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July 12, 2010

Dear Shareholders,

On behalf of the Company I would first like to welcome our new shareholders who are receiving communication from us for the first time. We want to thank you for your investment in Minomic at such an exciting time in our development. In this short letter, we want to update shareholders on board changes, progress on the Company's work program and the financing of the company moving forward.

### **Board Changes**

Recently I joined the board of directors as non-executive Chairman along with non-executive directors Mr. Raymore Millard, Mr. David Burdis and Dr Peter Smith. We bring a variety of experience to the board from the direction of diagnostics and healthcare companies to corporate finance and executive experience. Additionally Dr Brad Walsh and Mr. Robert Porter have stepped down from the board and we take this opportunity to thank them for their service to the company during a difficult period.

### **Prostate Cancer Test Update**

Our provisional patent for the protein antigen that binds to our prostate cancer antibody is now being drafted. This is an important step as this protein antigen is not just useful as a new diagnostic tool but may also be a suitable target for treatment of prostate cancer with a view to better treatment of the disease.

Recently the newly-constituted board commissioned an independent short form audit of the science by Dr Kelvin Hopper of Aoris Nova Pty Ltd. The report's conclusion was largely positive with respect of the science and helped identify issues for management and the board to focus on. The review was followed quickly by success in preliminary testing on patient samples that indicated that we have the basis for a competitive test. A clinical double-blind study is soon to begin where we will gather valuable data on the efficacy of current test design on a larger patient sample. This will, on conclusion, lead to first stage commercialization of our discovery.

We have now contracted with Cellabs Pty Ltd to assist us with the regulatory requirements for our test. Cellabs is a leading Australian manufacturer of diagnostic kits. They have vast experience in all aspects of regulatory requirements for TGA approval for the kind of kits we will require. They are also exporters and can also offer CE mark approval for Europe and Asia; and through their collaborators, FDA approval in the USA.

### **Diabetes Update**

One of the outcomes of acquiring the assets of Minomic Pty Ltd last year was that the Company acquired rights to research in Diabetic Retinopathy – a complication of diabetes that affects the

eyes. This was quite timely, as the Minomic PhD student working on this project has made another discovery that has lead to a provisional patent. Our project partners (The University of NSW and the Institute of Eye Research) jointly share this patent but MIL has the commercialisation rights for any products arising therefrom. The findings have already generated interest from potential commercial partners Alcon and Ortho Clinical. This work is strengthening our project pipeline and has been of minimal cost to the Company as it was funded through an Australian Research Council Linkage Grant.

### **Fund Raising Efforts**

Another pleasing result is that the minimum \$255,000 amount required under the Offer Information Statement (OIS) raise has been reached. This has allowed the Company to issue these investors with shares and use this capital. The requirement for additional capital to progress the prostate cancer test, following on the results mentioned above, has meant that we have entered into a Convertible Note arrangement with Keyfox Pty Ltd and Diskdew Pty Ltd for an additional \$250,000 in funding.

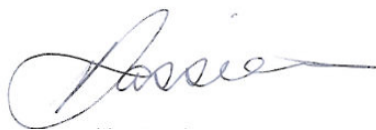
We are now in discussions with a group of investors with a view to raising significant capital and we are furthermore exploring the best mechanism by which to do this. Consistent with our historical procedures we continue to operate the business on a 'needs only' and 'capital conservative' basis. Our staff numbers are currently at bare minimum for an organization such as this.

### **Continuous Disclosure**

With the issue of shares under our recent OIS the company is now formally subject to the Continuous Disclosure Regime RG 198 under the Corporations Act. As such the Company intends to provide updates on the Minomic website ([www.minomic.com](http://www.minomic.com)) to comply with its obligations. We recommend shareholders check this website on a regular basis because, as indicated above, we expect further significant progress in our commercialisation endeavors in 2010.

As always we are grateful for your support and we will continue to work hard and effectively on your behalf. Please do not hesitate to contact me at any time.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Saliba Sassine', written in a cursive style.

Dr Saliba Sassine  
Chairman