applications

Sydney, New South Wales, 20 July 2016 – Recce Ltd (ASX: RCE), the developer of a new class of patented drugs targeted at antibiotic, anti-cancer and anti-viral human applications, is pleased to announce that three separate *in-vitro* screening tests for genetic toxicity have been completed, and pleasingly indicate that RECCE® 327 is not carcinogenic (cancer causing).

The screening tests (non-GLP) were all performed by a world-leading, independent Contract Research Organisation in the USA, and tested for chromosome damage and genetic mutations in cells which had been exposed to extensively wide-ranging doses of RECCE® 327. The results are presented below:

OVERALL RESULTS

WITH METABOLIC ACTIVATION

WITHOUT METABOLIC ACTIVATION

Test 1: AMES Assay

Bacterial cells

<i>S. typhimurium</i> TA98	Negative	Negative
<i>S. typhimurium</i> TA100	Negative	Negative
<i>S. typhimurium</i> TA1535	Negative	Negative
<i>S. typhimurium</i> TA1537	Negative	Negative
<i>E. coli</i> WP2 <i>uvrA</i>	Negative	Negative

Test 2: Mammalian Cell

Gene Mutation Assay

Mouse cells	Positive (1 test concentration *)	Negative
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Test 3: Mammalian Cell

Micronucleus Assay

Human white blood cells	Negative	Negative
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* This definitely does NOT mean that RECCE® 327 causes cancer; this is a minor aberration only, within a whole range of perfect results. 8 of 9 tested concentrations of RECCE® 327 yielded Negative results; an overall Negative result requires a Negative result at all concentrations. 1 of the 9 tested concentrations of RECCE® 327 yielded the aberration; this occurred only at an excessively high concentration which would never be used *in-vivo* or in practice and therefore we do not expect it to reoccur in future *in-vivo* tests carried out at more practical concentrations and in-line with [Recce's Testing Schedules](#).

Dr Graham Melrose, Executive Chairman commented, "I am very pleased that RECCE® 327 is not demonstrating a propensity to cause cancer. The results are a green light for us to continue our pre-IND testing programme with confidence."



ASX: RCE

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“These tests are a critical gateway and a determinant step in our drug development for human applications.”

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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 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.

The discovery of RECCE® 327's capabilities against cancer and viruses (as well as bacteria-superbugs) has greatly increased the value of the Company's technology, especially in view of the synergism between antibiotic/anti-cancer properties and anti-viral/anti-cancer 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 about 80% of the world's pharmaceutical markets.

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