

16th December 2016

Imugene Limited
ACN 009 179 551

Dean Litis
Senior Adviser Listings Compliance
ASX Compliance Pty Ltd
Level 4 North Tower Rialto 525 Collins Street Melbourne VIC

Suite 1, 1233 High Street
Armadale VIC 3142

Dear Mr Litis

Imugene Limited ('IMU') – Aware query

Thank you for your letter dated 13 December 2016. Imugene Limited ('IMU' or the 'Company') responds as follows in relation to the questions asked (which are restated for convenient reference):

- 1 **Does IMU consider the information contained in the Announcement to be information that a reasonable person would expect to have a material effect on the price of value of its securities?**

No.

- 2 **If the answer to question 1 is "no", please advise the basis for that view.**

The Announcement was consistent with the Company's strategy, relates to an early stage technology as an adjunct to the Company's more developed pipeline, and follows a series of material and more substantive announcements (see below).

This is supported by the fact that the market effectively did not react to the announcement (in fact, the shares closed down \$0.003 at \$0.017).

To elaborate further, the Announcement relates to addition of a technology to Imugene's existing strong pipeline portfolio. The new technology is subject to 'first proof of concept studies scheduled to begin in 2017' as stated in the Announcement. Whilst the Company has no reason to believe that confidentiality had not been maintained, it is unlikely that a particular value would be ascribed to a technology at this stage in any event.

The key value driver for the Company is its current Phase 1b/2 trials in Gastric Cancer, which commenced in November and which are currently in the process of patient enrolment (as detailed in the Presentation referred to below).

Prior to the Announcement, the Company's recent material announcements include:

02/12/2016	Imugene Corporate Presentation
25/11/2016	Response to ASX Price Query
21/11/2016	Leslie Chong Appointed Chief Executive Officer
09/11/2016	Change of Director's Interest Notice
07/11/2016	Change in substantial holding
07/11/2016	Imugene Commences HER-Vaxx Phase 1b/2 Gastric Cancer Study
04/11/2016	Ceasing to be a substantial holder
03/11/2016	Appendix 3B, 708A Notice & Listing Rule 3.10.5A information
02/11/2016	Results of Meeting

02/11/2016	AGM Presentation
31/10/2016	Director Resignation - Final Director Interest Notice
31/10/2016	Becoming a substantial holder
27/10/2016	Appendix 4C - quarterly
27/10/2016	Appendix 3B
21/10/2016	Imugene Share Placement raises \$3.2 million

The Company has experienced continued share price growth since it raised capital at \$0.0075 (as announced on 21 October 2016). The Company has gained significant market traction, including attracting a strong institutional investor, Platinum Investment Management Limited, which holds a 9.24% stake (as announced 31 October 2016). The commencement of the Phase 1b/2 Gastric Cancer Study and appointment of Dr Leslie Chong as Chief Executive Officer, as well as other board changes, have all been positive catalysts for growth.

The Company remains, however, subject to the volatility expected of a small-cap, biotech stock. This is reflected in the receipt of ASX Price Query letters in short order (responded to and announced on 25 November 2016 and 13 December 2016).

3 If the answer to question 1 is "yes", when did IMU first become aware of the information?

See above.

4 If the answer to question 1 is "yes" and IMU first became aware of the information before the relevant date, did IMU make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe IMU was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps IMU took to ensure that the information was released promptly and without delay.

See above. The Company released the Announcement under Listing Rule 3.1 at the point in time Listing Rule 3.1A ceased to apply. The Company has no reason to believe confidentiality had not been maintained.

5 If the answer to question 1 is "yes", in light of the increase in both the price and volume of IMU securities on 9 and 12 December 2016, did IMU consider requesting a trading halt in its securities prior to making the Announcement? If so, please explain why a trading halt was not ultimately requested. If not please explain why IMU believed a trading halt was not appropriate in the circumstances.

See above.

6 What was the occasion and who was the audience for the Presentation on 2 December 2016?

Following end of year results and the Company's AGM, the Presentation was released on 2 December as a platform for a series of 'roadshows' in accordance with good practice and to ensure an informed market. Please see below details.

7 Was the Presentation (and responses to any questions arising at the Presentation) confined to the matters referred to in the Presentation slides and information previously announced on ASX? If the answer to this question is "no", please advise what other information was provided and whether it was information that a

reasonable person would expect to have a material effect on the price or value of its securities?

Yes, the Presentation and responses to any questions arising at the Presentation were confined to the matters referred to in the Presentation slides and information previously announced on ASX.

As noted above, a number of positive catalysts for growth occurred in the period preceding the presentation and the Company has enjoyed increasing market traction as the message has continued to be communicated to market participants.

As a small-cap company, there is often limited analyst and media coverage and awareness often depends on roadshows and presentations of this sort to talk to relevant audiences. The Company strives to ensure, as appropriate, that the market is informed by way of disclosure prior to the conduct of any such roadshow programs.

