

Prospectus

Imugene Limited ACN 009 179 551

for a two for fifteen non-renounceable bonus issue of approximately
177,321,669 Loyalty Options exercisable at 1.5 cents on or before 31 March
2017

As an Eligible Shareholder you do not need to take any action in relation to this Prospectus

**The Loyalty Options will be automatically issued to you for nil consideration based on your
Entitlements on the Record Date (7.00pm (Sydney time) on 30 October 2015)**

**This Prospectus also provides for the issue of the Placement Options on the terms announced
by the Company on 8 September 2015**

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

Legal Adviser

Lawyers | **McCullough
Robertson**

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IMPORTANT NOTICES

General

This Prospectus is dated 23 October 2015. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC or ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Options will be allotted or transferred on the basis of this Prospectus after its expiry date. This Prospectus expires on 23 November 2016.

No person is authorised to give any information or make representations about the Issue, which is not contained in this Prospectus. Information or representations not contained in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Issue.

Read this document in its entirety. Examine the risk factors that could affect the financial performance of Imugene. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Issue does not take into account the investment objectives, financial situation or needs of particular investors.

Australian and New Zealand residents only

The Loyalty Options being issued under this Prospectus are only offered to Eligible Shareholders, being Shareholders with a registered address in Australia or New Zealand at 7.00pm (Sydney time) on the Record Date.

The Issue is available to Australian and New Zealand residents having a registered address in those jurisdictions. The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law. Seek advice on and observe any restrictions. This Prospectus is not an Issue in any place where, or to any person to whom, it would not be lawful to make the Issue.

Special notice to New Zealand Resident investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and Regulations (Australia). In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings-Australia) Regulations 2008.

This offer and the content of the prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and Regulations (Australia) set out how the Issue must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

Electronic prospectus

This Prospectus is available electronically at www.imugene.com. Electronic versions of this Prospectus should be downloaded and read in their entirety. Obtain a paper copy of the Prospectus (free of charge) by telephoning +61 3 9824 5254.

Exposure period

This is a Prospectus for the offer of options to acquire "quoted securities" as defined in the Corporations Act. Accordingly, no exposure period applies to this Prospectus by operation of ASIC Class Order 00/843.

Privacy

The Company and the share registry collect, hold and use personal information received from you to communicate and provide services to you as a Shareholder. The Company may disclose information to its agents, service providers (such as the share registry) and government bodies. The Company's privacy policy sets out how you may access, correct and update the personal information that we hold about you (by contacting the share registry), how you can complain about privacy related matters and how the Company responds to complaints.

Defined terms and currency

Some terms used in this Prospectus are defined in the Glossary. Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

Letter from the Chairman

Dear Investor

On behalf of the Board, it gives me great pleasure to announce that the Company intends to make a non-renounceable bonus issue of approximately 177,321,669 Loyalty Options to Eligible Shareholders. In addition, the Company will also issue approximately 200,000,000 Placement Options to all Placement Shareholders who are anticipated to be issued with Placement Shares on 26 October 2015 through their participation in the Company's recent Placement.

The Loyalty Options will be issued to Eligible Shareholders as a means of rewarding them for their ongoing support of the Company. As the Placement Shareholders will be issued with Placement Options in addition to the Placement Shares, they will not be offered the Loyalty Options.

This Prospectus sets out the details of the issue of the Options. The Issue is made by way of a two for fifteen non-renounceable bonus issue of Loyalty Options to Eligible Shareholders as at 7.00pm (Sydney time) on the Record Date and a one for two issue of Placement Options to all Placement Shareholders.

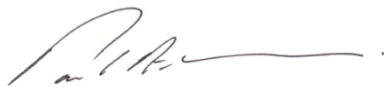
No funds will be raised from the Issue of the Options immediately. The Options allow Shareholders to support the growth of the Company and participate in a manner that is anti-dilutionary to their individual shareholdings. The Issue will also enable the Company to raise \$5,659,825 during the life of the Options, if all 377,321,669 Options that are to be issued are exercised at a price of 1.5 cents each.

Any funds raised from the exercise of any of the Options will be used by the Company to undertake the planned Phase 1b clinical trial of the HER-Vaxx immuno-oncology vaccine in Eastern Europe, which is planned to commence in the first quarter of 2016, and to meet other ongoing working capital requirements of the Company.

This Prospectus contains information about the effect of the Issue on the Company. It also outlines the potential risks associated with the Company. I encourage you to read this document carefully.

I would like to thank all Shareholders for their ongoing loyalty and support.

Yours faithfully



Paul Hopper
Executive Chairman
Imugene Limited

1 Investment overview

1.1 Summary details and capital structure

Terms of Issue	Details
Shares currently on issue	1,329,912,517
Total number of Placement Shares anticipated to be issued on 26 October 2015	400,000,000
Total number of Loyalty Options offered under this Prospectus	177,321,669
Total number of Placement Options to be issued under this Prospectus	200,000,000
Total number of Existing Options	57,000,000
Total number of Options on issue following the Issue	434,321,669
Issue price per Option	Nil
Exercise Price per Option (excluding Existing Options)	\$0.015

1.2 Important dates

Event	Date
Prospectus lodged with ASIC and ASX	23 October 2015
Ex-date for the Entitlements and deferred settlement trading commences	28 October 2015
Record Date to determine the Entitlements (7.00pm, Sydney time)	30 October 2015
Issue date of Options and deferred settlement trading ends	9 November 2015
Despatch date of holding statements for Options	10 November 2015
Expiry Date for the Options	31 March 2017

All dates and times are subject to change and are indicative only. All times are Australian Eastern Standard Time. The Company reserves the right to vary these dates and times without notice. The Company may withdraw the Issue at any time prior to the allotment of the Options.

1.3 Potential questions and answers

Question	Answer	Section
Who is the issuer of this Prospectus	Imugene Limited ACN 009 179 551	sections 2 and 3
What is the Issue	<p>The Issue consists of:</p> <ul style="list-style-type: none"> (a) a non-renounceable bonus issue of approximately 177,321,669 Loyalty Options to Eligible Shareholders on the basis of two Options for every fifteen Shares held on the Record Date; and (b) approximately 200,000,000 Placement Options to Placement Shareholders on the basis of one Placement Option for every two Placement Shares; <p>(together, the Options).</p>	section 3.1
Why is the Issue being made	The Issue of Loyalty Options is being made to reward existing Eligible Shareholders for their ongoing support of the Company. The Placement Shareholders will also receive Placement Options as part of their subscription for the Placement Shares. The Issue is aimed at raising further funds through the exercise of the Options.	section 3.2
Who is an Eligible Shareholder to receive Loyalty Options	<p>The Loyalty Options are being made to Eligible Shareholders only, who are persons:</p> <ul style="list-style-type: none"> (a) registered as Eligible Shareholders on the Record Date (7.00pm on 30 October 2015); and (b) having a registered address in Australia or New Zealand. 	section 3.3
Who is a Placement Shareholder entitled to receive Placement Options	The Placement Options are being made to Placement Shareholders, being sophisticated investors who participated in the Company's Placement in which they are anticipated to be issued with the Placement Shares on 26 October 2015.	section 3.4
What rights and liabilities attach to the Options	<p>The Options are issued on the terms set out in section 6.3, which includes the following:</p> <ul style="list-style-type: none"> (a) Issue price - nil; (b) Exercise Price – 1.5 cents; (c) the Options will be transferable and quoted on ASX. 	section 6.3
What rights and liabilities attach to the Shares	The Shares issued on exercise of the Options will rank equally in all respects with the shares held by the Existing Shareholders. The rights and liabilities attaching to all Shares are detailed in the Company's constitution.	section 6.4
What risks are involved with an investment in the Company	<p>An investment in Imugene is subject to both general and specific risks which you should consider before making a decision to continue to hold the Shares or in exercising any Options.</p> <p>Key specific risks include:</p> <ul style="list-style-type: none"> (a) The Company's lead product, HER-Vaxx, is still in development and Imugene has not generated any product sales or revenues. (b) Imugene's clinical trials are costly and time- 	section 5

