INVESTOR NEWSLETTER
Edition 04, March 2017

Dear Shareholder,

This is our first quarter 2017 update for you and while the trial activities are on-going, it's a good reflection of what we're achieving on your behalf. On the homefront we're receiving acknowledgement of our science and the business of administering it.

On the business side for a moment we've jogged your memory on the options offer that concludes the end of March. They are a thank-you for your support and we recommend you take advantage of them.

We've tabled an update on the small molecule situation and the extraordinary potential of our collaboration with Baker IDI and we've got a progress indication on our mimotope program.

All positive.

Out and about I've been presenting and attending national and international workshops and conferences, including an advisory role in The Australian Financial Review's, "Businesses of Tomorrow," forum. I'm also proud to tell you that we've received a thumbs up in reports within The Australian newspaper, Sydney Morning Herald, The Age and a peer level review in the respected science journal, BMC Cancer.

Last but far from least we're giving you a profile of our executive chairman, Paul Hopper.

Please read on and take as much enjoyment and satisfaction as we have from these brief words on your company.

Warmest,

Leslie

"Patently Obvious!"

Great science is one thing but the great business that accompanies it often goes unheralded. You take for granted we know the business of the science.

We do.

A major portion of that observation goes to protecting our intellectual property.

We are fierce in that regard. As an example we recently were granted a notice of acceptance from The Australian Patent Office for our patent described as, "a vaccine composition and uses thereof."

An all-embracing definition yes but with specific reference to our HER-Vaxx immunotherapy vaccine currently in development to treat gastric cancer.

The strengthening of our patent portfolio is an important milestone according to our CEO, Leslie Chong and as she says, underpins the company's commercialization strategy.

" This new patent is important… it protects HER-Vaxx through to 2036, significantly longer than many the of competing clinical stage products and technologies," she said.

" This patent life adds an additional six years to the time HER-Vaxx could remain generating peak sales," she said.

Arithmetic reasoning indicates this adds to the potential sales figures of HER-Vaxx which accordingly increases the value of your investment in Imugene.

" Let's also not forget gastric or stomach cancer is the second most common cause of cancer-related death in the world and the fourth most commonly diagnosed cancer with one million new cases diagnosed each year," she said.

"Your Best Option!"

One of the better opportunities coming your way this year are the current and tradeable options in your portfolio that were issued mainly as a result of our bonus offer a couple of years back.

They are valuable. As we look forward to a 2017 that will bring credit and acknowledgment to the company, you can purchase your options at $01.5 cents a share. You however will have to move quickly as they are only tradeable on the ASX until the 27th of March, 2017 and you have until the 31st of March, 2017 to settle with us.

It's not our style to sell you on what we do (definitely no steak knives) but as shareholders we reckon you see merit in what we do. These options are a thank-you for that consideration and we sincerely hope you take advantage of this exceptional offer.

To take them up get in contact with:

Automic Registry Services
1300 288 664 (local)
+61 2 9698 5414 (international)
hello@automic.com.au

Deadlines:

Tradable: 27 March 2017

Settled: 31 March 2017

Leading Biotechnology

Out and About

Leslie Chong presented on Feb 13, 2017 at *"Wall Street Wonders"* in New York, NY.

Leslie Chong was a panel speaker representing Imugene for the *"Businesses of Tomorrow Roundtable Discussion"*. Facilitated by AFR, contributing editors and freelance journalists. Other speakers included the Chief Executive from Westpac Business Bank, Uber Australia and New Zealand General Manager, CEO of AGL, CEO of Stone and Chalk, and Deloitte Partner Access Economics.

The role of all contributors was to share their own views and experience to help inform insightful content, while supporting their own thought leadership/ profile building. Leslie was invited to share her views and perspectives on the future of Australian business and the characteristics businesses require for success beyond tomorrow.

Leslie Chong was selected to be a contributor based on her extensive experience in research innovation and transformative medicine in the healthcare sector.

The video from the Business of Tomorrow will be published around mid March.

9 March 2017: Leslie Chong presented at the *"Sydney Small Cap Showcase"*

22 March 2017: Dr Nick Ede (Imugene CTO) is an invited speaker at the International BiopharmaAsia Convention 2017 in Singapore where he will present in a special session titled *"Biotech Innovation - Immuno-oncology"*.

Media Report Card!

As we've mentioned earlier in the newsletter third party advocacy is an all-important ingredient in a company's development, particularly critical assessment from the media.

Well, we're proud to announce that today (06/03/17) our CEO, Leslie Chong has received great kudos and acknowledgement on her efforts to bring Imugene into the foreground of immuno- oncology research and development.

