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Can-Fite on its way to Initiate Clinical Trials with Second Drug – CF102

Company initiated non-clinical development of the drug

**The drug joins CF101, which is in Phase II clinical trials for the treatment
of rheumatoid arthritis and dry eye syndrome**

**Prof. Pnina Fishman, CEO of Can-Fite: "We are proud of the progress
made in the development of this second drug, which provides further
evidence that Can-Fite has, within a relatively short period of time,
shifted from being a one product company to a company that is
developing a pipeline of drugs for various clinical applications"**

Can-Fite BioPharma announced today the initiation of non-clinical development with its second drug candidate, CF102. This includes, formulation development, stability testing, metabolism, pharmacokinetics and toxicology studies. Drug substance manufacturing is being scaled to kilogram level to support GLP toxicology and phase I. The data from these studies will enable the company to submit AN IND and initiate Phase I studies during 2007.

CF102, LIKE CF101, targets a specific cell surface receptor, the A3 adenosine receptor that is known to be over-expressed in tumor and inflammatory cells. CF102 has dual activity including anti cancer and anti inflammatory effects.

About the company

Can-Fite shares were issued to the public in September 2005, at which point the company raised approximately NIS 45 million. Last May, the company completed the issuing of convertible bonds totaling NIS 30 million. Company shares are listed in Tel-Tech in the Tel-Aviv Stock Exchange.