8 Has IMU conducted any other analyst or investor briefings/presentations in the period 2 December to 12 December 2016 (inclusive)? If the answer to this question is "yes":

(a) when and to whom were those briefings given?

December 5 – presentation at Wholesale Investor forum to approximately 120 people.

December 7 - Dr Leslie Chong met with Platinum Investment Management Limited.

December 9 - Australian Ethical Investment.

December 12 - Lodge Partners and Patersons Securities Limited.

(b) please confirm that the same presentation slides as the 2 December 2016 slides were used on those occasions? If not, what materials were provided to the audience?

We confirm the same presentation slides were used on those occasions (subject only to minor formatting differences for the relevant forum, but for the avoidance of doubt not containing any additional or new material information).

(c) please confirm that the only information provided and/or discussed (including responses to any questions posed) with those in attendance was information that had been previously announced on ASX. If not, please advise what other information was provided and whether it was information that a reasonable person would expect to have a material effect on the price or value of its securities?

We confirm that the only information provided and/or discussed (including responses to any questions posed) with those in attendance was information that had been previously announced on ASX.

9 Please confirm that IMU is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

We confirm IMU is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

10

Please confirm that IMU's response to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IMU with delegated authority from the board to respond to ASX on disclosure matters.

IMU's response to the questions above have been approved accordingly.

A handwritten signature in black ink, appearing to read 'J. Stedwell', is positioned above the printed name.

Justyn Stedwell
Company Secretary
On behalf of the Board of Imugene Limited



13 December 2016

Justyn Stedwell/ Phillip Hains
Company Secretary/ Chief Financial Officer & Company Secretary
Imugene Limited
Suite 1, 1233 High Street
Armadale VIC 3143

By email only

Dear Sirs

Imugene Limited ("IMU"): aware query

ASX Limited ("ASX") refers to the following:

- A. The change in the price of IMU's securities from a closing price of 1.4 cents on 8 December 2016 to a high of 2.1 cents on 12 December 2016 and the increase in volume of IMU securities traded during this period.
- B. IMU's announcement entitled *"Imugene broadens pipeline with acquisition of immune-oncology technology from Melbourne's Baker IDI Heart and Diabetes Institute"* lodged on the ASX Market Announcements Platform and released at 8:37am on 13 December 2016 ("Announcement"), disclosing that IMU had entered into an exclusive agreement with Baker IDI Heart & Diabetes Institute ("Agreement") in Melbourne to research, develop and commercialise a portfolio of small molecule arginine modulators for oncology.
- C. IMU's response to ASX's price query letter of 12 December 2016 lodged on the ASX Market Announcements Platform and released at 9:59am which disclosed:
 - a) IMU is not aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities.
 - b) IMU does not believe that the Agreement referred to in the Announcement had any impact on the recent trading in IMU securities.
 - c) IMU is not aware of any other reason for the recent trading in IMU securities.
 - d) IMU confirms compliance with Listing Rule 3.1.
- D. IMU Chief Executive Officer Leslie Chong's presentation slides entitled *"B Cell Based Antibodies for Immuno-Oncology"* released on ASX on 2 December 2016 ("Presentation").

E. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity"

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* "When does an entity become aware of information".

G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

H. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Having regard to the above, ASX asks IMU to respond separately to each of the following questions and requests for information:

1. Does IMU consider the information contained in the Announcement to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did IMU first become aware of the information?
4. If the answer to question 1 is “yes” and IMU first became aware of the information before the relevant date, did IMU make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe IMU was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps IMU took to ensure that the information was released promptly and without delay.
5. If the answer to question 1 is “yes”, in light of the increase in both the price and volume of IMU securities on 9 and 12 December 2016, did IMU consider requesting a trading halt in its securities prior to making the Announcement? If so, please explain why a trading halt was not ultimately requested. If not, please explain why IMU believed a trading halt was not appropriate in the circumstances.
6. What was the occasion and who was the audience for the Presentation on 2 December 2016?
7. Was the Presentation (and responses to any questions arising at the Presentation) confined to the matters referred to in the Presentation slides and information previously announced on ASX? If the answer to this question is “no”, please advise what other information was provided and whether it was information that a reasonable person would expect to have a material effect on the price or value of its securities?
8. Has IMU conducted any other analyst or investor briefings/ presentations in the period 2 December to 12 December 2016 (inclusive)? If the answer to this question is “yes”:
 - a. when and to whom were those briefings given?
 - b. please confirm that the same presentation slides as the 2 December 2016 slides were used on those occasions? If not, what materials were provided to the audience?
 - c. please confirm that the only information provided and/or discussed (including responses to any questions posed) with those in attendance was information that had been previously announced on ASX. If not, please advise what other information was provided and whether it was information that a reasonable person would expect to have a material effect on the price or value of its securities?
9. Please confirm that IMU is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
10. Please confirm that IMU’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of IMU with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 a.m. AEDT) on Friday, 16 December 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in IMU’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, IMU’s

obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at dean.litis@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to IMU’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that IMU’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in IMU’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Dean Litis
Principal Adviser