



**PRESS RELEASE, JUNE 27, 2011
FOR IMMEDIATE DISTRIBUTION**

**ARCH BIOPARTNERS ENTERS AGREEMENT TO DEVELOP PROTOTYPE
DIAGNOSTIC IMAGING AGENTS FOR BRAIN TUMOR STEM CELLS**

Toronto – Canada - Arch Biopartners Inc (“Arch” or the “Company”)(CNSX-ACH and OTC: FOIFF) and its subsidiary Arch Cancer Therapeutics (“ACT”) today announced ACT has entered into an Agreement for Research Services (the “Agreement”) with the National Research Council of Canada (NRC). Under the agreement, the NRC will combine ACT’s brain tumor initiating cell (BTIC)-targeting peptide technology with paramagnetic nanoparticles to develop prototype BTIC diagnostic imaging agents for use in magnetic resonance imaging (“MRI”).

BTICs are a cancer stem cell population that represent a significant disease reservoir believed to play an important role in the formation and recurrence of malignant glioma in humans. BTICs are not detected by current medical diagnostic imaging technologies.

Paramagnetic nanoparticles are small injectable particles used for molecular imaging and can be visualized by MRI. It is anticipated the combination of ACT’s BTIC targeting peptides and paramagnetic nanoparticles will for the first time make BTICs visible.

It is expected that this development contract, including animal in vivo testing, will be completed within nine months, and if successful, will further validate ACT’s BTIC-targeting technology as a potential diagnostic tool for human malignant glioma.

About Arch Cancer Therapeutics

ACT is an Alberta corporation wholly owned by Arch Biopartners. ACT’s objective is to develop non-invasive diagnostic and therapeutic molecules for brain cancer utilizing new and innovative approaches.

Despite intensive research over the past 30 years, clinical outcomes for patients with malignant glioma have not changed substantially with average survival rates remaining at a dismal 12-15 months. ACT’s proprietary molecules are specialized peptides that identify and target brain tumor initiating cells (“BTIC”) and invasive brain cancer cells, two disease reservoirs that are not normally seen using current state of the art diagnostic imaging techniques.

About Arch Biopartners

Arch Biopartners is a portfolio based biotechnology company established to developing early stage proprietary technology for sale to pharmaceutical and industrial companies.

The Company's website address is: www.archbiopartners.com .

For more information on the Company, please consult the other public documents filed on SEDAR at www.sedar.com.

Forward-Looking Statements

All statements, other than statements of historical fact, in this news release are forward looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of the Company. There can be no assurance that such statements will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral forward-looking statements are based on the estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. The Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change.

The CNSX has not reviewed and does not accept responsibility for the adequacy of this release.

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