Question	Answer	Section
	<p>consuming, may be subject to suspension or delay by regulatory authorities, and may ultimately prove unsuccessful. There is also no guarantee that an adequate number of patients can be recruited on time, or at all, for clinical trials.</p> <p>(c) Imugene may not obtain the regulatory approvals that it requires for sale of its products or the reimbursement approvals required for sales growth, or such approvals may be subject to delay.</p> <p>(d) As Imugene currently has no material revenues, it may need to raise further capital in the future, which may dilute existing Shareholders (including Shareholders that receive Options under this Prospectus). In addition, there can be no guarantee that additional capital can be raised at terms acceptable to Shareholders.</p> <p>(e) Imugene is dependant on the retention of key personnel and consultants, and the performance of those personnel, as well as the performance of other third-party collaborators.</p> <p>(f) Imugene may be impacted if its intellectual property is not able to be adequately protected or is subject to challenge by a third party.</p> <p>(g) There are a number of groups around the world working on technology which could compete with HER-Vaxx and its application in oncology, and as such, Imugene may be impacted by competitive or alternative products or technologies.</p> <p>The Company is also subject to general risks, including stock market and economic conditions, which are described in section 5.4. An ongoing investment in Imugene should be considered speculative and Shares (including Shares received on exercise of any Options) may not trade at a price equal to or above the Exercise Price.</p>	
How do I participate in the Issue	<p>If you are an Eligible Shareholder you do not need to take any action in relation to this Prospectus. The Loyalty Options will be automatically issued to you based on your Entitlements on the Record Date.</p> <p>For Placement Shareholders, the Placement Options will be issued in accordance with the terms of their Placement Commitments.</p>	section 3.5
Further questions	If you have questions about the Issue, please contact Justyn Stedwell on +61 3 9824 5254.	section 3.11

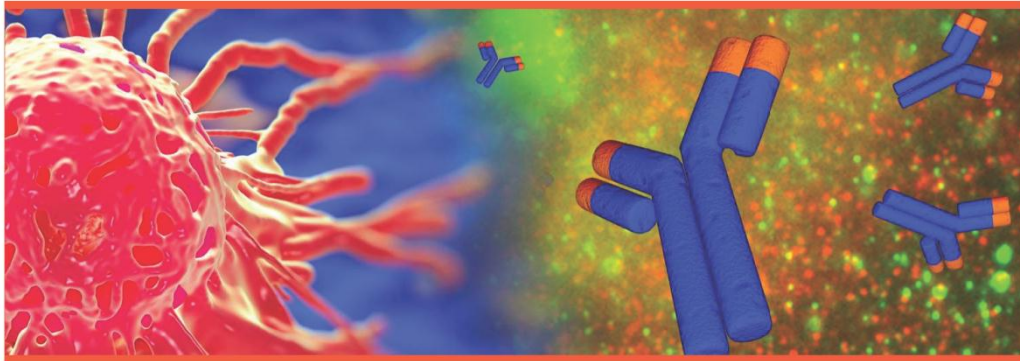
1.4 Important notice

This section is not intended to provide full details of the investment opportunity. Investors must read this Prospectus in full to make an informed investment decision. The Options to be issued under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Options or any Shares received on exercise of the Options.

2 Imugene – the business

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ASX: IMU



Corporate Presentation

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Investment Highlights

Compelling Science	<ul style="list-style-type: none">• B-cell peptide cancer immunotherapy that induces antibody responses targeting HER-2 over expressing tumors + major new initiative into mimotopes
Phase 1 Completed	<ul style="list-style-type: none">• Anti- HER-2 antibody responses, T helper cytokines, T reg cells suppressed, therapy safe
Commercially Validated Target	<ul style="list-style-type: none">• Targeting same receptor as Roche's \$6.4 bn breast cancer drug Herceptin
News Flow	<ul style="list-style-type: none">• Numerous milestone announcements & valuation inflection points over next 12-24 months
Robust IP	<ul style="list-style-type: none">• IP with exclusivity until 2030, granted in all major jurisdictions. Further patent life extensions under way
Leadership	<ul style="list-style-type: none">• Experienced management & board – Board & management own 13%

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Company History

- Technology identified in 2012 by Axel Hoos
- Start-up company incorporated in late 2012, as Biolife Science Ltd
- Early stage funding secured 2013 from private investors in Australia & US
- Manufacturing, clinical and regulatory initiatives began in 2013
- Public listing on ASX in December 2013 via reverse merger into listed shell, Imugene Ltd with \$3.0m raised
- Axel Hoos joins the Board – his only Board worldwide
- 2014 – manufacturing, clinical & regulatory development continues
- Dec 2014 - \$3.0m raised
- Oct 2015 - \$3.0m raised



Imugene At A Glance (ASX:IMU)

- Developing B-cell based immunotherapy/vaccines known as HER-Vaxx, for HER-2 positive cancers plus major new initiative into mimotopes
- Phase 1 trial completed in patients with HER-2+/++ breast cancer
- Phase 1b/2 gastric cancer trial to begin early 2016
- Technology originates from Medical University of Vienna, one of Europe's leading cancer institutes
- Market capitalisation (Oct 2015): AUD17.0m (includes Sept raise)
- Share price (Sept 20 2015): AUD0.10¢
- Average daily trade: 1.1m shares
- Shares outstanding: 1.73B
- Cash & equivalents (Jun 30 2015): AUD\$1.96m
- + Cash raised Sept 2015: AUD\$3.0m



Leadership – Extensive Drug Development Experience



Leslie Chong – Chief Operating Officer

- Previously Senior Clinical Program Lead at Genentech, Inc., in San Francisco, widely regarded as one of the world's most successful biotech companies with a significant oncology franchise including the best-selling breast cancer drug, Herceptin.
- Appointment as COO in August 2015

Genentech
A member of the Roche Group



Prof Ursula Weidemann – Chief Scientific Officer

- Co-inventor of technology
- Prof of Vaccinology at Medical University of Vienna