The Australian newspaper's biotech and healthcare business writer, Sarah Jane Tasker, wrote a front page review, "Meet the unicorn leading the cancer fight." It sums up Leslie's approach to work ethic and the task at hand to bring Imugene to market.

Meet the unicorn leading the cancer fight

EXCLUSIVE

"I'm a daily basis I wake up and think, I'm a woman CEO of a biotech company"

Concurrently, The Sydney Morning Herald's leading business writer, Brian Robins, produced a report in the SMH and The Age in Melbourne, entitled, "Breakthrough for local biotech as influential backer emerges!"

To achieve coverage in Australia's mainstream media is a significant milestone and reflects well on the company's progress.

Both articles are available on the company's website.

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An Update on our Mimotope Program

2016 was a busy foundation year for our new Mimotope Program.

It ended well with our filing of four new patent applications with IP Australia. Three of the patents filed specifically to protect new mimotope B-cell vaccine compositions which are directed to commercially validated immuno-oncology targets. Each of the targets already has a monoclonal antibody synthetic drug on market generating sales in the hundreds of millions treating cancers such as melanoma, non-small cell lung cancer, multiple myeloma and bladder cancer. A fourth patent filed protects a broad technology platform related to identifying mimotopes from available monoclonal antibodies.

Selection of mimotopes

A library of mimotopes can be interrogated with any mono- or polyclonal antibody (Ab) to identify the mimotopes to which it binds

Creation of a vaccine

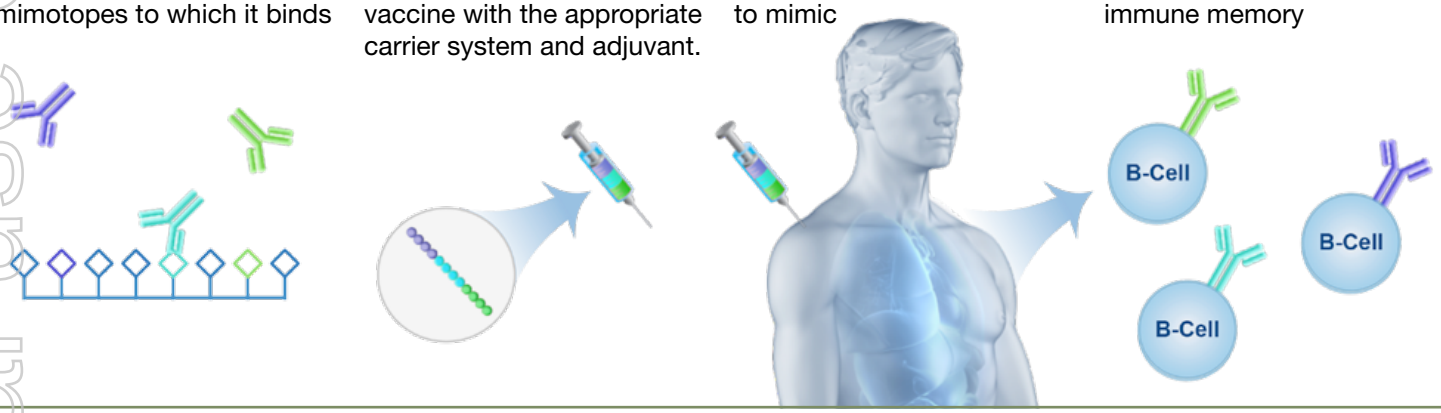
The selected mimotope or mimotopes can be used in isolation or combination to create a B-cell peptide vaccine with the appropriate carrier system and adjuvant.

Immunization

Immunisation with the vaccine will lead to the patients B-cells producing copies of the Ab you want to mimic

Endogenous Ab production

Successful vaccination will result in endogenous Ab production with associated immune memory



We did the heavy lifting by establishing our screening platforms to deliver us the critical “addresses on cancer targets.” It will enable us to create new B-Cell based cancer vaccines. A B-Cell based cancer vaccine is a “directory containing addresses” like the white pages to which the body makes and dispatches cancer fighting antibodies.

We think it is a game changing platform in the exciting field of immuno-oncology.

