



Embargoed until 12:01 am Monday January 12, 2009

New Venture Funding for Alzheimer's Disease Drug Developer

Madison, Wis., Monday January 12, 2009 -- Mithridion, Inc., a drug development company focusing on serious Central Nervous System disorders, including Alzheimer's disease (AD), announced today that it held an initial closing of \$2.9 million in Series B Preferred Stock financing. The company will use the funds for the clinical development of MCD-386, its lead drug candidate, aimed at stopping or slowing down disease progression and improving memory and cognition in this devastating disorder. The company has raised \$7.4 million to date in equity funding.

Venture Investors (VI – Madison, Wis.) led this latest round of financing. The State of Wisconsin Investment Board and Wisconsin Investment Partners, both of Madison, Wis., and Rocket Venture Fund (Toledo, Ohio), all existing shareholders, also participated in the latest funding. Mithridion plans to hold a final closing with respect to this financing on or before March 31, 2009.

John Neis, Managing Director of VI, will join Mithridion's board of directors.

"This new funding will enable Mithridion not only to advance MCD-386 in Phase I trial, but will also support the development of exciting drug leads for AD and schizophrenia in our preclinical pipeline," said Trevor M. Twose, Ph.D., the company's Chief Executive. "We greatly appreciate the continued support of our shareholders," he added.

Five million Americans suffer from Alzheimer's disease today, and the number will grow as baby-boomers age. The market for Alzheimer's disease drugs exceeds \$4 billion, but is currently underserved, and may grow to greater than \$10 billion with the development of drugs that are more effective.

MCD-386 is highly selective for the M1-type muscarinic receptor. In preclinical laboratory tests, MCD-386 appears to replace deficient brain acetylcholine activity, similar to that caused by AD. This drug is intended to improve memory and cognition, with improved tolerability compared to previously tested M1-selective muscarinic drugs. MCD-386 also appeared to activate alpha-secretase enzymes, which might reduce or prevent the loss of brain cells in AD by preventing the formation of amyloid beta. In preclinical laboratory tests, MCD-386 appeared to be superior to the best first-generation drug candidates of this type.

Four of the five currently approved drugs slow down the breakdown of acetylcholine, thereby boosting its concentration to overcome the deficiency in AD. However, unlike these drugs, MCD-386 is designed to mimic only the M1 activity of acetylcholine, with potentially greater efficacy and less side-effects.

Mithridion's headquarters and preclinical drug research laboratories are in Madison, Wis., and its semi-virtual clinical drug development team operates out of Toledo, Ohio. The Company commenced operations in February 2006. During 2008, Mithridion acquired Cognitive Pharmaceuticals Ltd., (Toledo, Ohio), raised \$2.3 million of Series B funding, and successfully completed the first stage of Phase I clinical trials of MCD-386.

Venture Investors is a venture capital firm with \$190 million under management. The firm invests in seed and early-stage life science and technology companies in the Midwest, with a primary focus on opportunities that spin out of the region's leading research universities. Formed in 1982, Venture Investors has offices strategically located next to the country's third and fourth largest research institutions in Ann Arbor, Mich., and Madison, Wisc.. For additional information on the firm, visit www.ventureinvestors.com.

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