Dr Axel Hoos – Non-Executive Director

- Currently Vice President Oncology R&D at GlaxoSmithKline
- Previously Clinical Lead on Ipilumimab at Bristol-Myers Squibb
- Co-Director of the think-tank Cancer Immunotherapy Consortium; **Imugene is his only Board seat worldwide**



Dr Nick Ede – Head of Manufacturing

- Former CTO Consegna, CEO Adistem Ltd, CEO Mimotopes P/L, COO EQiTX Ltd (ZingoTX & VacTX)
- VP Chemistry Chiron (now Novartis), Research Fellow CRC Vaccine Technology



Paul Hopper – Executive Chairman

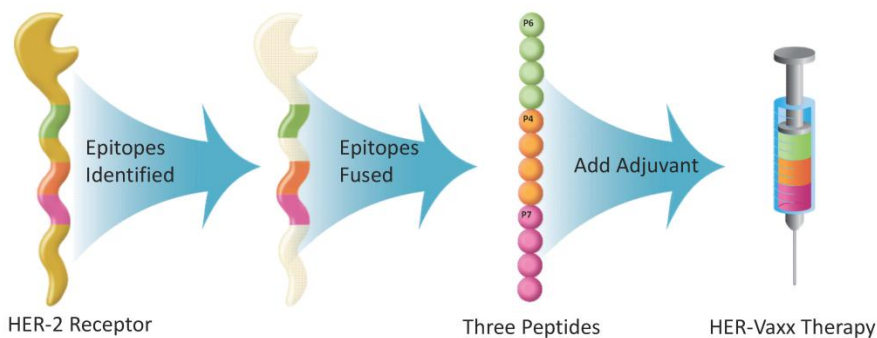
- International & ASX biotech capital markets experience particularly in immuno-oncology & vaccines
- Head of Life Sciences Desk & Australia Desk at Los Angeles-based investment bank, Cappello Group
- Director Prescient Therapeutics, Chairman Viralytics, former Director pSivida, Somnomed & Fibrocell Science

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What is HER-Vaxx Therapy?

- HER-Vaxx is a B-cell vaccine designed to stimulate a patient's own immune system to produce antibodies to repeatedly attack the cancer
- Stimulates a patient's B cells to produce polyclonal antibody responses that target cells with overexpressing HER-2 receptors on their surface
- Targets HER-2 positive cancer – about 20% of patients with gastric cancer are "HER-2 positive" i.e., they have the HER-2 receptor on their cancer cells



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WHY B-CELL PEPTIDE VACCINES?

- High chemical stability
- Easy construction and manufacturing

- No oncogenic potential
- Immunogenic – break of tumour tolerance

Long-Lasting Immunity

B-Cell Vaccines Offer



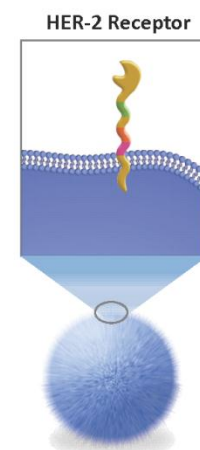
- Anti-tumor activity of antibodies induced by B cell epitopes
- Patient produces their own antibodies against the target
- Polyclonal responses (superior to treatment with monoclonal antibodies)
- **No HLA restriction!** (advantage over T cell responses)
- Induction of T cell responses and cytokine production via effective carrier system
- Multi-epitope approach means broad antigen recognition
- Identification via computer aided algorithms or mimotope technology

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What IS HER-2? A Clinically & Commercially Validated Cancer Target

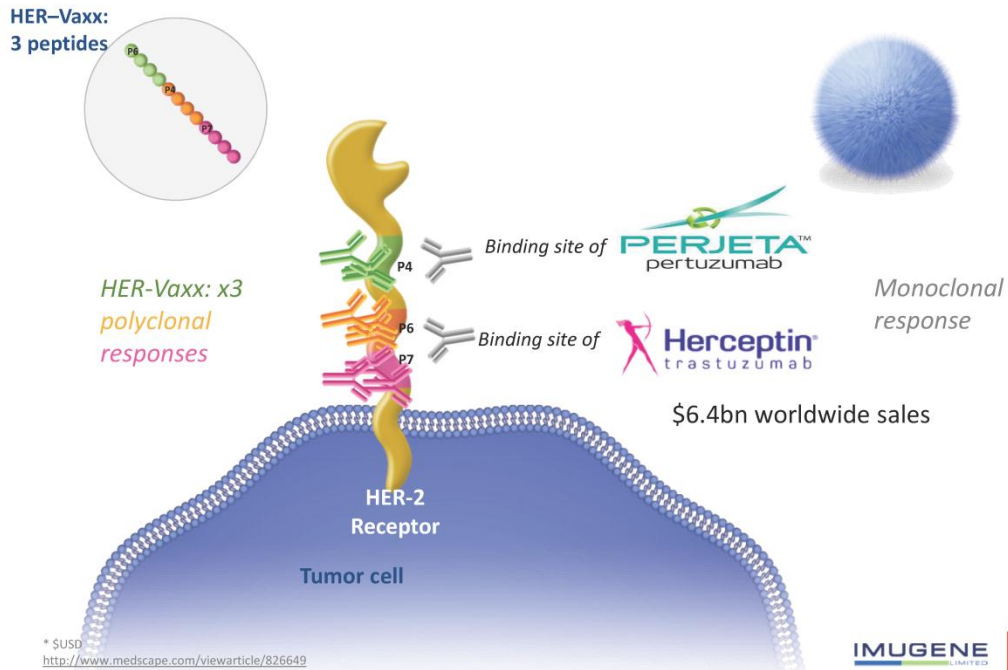
- HER-2 is a “hair-like” receptor found on the surface of many gastric & breast cancer cells (20-30%)
- HER-Vaxx targets HER-2 – if you attack Her-2 the cancer cell will die
- Too much HER-2 (over expression) in breast cancer is associated with:
 - High chance that the tumour grows quickly and spreads
 - Greater probability of local & systemic recurrence
 - Resistance to treatment
- HER-Vaxx targets HER-2 – if HER-2 is successfully targeted, the cancer will stop growing and die
- HER-2 is a clinically & commercially validated cancer target with Roche's Herceptin being the largest selling drug in the world for HER-2 positive breast cancer