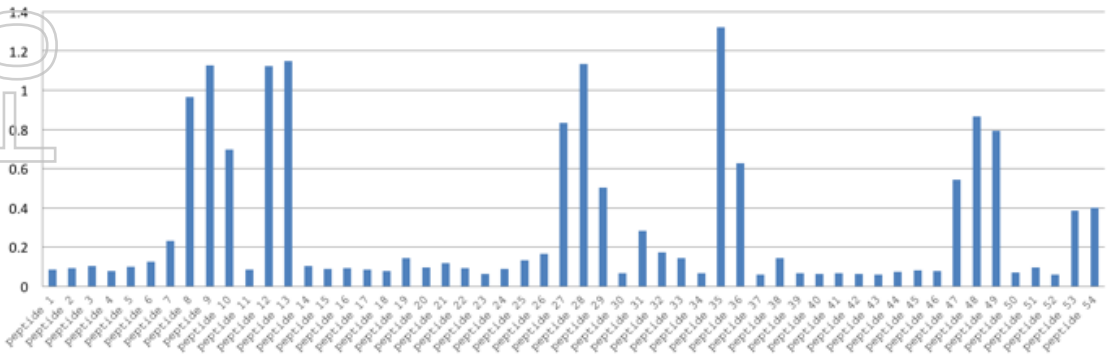
You might ask how do we find and lock in the addresses? Think of the street you live in as a long stretch of houses each with an identifying address. Your street represents the target of interest to us. Some of the houses are more special than others. We have a unique way of scanning your street to identify the special houses and their special addresses.

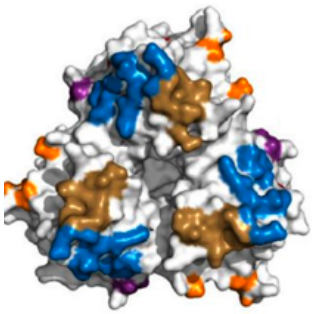
When we find the addresses and join them together, we have the components to create a new cancer vaccine (Fig. 1).

What does a real example look like? In the screening process a libraryof peptides are interrogated with an antibody(s) and a read-out is obtained that shows where the antibody(s) bound. Using our street analogy, we get a read-out on where in the street the special houses are located.

The graph below is a real read-out from screening houses (peptides) in a street (cancer target). The special or hot addresses are the high bars (above 0.8). Our scientific team are currently testing these hot hits in animal models. We expect to report further before the end of 1H2017.

In summary, we are close to identifying the right candidate to expand into pre-clinical testing and into patients for clinical studies.





ELISA read-out of 54 peptides screened against cancer target antibody(s). For commercially sensitive reasons, the target is confidential.

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Prominent Cancer Journal Reports on HER-Vaxx.

In science it's not so much what you say about yourself; it's what your peers say about you.

Third party advocacy is all-important and considered to be a dispassionate appraisal. If it reflects well on work done, you can take pride that you are on the right path.

In that light we are proud to acknowledge that a respected medical journal reporting upon oncology, BMC Cancer, has published a report on our HER-Vaxx pre-clinical research.

Our clinical name for the latest modification of HER-Vaxx is IMU-131. It is a next generation anti HER2 cancer therapy using B cell peptides that harness the body's ability to develop antibodies against the specific cancer target.

Recent developments and the journal's report are all due to the sterling efforts of our CSO, Professor Ursula Wiedermann, and the research she conducted at her lab at the Medical University of Vienna.

She reported that the new variation of HER-Vaxx, IMU 131, demonstrated superior activity to the previously tested HER-Vaxx vaccine. She said it's a meaningful step forward in the quality of the multi-B cell peptide vaccine in its anti-tumor activity.

It induces higher antibody levels, she said, and TH-1biased cellular responses.

In addition, our HER-Vaxx when combined with the market standard, Herceptin, demonstrated even greater activity.

The bottom line is the IMU 131 vaccine is superior to the original anti HER-2 peptide vaccine used in our PH1 clinical trial and is a natural progression of our continuing research and development.

BMC Cancer

Enhanced and long term immunogenicity of a Her-2/neu multi-epitope vaccine conjugated to the carrier CRM197 in conjunction with the adjuvant Montanide

Abstract

Background

Methods

Results

Our CEO, Leslie Chong, said the new IMU-131 is indeed newsworthy and in its current formulation balanced against empirical based optimism that HER-Vaxx appears superior to the industry standard, Herceptin, we are hopeful and confident that this new formulation will show positive results.

Thank-you BMC Cancer.

A Remarkable tag team Effort!

In the broad world of medical research you don't often find a synergy between two distinct disciplines, in this case oncology and cardiology. That's what has occurred though and we brought it to your attention in our December newsletter.

It's worth a brief revisit as a new player has entered the equation.

