

Shareholder Update

27th May, 2014

Pro-Rata Share Issue

If you would like to participate in the current pro-rata share offer please return your completed acceptance form to the company's solicitors, Lowndes Jordan, by 5pm next Friday 30th May. Applications already received are sufficient to ensure that Clinical Trial 2 can commence. We are strongly encouraged by this early response. Caldera is also receiving strong interest from new investors who would like to subscribe for shares not taken up by existing shareholders.

A copy of the Issue Letter and Acceptance Form is attached.

Clinical Trial 2 Progress

Preparations for Clinical Trial 2 have been progressing well. Last week Director of Science Dr Jim Watson, met with Auckland urologists and oncologists to present our Clinical Study results and plan for the next Study. The meeting was sponsored by shareholder Linda Robert, Director of Obex Medical Supplies. In a series of follow-up meetings Jim is arranging for up to 100 men scheduled for prostate procedures to volunteer for the trial.

Our first Clinical Study validated our diagnostic processes and revealed broad gene signatures which correlated with known Gleason scores from that sample. Our second Clinical Study will commence mid-2014 and examine whether urine and blood can be used as a sampling source to diagnose and stage prostate cancer. Here, gene signatures obtained from urine-derived cells will be compared to those from tissue prostatectomy samples from the same individual.

Competitive Advantage

Our competitive advantage comes from how we design RNA biomarkers and how far advanced in the process of characterising combinations of gene signatures for diagnosing and staging disease we are. Clinical Study 2 is about developing a test or tests for fresh tissue, preferably found in biopsy samples, blood and/or urine. If successful, Study 2 will lead to major commercial opportunities for the new prostate cancer diagnostic tests.

Questions About the Share Issue

The New Shares are valued at \$0.80, the same as the last issue – why not higher?

Directors debated this question at length before settling on the \$0.80 price. The success of Clinical Study 1 supported a higher price as we had reached a major milestone on the way to developing a better diagnosis of prostate cancer using stored tissue.

In view of the major competitive advantage to be gained, directors were concerned to attract generous support for Clinical Study 2, sufficient to ensure there are no financial roadblocks to its completion in as short a time as possible. This concern weighed heavily in the final choice to stay with \$0.80.

To what extent are directors and management supporting the issue?

All directors, including the Managing Director and the Director of Science, are investing in the issue. Between them, directors will take up 212,500 shares, valued at \$170,000.

Thank you for your continuing support of Caldera.

For the directors



Alastair MacCormick
Chairman