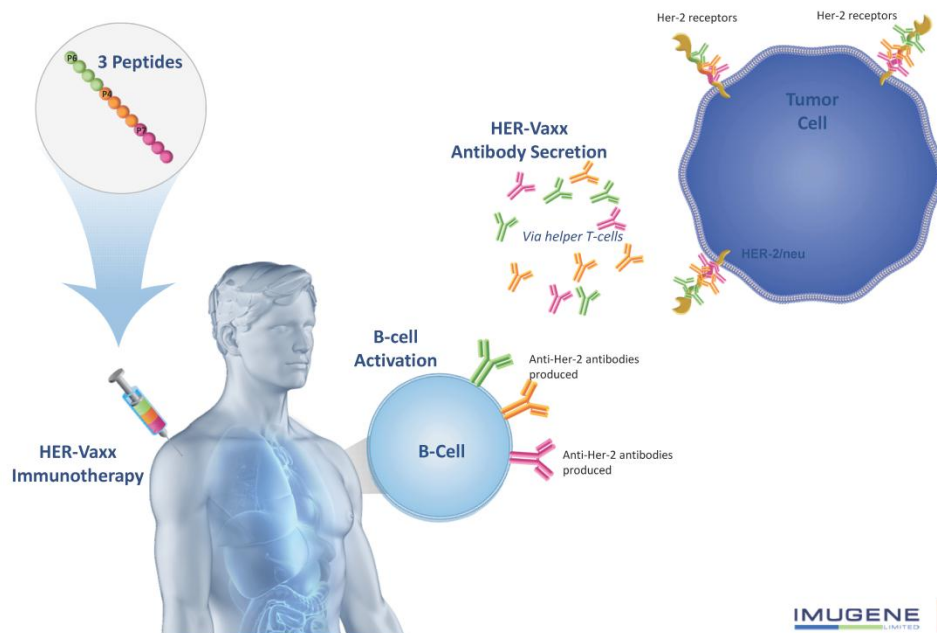
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HER-Vaxx Attacks the Same Cancer Receptor as 3rd Largest Cancer Drug Worldwide




HER-Vaxx: Mechanism of Action – How it Works





Clinical Status: Phase 1 Breast Trial Completed

Design

- n=10
- All metastatic breast cancer patients
- HER-2 +/++
- Life expectancy > 4 months
- Conducted at Medical University of Vienna

Clinical Endpoints

- 1 Safety and Tolerability
- 2 **Immunogenicity:** antibodies/humoral and cellular responses

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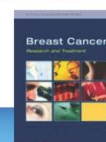

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Clinical Status: Phase 1 Breast Trial Completed



Wiedermann et al.,
Breast Cancer Res Treat
(2010)119:673 - 683

Observations

- Patients developed anti-HER-2 antibodies
- Induction of cytokines (Th1 biased; IFN γ)
- Induction of memory T & B cells post vaccination
- Reduction in T reg cells post vaccination, indicating strong vaccine response
- Antibodies induced displayed potent anti-tumor activity
- Results were even more promising given patients were in the end stage of disease and not the primary target group

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Phase 1b/2 Trial Design Gastric Cancer

Combined Phase 1b/2 clinical trial under IND

CRO appointed

SIMBECORION
GROUP

EUROPEAN MEDICINES AGENCY
SCIENCE MEDICINES HEALTH

FDA

Phase 1b lead-in	Phase 2 Trial
<ul style="list-style-type: none"> • Open label • US IND • 18 patients, x3 groups of 6 patients • Combination with chemo • Endpoints: <ul style="list-style-type: none"> – Dose of HER-Vaxx to use in Phase 2 part of study – Safety: any HER-Vaxx toxicity – Immunogenicity (anti-HER-2 antibody titers) – Test booster schedule (q 4 weeks or 8 weeks) 	<ul style="list-style-type: none"> • ~68 patients from Eastern Europe (2 arms by 34) • Combination with chemo • Efficacy, safety & immune response • Randomised • Endpoints: <ul style="list-style-type: none"> – Overall survival – Progression-free survival • Secondary endpoint: <ul style="list-style-type: none"> – Immune response

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Investment Highlights

Compelling Science	<ul style="list-style-type: none"> • B-cell peptide cancer immunotherapy that induces antibody responses targeting HER-2 over expressing tumors + major new initiative into mimotopes
Phase 1 Completed	<ul style="list-style-type: none"> • Anti- HER-2 antibody responses, T helper cytokines, T reg cells suppressed, therapy safe
Commercially Validated Target	<ul style="list-style-type: none"> • Targeting same receptor as Roche's \$6.4 bn breast cancer drug Herceptin
News Flow	<ul style="list-style-type: none"> • Numerous milestone announcements & valuation inflection points over next 12-24 months
Robust IP	<ul style="list-style-type: none"> • IP with exclusivity until 2030, granted in all major jurisdictions. Further patent life extensions under way
Leadership	<ul style="list-style-type: none"> • Experienced management & board – Board & management own 13%

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3 Details of the Issue

3.1 Description of the Issue

(a) Loyalty Options

The Issue comprises the issue of 177,321,669 Loyalty Options to Eligible Shareholders, who are registered as holders of Shares at the Record Date and whose registered address is in Australia or New Zealand.

Eligible Shareholders will be issued Loyalty Options for free, on the basis of being issued two Loyalty Options for every fifteen Shares held at the Record Date.

(b) Placement Options

The Issue also comprises the issue of 200,000,000 Placement Options to all Placement Shareholders on the basis of one Placement Option for every two Placement Shares subscribed through the Company's recent Placement.

(c) Terms of the Options

The Placement Options and the Loyalty Options will be offered on equivalent terms.

Each Option will entitle the holder to subscribe for one Share at the Exercise Price on or before 5.00pm (Sydney time) on 31 March 2017.

As there are 1,329,912,517 Shares on issue at the date of this Prospectus, approximately 377,321,669 Options will be issued pursuant to this Prospectus if no Existing Options are exercised prior to the Record Date.

Fractional Entitlements to Options will be rounded up to the nearest whole Option. The number of Options to be issued to you will be set out in a holding statement that will be despatched to you on or as soon as possible after 9 November 2015.

The Shares will rank equally in all respects with the shares held by the Existing Shareholders. The rights and liabilities attaching to all Shares are detailed in the Company's constitution. A summary of the constitution is set out in section 6.4.

3.2 Purpose of the Issue

The purpose of the bonus issue of Loyalty Options is to reward the Company's Eligible Shareholders for their continued support of the Company. The Placement Shareholders will also receive Placement Options as part of their subscription for the Placement Shares. The Issue will enable the Company to raise funds in the event any of the Options are exercised. Any funds raised from the exercise of the Options will be used by the Company to undertake the planned Phase 1b clinical trial of the HER-Vaxx immuno-oncology vaccine in Eastern Europe, which is planned to commence in the first quarter of 2016, and provide additional working capital for the Company to be used by the Company to fund the Company's investment program and meet other ongoing working capital requirements of the Company.

No funds will be raised from the Issue itself.

If all of the Options to be issued pursuant to this Prospectus are exercised, the Company will raise, before the costs of the Issue, additional funds of \$5,659,825 (based on a total of 377,321,669 Options being issued pursuant to this Prospectus).

3.3 Eligible Shareholders to receive Loyalty Options

This Prospectus is being sent to Eligible Shareholders with registered addresses in Australia or New Zealand only. This Prospectus does not constitute an offer to issue Loyalty Options in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The Company is of the view that it is unreasonable to make an offer to issue Loyalty Options to Ineligible Shareholders having regard to:

- (a) the number of Ineligible Shareholders to whom offers to issue Loyalty Options would otherwise be made;
- (b) the number and value of Loyalty Options that would otherwise be offered for issue to Ineligible Shareholders; and
- (c) the cost of complying with the laws, and any requirements of any regulatory authority, of the places where the Loyalty Options would otherwise be offered for issue.