You will recall that our director, Axel Hoos, co-authored a study reported upon in the eminent medical journal, Nature Reviews. It focused on big opportunities for small molecules in immuno-oncology. He said there was a conspicuous absence of small molecule drugs targeting cancer immunotherapy.

His report highlighted a key mechanism of cancer escape resulting from the depletion of the amino acid arginine in the tumour microenvironment.

A small molecule drug that could increase the availability of arginine in the tumour microenvironment would have great value as a single agent and in combination with other cancer therapies.

When Nick Ede, our own CTO, read the review, he bounded out of his chair and called his colleague at The Baker Heart Research Institute, Professor David Kaye, with whom he had designed a set of compounds that did exactly what he had just read in Axel's review.

Their original research revealed arginine had a role to play in cardiovascular conditions. An increase in arginine in blood vessels resulted in the dilation of the vessels and a lowering of blood pressure.

The word Eureka flew down the phone lines between Drs. Ede and Baker and the upshot was an exclusive and world-wide material transfer agreement between Baker IDI and Imugene for the fields of cancer and in particular, immuno-oncology.

Which brings us to this update. The small molecule field has received another boost with a deal recently signed off between cancer research house Incyte and Calithera Biosciences and its small molecule arginine modulator CB 1158.

The deal was for an upfront payment of US$53 million and milestones of up to US$430 million.

They (Incyte) intend to use CB 1158 to complement existing PD-1 drugs in their portfolio with an aim to reversing any immunosuppressive blocks that dampen the activity of immuno-oncology therapies.

Big dollars at play and that only occurs when there is good science in the offing.

We're definitely on the right path and our collaborative research with Baker IDI will define proof of concept in research to be released later into 2017.

Let's leave the last word to Dr. Kaye... "there is an increasing evidence that the biology of inflammation that contributes to heart failure is also relevant to the biology that drives cancer. Our collaboration with Imugene supports our internal research programs to find new and more effective treatments for heart failure," he said.

A tag team effort indeed.

Engineering Biology

Our executive chairman, Paul Hopper is a man of many seasons. Born in Papua New Guinea to parents who were prominent in the post World War Two reconstruction of the country, ravaged by the war, the family eventually returned to Australia and Paul received his education at The King's School in Parramatta and then went on to major in political science at The University of New South Wales.

He gained the Diploma from the Securities Institute of Australia and took three stints at Harvard's Advanced Management program for the Young Presidents' Organisation. This held him in good stead when he eventually set his sights on a career in the fiercely competitive and diverse world of cancer research.

His focus has largely been on oncology and the key emerging technologies he believes will contribute to the world of cancer research.

In 2005 he moved to Los Angeles and took up a role with The Cappello Global Group, an investment bank based in Los Angeles. He knew their capabilities as he had been their Australian representative since 2002.

In California he headed up the company's Life Sciences and Biotechnology group and the Australia Desk, and over the next nine years was the steering force behind the founding and funding of many life sciences companies, including Imugene where he became Executive Chairman.

He is also the long-serving chairman of Viralytics Ltd. and executive director of Prescient Therapeutics Ltd. In his background are board roles with Somnomed, pSivida Corp, and Fibrocell Science Inc.

Luckily for us the lure of the great southern sun became too strong and the family moved back to Australia in 2015.

Paul still travels the world (and Australia) on behalf of our company.

Imugene Leadership

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Non-Executive Director:
Dr. Axel Hoos

Non-Executive Director:
Mr. Charlie Walker

Chief Scientific Officer:
Prof. Ursula Wiedermann

Chief Technology Officer:
Dr. Nick Ede

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Our Stock

ASX:IMU, ISIN: AU000000IMU9

Market Cap (18/Jan/17)	$38.9M AUD, $29.7M USD
Ordinary Shares	2.17 billion
12 Month Price Range	0.7 cents – 2.1 cents AUD
Avg Daily Volume	9.2M shares (last three months)
Investment to Date	~$12
Cash & Equivalents	$3.3M as of Jan 2017

Substantial holders (as at Jan. 2017)

	No. of Shares	% Capital
Platinum Asset Management	216,451,553	9.84%
Webinvest Pty Ltd.	95,927,707	4.66%
Paul Hopper - Executive Chairman	71,696,875	3.31%
National Nominees Limited	65,666,666	3.07%

Options on issue (as at Jan. 2017)

	No of Options	Exercise Price	Expiry
Listed (IMUO)	371,166,262	$0.015	31-Mar-17
Unlisted	49,000,000	$0.0173*	30-Oct-17*
TOTAL	420,166,262	$0.0155*	18-May-17*

* Average

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