

Business Update – June Quarter Appendix 4C

MELBOURNE Australia July 31, 2017: Imugene Limited (ASX: IMU), an immuno-oncology company is pleased to release its Appendix 4C for the quarter ended 30th June, 2017. During the quarter, the Company has:

- **Commenced the Phase 1b/2 gastric cancer study for HER-Vaxx (IMU-131);**
- **Received full and final country regulatory approvals to initiate clinical trial;**
- **Commenced patient recruitment in all 8 clinical sites in Thailand, Taiwan and Hong Kong;**
- **Secured further intellectual property for HER-Vaxx;**
- **Completed further development of the next generation of mimotope targets and pipeline;**
- **Commenced in vivo testing of arginine modulator in animal models of cancer**

HER-Vaxx is a next generation HER2 cancer therapy using B cell peptides, which harness the body's ability to develop antibodies against the disease.

The board remains pleased with the company's progress.

As the company continues to execute and expand activities in the Phase 1b/2 gastric study, securing rights to the technology and patents across all our technology, development of the next mimotope target and arginine modulator, there is a natural increase in expenditures to fund the growth of the company.

About Imugene (ASX:IMU)

Imugene (ASX:IMU) is a clinical stage immuno-oncology company headquartered in Melbourne, Australia. Its lead product is HER-Vaxx, a B Cell peptide vaccine for the treatment of gastric cancer. The company is also developing mimotope-based immunotherapies against validated and new oncology targets.

HER-Vaxx is a cancer immunotherapy designed to treat tumours that over-express the HER-2/neu receptor, such as gastric, breast, ovarian, lung and pancreatic cancers. Developed by leading scientists at the Medical University of Vienna in Austria, the peptide vaccine is constructed from several B cell epitopes of HER-2/neu. It has been shown in pre-clinical studies and in one Phase I study to stimulate a potent polyclonal antibody response to HER-2/neu, a well-known and validated cancer target.

Imugene in partnership with the Medical University of Vienna is working to discover and develop mimotope-based immunotherapies against validated and new oncology targets. This partnership has the potential to create game-changing B Cell peptide vaccines that would replace or augment conventional monoclonal antibody therapies

For further information please contact:

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Imugene Ltd

ABN

99 009 179 551

Quarter ended ("current quarter")

30th June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(481)	(2,382)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(2)	(6)
(d) leased assets	-	-
(e) staff costs	(350)	(919)
(f) administration and corporate costs	(110)	(712)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	35
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,298
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(930)	(2,687)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	3,248
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options*	2,345	2,980
3.4	Transaction costs related to issues of shares, convertible notes or options	(33)	(310)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,312	5,918

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,432	1,583
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(930)	(2,687)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,312	5,918
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	4,814	4,814

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,814	3,432
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,814	3,432

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
197
-

Salaries, director's fees and consulting fees at normal commercial rates.
Excludes GST where applicable.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
-		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(457)
9.2 Product manufacturing and operating costs	-
9.3 advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	(205)
9.6 Administration and corporate costs	(171)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(833)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Date: 31st July 2017

Company Secretary

Print name: Phillip Hains

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.