3.4 Placement Shareholders to receive Placement Options

This Prospectus is also being sent to Placement Shareholders who are anticipated to be issued with the Placement Shares on 26 October 2015 through the Company's recent Placement. Eligibility to receive the Placement Options is limited to Placement Shareholders.

3.5 Action required by you

If you are an Eligible Shareholder, you do not need to take any action to receive your Entitlement. Likewise, if you are a Placement Shareholder, you do not need to take any action to be issued your Placement Options.

This Prospectus is issued in respect of the Loyalty Options without the requirement for an application form under an exemption provided by ASIC Class Order CO 00/1092.

The Placement Shareholders have already given their Placement Commitments for the Placement Options and no further application is required.

3.6 Allotment of the Options

The Options will be allotted and holding statements will be despatched on or as soon as possible after 9 November 2015.

3.7 Non-renounceable

The rights to the Options are non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of by you.

3.8 Taxation considerations

Background

The following is a general summary of the potential Australian income tax (including capital gains tax) consequences for Australian resident shareholders in Imugene that hold their Shares on capital account. This summary is based on the law and practice in effect on the date of this Prospectus.

Shareholders who are residents of or subject to taxation in other countries will need to obtain advice on the tax consequences of that country.

Each Shareholder's circumstances will determine how the tax laws apply to them. The Directors are not licensed under the tax agent services regime and cannot provide tax advice to Shareholders. All Shareholders are advised to seek independent professional advice about their particular circumstances.

Taxation position

The provision of the Options should not be taxable as an actual or deemed dividend. In particular, the issue of the Options should not be regarded as a 'dividend substitution arrangement' by the Australian Taxation Office.

If the Options are exercised, additional Shares will be issued in consideration for payment of the Exercise Price. In this case the new Shares will be taken to have been acquired by the Shareholders at the time those Shares are issued, and the Exercise Price will be included in the cost base for capital gains tax purposes.

Where the Options are not exercised and lapse (so no additional Shares are issued) there should be no capital gain or loss consequences in respect of the transactions.

3.9 Foreign selling restrictions

No action has been taken to register or qualify the Options or the Issue in any jurisdiction outside Australia and New Zealand, or otherwise to permit a public offering of the Options outside Australia and New Zealand.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Shareholders with a registered address in Australia or New Zealand holding Shares on behalf of persons who are not resident in Australia or New Zealand are responsible for ensuring that taking up the Options under this Prospectus does not breach regulations in the relevant overseas jurisdictions.

3.10 Withdrawal

The Company reserves the right to withdraw the Issue, at any time before the allotment of the Options.

3.11 Enquiries

If you have questions about the Issue, please contact Justyn Stedwell on +61 3 9824 5254.

4 Effect of the Issue on the Company

4.1 Overview

The Issue will not result in any additional Shares being issued (other than those Shares that are issued if any of the Options or Existing Options are exercised).

There are 1,329,912,517 Shares on issue as at the date of this Prospectus.

There are 57,000,000 Existing Options to acquire 57,000,000 Shares on issue as at the date of this Prospectus, as set out in further detail in section 6.5.

The principal effects of the Issue will be to issue between 177,321,669 Loyalty Options (if none of the Existing Options are exercised prior to the Record Date) and 184,921,669 Loyalty Options (if all of the Existing Options are exercised prior to the Record Date). In addition, 200,000,000 Placement Options are to be issued.

4.2 Capital structure

The capital structure of the Company as at the date of this Prospectus is as follows:

Security	Number
Ordinary fully paid shares	1,329,912,517
Placement Shares anticipated to be issued on 26 October 2015	400,000,000
Existing Options	57,000,000

The capital structure of the Company immediately post the Issue (assuming none of the Existing Options are exercised prior to the Record Date) is as follows:

Security	Number
Ordinary fully paid shares	1,729,912,517
Options	377,321,669
Existing Options	57,000,000

The capital structure of the Company immediately post the Issue (assuming all of the Existing Options are exercised prior to the Record Date) is as follows:

Security	Number
Ordinary fully paid shares	1,786,912,517
Options	384,921,669

For details on the Company's substantial shareholders and interests of directors see sections 6.9 and 6.10.

4.3 Effect on control of the Company

The Issue will not have any control effect on the Company before the exercise of any Options.

The Options may only be exercised in compliance with the Corporations Act, including in accordance with applicable control thresholds under the Corporations Act.

Given the current composition of the Company's share register, and the proposed number of Options to be issued, it is not expected that the Shares to be issued pursuant to the Options (even if all of the Options are exercised) would have any material impact on the control of the Company.

4.4 Financial information

The issue of the Options under this Prospectus will not raise any funds and will not have any material effect on the Company's financial position. Cash reserves will decrease by approximately \$32,000 (being the costs of the Issue). Approximately \$5,659,825 million (before costs) will be raised if all the Options are exercised.

5 Risk factors

5.1 Factors influencing success and risk

Introduction

This section identifies the major risks the Board believes are associated with an investment in Imugene.

The Imugene business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of Imugene and the value of an investment in the Company. There can be no guarantee that Imugene will achieve its stated objectives or that any forward looking statements will eventuate. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on Imugene's operating performance, and the market price of the Shares (including those received on exercise of the Options).

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the risk factors that could affect the financial performance of Imugene;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

5.2 Risks specific to the Options

Exercise price

There is a risk that the prevailing market price for the Shares at the time of exercise of the Options may be less than the Exercise Price.

5.3 Specific investment risks

Products in development and not approved for commercial sale

Imugene's ability to achieve profitability is dependent on a number of factors, including its ability to complete successful clinical trials, obtain regulatory approval for its products (including HER-Vaxx) and successfully commercialise those products. There is no guarantee that Imugene's products (including HER-Vaxx) will be commercially successful.

Imugene does not currently generate revenue from product sales and any such revenue is not anticipated in the short to medium term.

There are many reasons why initially promising products fail to be successfully commercialised. For example, clinical trials may be suspended for safety or efficacy reasons (see further below), following development it may prove difficult or impossible to manufacture the products on a large scale, or, during the period of development, competitors (including those with greater resources) may emerge with competing or alternative treatments.

Clinical trial risk

The Company may be unable to secure necessary approvals from regulatory agencies and institutional bodies (clinics and hospitals) to conduct future clinical trials. There is also no assurance that products developed using the Company's technology will prove to be safe and efficacious in clinical trials, or that the regulatory approval to manufacture and market its products will be received. Clinical trials might also potentially expose the Company to product liability claims in the event its products in development have unexpected effects on clinical subjects.

Clinical trials undertaken by the Company have many associated risks which may impact the Company's profitability and future productions and commercial potential. They may prove unsuccessful or non efficacious, impracticable or costly. The clinical trials could be terminated which will likely have a significant adverse affect on the Company, the value of its securities and the future commercial development of HER-Vaxx.

Regulatory and reimbursement approvals

The research, development, manufacture, marketing and sale of products using the Company's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas.

Products, including HER-Vaxx, developed using the Company's technology must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. The process includes the provision of clinical data relating to the quality, safety and efficacy of the products for their proposed use.

Products may also be submitted for reimbursement approval. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions.

Furthermore, any of the products utilising the Company's technology may be shown to be unsafe, non-efficacious, difficult or impossible to manufacture on a large scale, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

Commercialisation of products and potential market failure

The Company has not yet commercialised its technology and as yet has no material revenues.

The Company is also dependent on commercially attractive markets remaining available to it during the commercialisation phase and there is a risk that, once developed and ready for sale, commercial sales, to fund sufficient revenues for continued operations and growth, may not be achieved.

Dependence upon key personnel

Imugene depends on the talent and experience of its personnel as its primary asset. There may be a negative impact on Imugene if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company. Increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

Arrangements with third-party collaborators

Imugene may pursue collaborative arrangements with pharmaceutical and life science companies, academic institutions or other partners to complete the development and commercialisation of its products. These collaborators may be asked to assist with funding or performing clinical trials, manufacturing, regulatory approvals or product marketing. There is no assurance that Imugene will attract and retain appropriate strategic partners or that any such collaborators will perform and meet commercialisation goals. If Imugene is unable to find a partner, it would be required to develop and commercialise HER-Vaxx (and other potential products) at its own expense. This may place significant demands on the Company's internal resources and potentially delay the commercialisation of HER-Vaxx (and other products).

Risk of delay and continuity of operations

Imugene may experience delay in achieving a number of critical milestones, including securing commercial partners, completion of clinical trials, obtaining regulatory approvals, manufacturing, product launch and sales. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

Imugene may also experience business continuity problems arising from extreme events. As with most businesses, Imugene is reliant on IT systems in its day-to-day operations. An inability to operate such systems would impact the business. This might result, for example, from a computer virus or other cyber attack or from a physical event at its offices.

Competition

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets that Imugene is targeting.

The Company's products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same conditions that the Company is targeting. Some of these companies may have, or develop, technologies superior to the Company's own technology. The Company may face competition from parties who have substantially greater resources than the Company.

Requirement to raise additional funds

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

Growth

There is a risk that the Company may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel as outlined above may be a significant obstacle to growth.

Intellectual property

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be

unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights.

5.4 General investment risks

Share market investments

It is important to recognise that, the underlying value of the Options, and any Shares issued on exercise of the Options, might rise or fall and the Shares might trade at prices below or above the Exercise Price. There can be no assurance that there will be an active trading market for the Options or Shares.

Factors affecting the price at which the Options and Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Options or Shares.

General economic conditions

Imugene's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the Directors' and Imugene's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Imugene's financial statements.

Taxation risks

Changes to the rate of taxes imposed on Imugene (including in overseas jurisdictions in which Imugene operates now or in the future) or tax legislation generally may affect Imugene and its Shareholders. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to Imugene's interpretation may lead to an increase in Imugene's taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. Imugene is not responsible either for taxation or penalties incurred by investors.

Litigation

There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, no litigation currently underway or threatened.

5.5 Cautionary statement

Statements contained in this Prospectus may be forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected.

The Directors' expectations and beliefs are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in the Company's records and other data available from third parties. There can be no assurance, however, that their expectations or beliefs will give the results projected in the forward looking statements. Investors should not place undue reliance on these forward looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward looking statements are discussed earlier in this section.

6 Additional information

6.1 Continuous reporting and disclosure obligations

This Prospectus is a 'transaction specific prospectus' issued according to section 713 Corporations Act as a prospectus for the issue of continuously quoted securities.

In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Company is a 'disclosing entity' for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Imugene is subject to the Listing Rules which require disclosure to ASX of any information the Company has which a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of ASX announcements are available on the ASX website or the Company's website at www.imugene.com.

In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The information in the Annual Report, the Half Yearly Report and the continuous disclosure notices may be of interest to investors and their financial advisers.

The Directors rely upon section 712(3) Corporations Act with the inclusion by reference of material referred to above for full disclosure of relevant information to Shareholders for the purposes of section 711 Corporations Act, including the nature and extent of any directors' interests or of persons identified in section 711(4) Corporations Act.

Company announcements since 30 June 2015 to the date of this Prospectus:

Date	Announcements
15/10/2015	Results of Meeting
15/10/2015	AGM Corporate Presentation
13/10/2015	Imugene announces bonus options issue
14/09/2015	Notice of Annual General Meeting/Proxy Form
08/09/2015	Corporate Presentation
08/09/2015	Imugene Announces Successful Capital Raising
07/09/2015	Trading Halt
31/08/2015	Summary of Full Year Results
31/08/2015	Appendix 4G
31/08/2015	Appendix 4E and Annual Report 2015
27/08/2015	Immuno-oncology Specialist Appointed Chief Operating Officer
30/07/2015	Appendix 4C – quarterly
24/07/2015	Change of Share Registry
13/07/2015	New Research Note available from Edison Investment Research
01/07/2015	CRO Appointed to Conduct Phase 1b/2 Gastric Cancer Trial

6.2 Documents available for inspection

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Prospectus (free of charge):

- (a) copies of the Annual Report and Half Yearly Report;
- (b) any continuous disclosure notices lodged by the Company from 30 June 2015 to the date of this Prospectus;
- (c) the Constitution; and
- (d) the consents to the issue of this Prospectus.

6.3 Rights attaching to Options

The Options will be issued on the following terms and conditions:

Eligibility	The Loyalty Options will be issued to Eligible Shareholders at the Record Date. The Placement Options will be issued to all Placement Shareholders who participated in the Company's recent Placement.
Grant	The Loyalty Options will be issued on the basis of two Loyalty Options for every fifteen Shares held by an Eligible Shareholder. The Placement Options will be issued on the basis of one Placement Option for every two Placement Shares acquired by a Placement Shareholder under the Placement.
Exercise	The Options may be exercised at any time prior to the Expiry Date, wholly or in part, by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price. Imugene will issue one Share for each Option exercised. A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
Expiry Date	Each Option may be exercised at any time on or before 5.00pm (Sydney time) on 31 March 2017. Options not exercised by the Expiry Date lapse.
Exercise Price	1.5 cents upon exercise per Share.
Quotation and transfer of Options	The Options will be quoted and transferable. Application for official quotation will be made within five business days from the date of issue of the Options.
Terms of Shares issued	Any Shares issued on exercising an Option will: (a) be issued on the same terms; and (b) rank in all respects on equal terms, with the other existing Shares.
Quotation of Shares issued	Application for official quotation of shares allotted and issued as a result of the exercise of any Options will be made within five business days from the date of issue of the applicable Shares.
Option register	Options will be registered in an option register maintained by Imugene's share registry. The registry will issue holding statements that evidence the number of Options held by an Eligible Shareholder. No Option certificates will be issued.

Reconstruction of capital	In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of Imugene: (a) the number of Options or the Exercise Price of the Options or both will be adjusted in accordance with Listing Rule 7.22 as it applies at the time of the reorganisation; and (b) in all other respects the terms for the exercise of the Options will remain unchanged.
Adjustment where pro-rata issue of shares, bonus shares or stock dividends	In the event of any pro rata issues of Shares, the Exercise Price of the Options will be adjusted in the manner specified in Listing Rule 6.22.2. In the event of any bonus or cash issues of Shares, the number of Shares issued upon exercise of the Options will be adjusted in the manner specified in Listing Rule 6.22.3.
New issues of Shares	The Options do not confer a right to participate in new issues of Imugene shares unless the Options have been exercised on or before the record date for determining entitlements to the applicable Share issue.
Notice of adjustments	Imugene will give written notice to an Option holder of any adjustment of the Exercise Price of the Options and/or any increase or decrease in the number of Options.
Dividend rights	Whilst they remain unexercised, the Options will not give a holder an entitlement to receive any dividends declared and paid by Imugene in respect of Shares.
Applicable law/rules	Each Option is issued subject to: (a) the Corporations Act; (b) the Listing Rules; and (c) the Constitution.

6.4 Rights attaching to Shares

The rights attaching to Shares in Imugene are set out in the Constitution. Below is a summary of the key provisions of the Constitution. This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

Shares

The Directors are entitled to issue Shares in the capital of Imugene, grant Options over unissued shares and settle the manner in which fractions of a Share are to be dealt with. The Directors may decide the persons to whom, and the terms on which, Shares are issued or Options are granted as well as the rights and restrictions that attach to those Shares or Options.

Imugene may also sell a Share that is part of an unmarketable parcel of shares under the procedure set out in the Constitution.

Variation of class rights

The rights attached to any class of Shares may, unless their terms of issue state otherwise, only be varied with the consent in writing of members holding at least three-quarters of the Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

Share certificates

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, Imugene need not issue share certificates if the Directors so decide.

Calls

The Directors may, from time to time, call upon Shareholders for unpaid monies on their shares. The Directors must give Shareholders notice of a call at least 30 business days before the amount called is due, specifying the time and place of payment. If a call is made, Shareholders are liable to pay the amount of each call by the time and at the place specified.

A call is taken to have been made when a Directors' resolution passing the call is made or on any later date fixed by the Board. A call may be revoked or postponed at the discretion of the Directors.

Forfeiture and lien

Imugene may forfeit Shares to cover any call, or other amount payable in respect of Shares, which remains unpaid following any notice to that effect sent to a Shareholder. Forfeited Shares become the property of Imugene and the Directors may sell, reissue or otherwise dispose of the Shares as they think fit.

A person whose Shares have been forfeited may still be required to pay Imugene all calls and other amounts owing in respect of the forfeited Shares (including interest) if the Directors so determine.

Imugene has a first and paramount lien for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien extends to all distributions relating to the Shares, including dividends.

Imugene's lien over Shares will be released if it registers a transfer of the Shares without giving the transferee notice of its claim.

Share transfers

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules or by a written transfer in any usual form or in any other form approved by the Directors. The Directors may refuse to register a transfer of Shares where it is not in registrable form, Imugene has a lien over any of the Shares to be transferred or where it is permitted to do so by the Listing Rules or the ASX Settlement Operating Rules.

General meetings

Each Shareholder, Director and auditor is entitled to receive notice of and attend any general meeting of Imugene. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business.

Voting rights

Subject to any rights or restrictions attached to any Shares or class of shares, on a show of hands each Shareholder present has one vote and, on a poll, one vote for each fully paid Share held, and for each partly paid Share, a fraction of a vote equivalent to the proportion to which the Share has been paid up. Voting may be in person or by proxy, attorney or representative.

Remuneration of Directors

Each Director is entitled to remuneration from Imugene for his or her services as decided by the Directors but the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by Imugene in general meeting (see section 6.10). The remuneration of a Director (who is not the managing Director or an executive Director) must not include a commission on, or a percentage of, profits or operating revenue.

Interests of Directors

A Director who has a material personal interest in a matter that is being considered by the Board must not be present at a meeting while the matter is being considered nor vote on the matter, unless the Corporations Act allows otherwise.

Election and retirement of Directors

There must be a minimum of three Directors and a maximum of ten Directors unless Imugene in general meeting resolves otherwise.

Where required by the Corporations Act or Listing Rules, Imugene must hold an election of directors each year. No Director, other than the managing director, may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. A Director appointed to fill a casual vacancy, who is not a managing Director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no Director is required to retire, then the director who has been longest in office since last being elected must retire.

If a number of Directors were elected on the same day, the Directors to retire are (in default of agreement between them) determined by ballot.

Dividends

If the Directors determine that a final or interim dividend is payable, it is (subject to the terms of issue on any Shares or class of Shares) paid on all Shares proportionate to the amount for the time being paid on each Share. Dividends may be paid by cash, electronic transfer or any other method as the Board determines.

The Directors have the power to capitalise and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to Shareholders. The capitalisation and distribution must be in the same proportions which the Shareholders would be entitled to receive if distributed by way of a dividend.

Indemnities and insurance

Imugene must indemnify current and past Directors and other executive officers (**Officers**) of Imugene on a full indemnity basis and to the fullest extent permitted by law against all liabilities incurred by the Officer as a result of their holding office in Imugene or a related body corporate.

Imugene may also, to the extent permitted by law, purchase and maintain insurance, or pay or agree to pay a premium for insurance, for each Officer against any liability incurred by the Officer as a result of their holding office in Imugene or a related body corporate.

6.5 Existing Options

Options	Exercise price	Vesting date	Expiry date
IMUAK	\$0.02	On issue date of 9 August 2012	31/12/2015
IMUAL	\$0.025	On issue date of 15 December 2014	14/04/2019
IMUAM	\$0.01	Tranche 1: 10 November 2015, subject to continued employment of Dr Nick Ede Tranche 2: 10 May 2016, subject to continued employment of Dr Nick Ede	10/11/2017

6.6 Litigation

To the best of the Director's knowledge and belief, no litigation is currently underway or threatened against the Company.

6.7 Consents and disclaimers of responsibility

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

McCullough Robertson has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

Automatic Registry Service has given, and not withdrawn, its written consent to be named as the Company's share registry in the form and context in which it is named.

6.8 Interests of experts and advisers

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest or has had any interest during the last two years, in the formation or promotion of Imugene, or in property acquired or proposed to be acquired by Imugene in connection with its formation or promotion, or the issue of the Options; and
- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any of those persons in connection with the services provided by the person in connection with the formation or promotion of Imugene, or the issue of the Options.

McCullough Robertson has acted as legal adviser to the Company in relation to the Issue and has been involved in providing legal advice on the Issue. McCullough Robertson will be paid an amount of \$20,000 (GST exclusive) for these services.

6.9 Substantial Shareholders

The following Shareholders have a substantial holding in Imugene:

Shareholder	Shares	Percentage interest
Mr Paul Hopper	69,796,875	5.25%
Webinvest Pty Ltd <OLSB Unit Trust>	77,000,000	5.79%

The above table shows the current shareholding of each substantial Shareholder and not the position after the exercise of any Options to be issued to them (to the extent they are an Eligible Shareholder able to participate in the Issue).

6.10 Interests of Directors

Other than set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director of Imugene has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of Imugene, or the issue of the Options, or in any property proposed to be acquired by Imugene in connection with information or promotion of the issue of the Options; and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of Imugene either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of Imugene or the issue of the Options.

Shareholdings

The Directors of the Company or their associates have a beneficial interest in the following Shares and Existing Options in the Company at the date of this Prospectus:

Director	Shareholder	Shares	Existing Options
Mr Paul Hopper	Yes	69,796,875	Nil
Dr Axel Hoos	Yes	7,500,00	Nil
Mr Otto Buttula	Yes	77,000,000	Nil
Mr Charles Walker	Yes	25,000,000	Nil

Directors who are Eligible Shareholders will receive their pro rata Entitlement of Loyalty Options under the Issue.

Transactions with related parties

The Placement will consist of a subscription by Mr Otto Buttula, non-executive Director of the Company for Placement Shares amounting to \$225,000 and Mr Charles Walker, also a non-executive Director of the Company, for Placement Shares amounting to \$11,250. The issue of

Placement Shares and accompanying Placement Options to Mr Buttula and Mr Walker has been approved by Shareholders at the Company's annual general meeting on 15 October 2015.

Payments to Directors

The constitution of Imugene provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by Imugene's Shareholders in general meeting, with that sum to be divided among the Directors as they agree.

The maximum aggregate amount which has been approved by Imugene's Shareholders for payment to the Directors is \$400,000 per annum.

6.11 Expenses of the Issue

The total estimated expenses of the Issue payable by the Company including ASX and ASIC fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be approximately \$32,000.

6.12 ASIC Class Order

The Company has taken advantage of ASIC Class Order CO 00/1092 in respect of the Loyalty Options which exempts the Company from sections 717 and 723 Corporations Act to the extent that they require:

- (a) this Prospectus to include or be accompanied by an application form; and
- (b) the Company to only issue Options pursuant to this Prospectus to a person who has submitted an application form distributed with this Prospectus.

6.13 CHESS

The Company participates in CHESS. Eligible Shareholders who are issued Loyalty Options, and Placement Shareholders who are issued with Placement Options under this Prospectus will receive holding statements in lieu of Option certificates. The holding statement will set out the number of Options issued to each Eligible Shareholder and Placement Shareholder.

The holding statement also provides details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the share registry. Further statements are given to Shareholders showing changes in their shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee for them.

6.14 Electronic Prospectus

This Prospectus is available in electronic form at www.imugene.com. Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus by Imugene free of charge during the period of the Issue.

While Imugene believes that it is extremely unlikely that during the period of the Issue the electronic version of the Prospectus will be tampered with or altered in any way, Imugene can not give any absolute assurance that this will not occur. Any investor in doubt about the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from Imugene or a financial adviser.

6.15 Privacy

Eligible Shareholders and Placement Shareholders may be asked to provide personal information to Imugene directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the share registry collect, hold and use that personal information to provide facilities and services to Eligible Shareholders and Placement Shareholders and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the *Privacy Act 1988* (Cth). The Company's privacy policy sets out how Shareholders may request access to and correction of their personal information held by or on behalf of the Company (by contacting the share registry), how Shareholders can complain about privacy related matters and how the Company responds to complaints.

6.16 Authorisation

This Prospectus is issued by the Company. Each Director has consented to the lodgement of the Prospectus with ASIC.

Dated:



Paul Hopper
Executive Chairman

7 Glossary

In this document:

Annual Report	means the annual report of the Company for the financial year ended 30 June 2015 which includes audited financial statements for the financial year ended 30 June 2015 and the auditor's report, which was lodged with ASX and ASIC on 31 August 2015.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Settlement	ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Operating Rules	the ASX Settlement Operating Rules, being the operating rules of the settlement facility operated by ASX Settlement.
Board	means the board of directors of the Company.
CHESS	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Company or Imugene	means Imugene Limited ACN 009 179 551.
Constitution	means the constitution of Imugene.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Eligible Shareholder	means a Shareholder who holds Shares at 7.00pm (Sydney time) on the Record Date who is not an Ineligible Shareholder or a Placement Shareholder.
Entitlement	means the right of an Eligible Shareholder to be issued Loyalty Options under this Prospectus.
Exercise Price	means 1.5 cents per Option.
Existing Options	means the 57,000,000 options to acquire Shares that are referred to in section 6.5 of this Prospectus.
Existing Shareholders	means the holders of Shares before the date of this Prospectus.
Expiry Date	means 5.00pm (Sydney time) on 31 March 2017.
Half Yearly Report	means the report for the Company for the half year ended 31 December 2014 which includes the reviewed financial statements for the financial year ended 31 December 2014 and the auditor's review report, which was lodged with ASX and ASIC on 27 February 2015.
Ineligible Shareholder	means a Shareholder with an address in the Company register of Shareholders outside Australia and New Zealand, unless the Company is satisfied that it is not precluded from lawfully issuing Options to that Shareholder either unconditionally or after compliance with conditions which the Directors in its sole discretion regards as acceptable and not unduly onerous.
Issue	means the issue of Loyalty Options and Placement Options (as the case may be) under this Prospectus.
Listing Rules	means the listing rules of ASX.

Loyalty Options	means the options to be issued pursuant to this Prospectus as detailed in section 3.1(a) and on the terms set out in section 6.3.
Options	means the Loyalty Options and the Placement Options to be issued by the Company pursuant to this Prospectus.
Placement	means the issue of 400 million Shares at a price of 0.75 cents per share to sophisticated investors which contemplated the issue of attaching Placement Options (the subject of this Prospectus), as announced by the Company on 8 September 2015.
Placement Commitment	means the agreement under which the Placement Shareholders' have agreed to participate in the Placement.
Placement Options	means the options to be issued pursuant to this Prospectus as detailed in section 3.1(b) and on the terms set out in section 6.3.
Placement Shares	means the Shares anticipated to be issued to sophisticated investors on 26 October 2015 under the Placement.
Placement Shareholder	means the Shareholders who are anticipated to be issued with the Placement Shares under the Placement.
Prospectus	means this prospectus.
Record Date	means 7.00pm (Sydney time) on 30 October 2015.
Shareholders	means holders of shares in Imugene.
Shares	means fully paid ordinary shares in Imugene.
Us or we	means the Company.
You	means the investors under this Prospectus.

Corporate directory

Company

Imugene Limited ACN 009 179 551
Suite 1, 1233 High Street
Armadale, Victoria 3142
www.imugene.com

Directors

Mr Paul Hopper, Executive Chairman
Dr Axel Hoos, Non-Executive Director
Mr Otto Buttula, Non-Executive Director
Mr Charles Walker, Non-Executive Director

Company Secretaries

Mr Phillip Hains
Mr Justyn Stedwell

Share registry

Automic Registry Service
Level 1, 7 Ventnor Ave
Perth, WA 6005
Tel: 08 9324 2099 (within Australia) or
+61 8 9324 2099 (outside Australia)
www.automic.com.au

Lawyers to the Issue

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