



Prospectus

Imugene Limited ACN 009 179 551

Fully underwritten non-renounceable pro rata entitlement offer of 1 New Share for every 9.5 Existing Shares (and 1 New Option for every 3 New Shares issued) at an offer price of \$0.027 per New Share to raise approximately \$8.1 million (before the exercise of any New Options)

Last date for acceptance and payment: 5.00pm (Sydney time) on Tuesday, 3 July 2018

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document, you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

This Prospectus also provides for the issue of the Placement Options on the terms announced by the Company on 7 June 2018

This Prospectus may not be released to US wire services or distributed in the United States.

Lead Manager

The logo for Bell Potter, consisting of a horizontal line above the text "BELL POTTER" in a bold, black, sans-serif font.

Legal Adviser

The logo for McCullough Robertson, featuring the word "Lawyers" in a vertical orientation to the left of a vertical bar, which is followed by the text "McCullough Robertson" in a bold, black, sans-serif font.

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IMPORTANT NOTICES

General

This Prospectus is dated 7 June 2018. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of any investment under this Prospectus. No Shares or Options will be allotted or transferred on the basis of this Prospectus after the expiry date. This Prospectus expires on 7 July 2019.

No person may give any information or make a representation about the Entitlement Offer, which is not in this Prospectus. Information or representations not in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Entitlement Offer.

This Prospectus provides information for investors to decide if they wish to invest in Imugene. Read this document in its entirety. Examine the assumptions underlying 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 Entitlement Offer does not take into account the investment objectives, financial situation or needs of particular investors.

Australian and New Zealand residents only

The New Shares and New Options to be 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 offer 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 offer in any place where, or to any person to whom, it would not be lawful to make the offer.

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 2001* (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

This offer and the content of the prospectus are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Aust) and the regulations under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian and New Zealand law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

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

Both the Australian and New Zealand financial markets 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, New Zealand (<http://fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

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

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 financial products is Australian dollars. The value of the financial products will go up or down according to changes in the exchange rate between the Australian and New Zealand dollar. These changes may be significant.

If you expect the financial products 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 financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product 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 financial products and trading may differ from financial product markets that operate in New Zealand.

Electronic prospectus

This Prospectus is available electronically at www.imugene.com. The Entitlement and Acceptance Form attached to the electronic version of this Prospectus must be used within Australia or New Zealand. 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 1300 288 664. Applications for New Shares and New Options may only be made on the Entitlement and Acceptance Form attached to this Prospectus or in its paper copy form downloaded in its entirety from www.imugene.com.

Exposure period

No exposure period applies to this Prospectus by operation of the Corporations Act (in respect of the New Shares) and the ASIC Corporations (Exposure Period) Instrument 2016/74 (in respect of the New Options).

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 the Company holds about you (by contacting the share registry), how you can complain about privacy related matters and how the Company responds to complaints.

Defined terms

Capitalised terms used in this Prospectus are defined in the Glossary.

Currency

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

Photographs and diagrams

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

Letter from the Chairman

7 June 2018

Dear Fellow Shareholder

On behalf of your Board, it gives me great pleasure to offer you this opportunity to increase your investment in Imugene through participation in this 1 for 9.5 non-renounceable pro rata issue of new Imugene shares (**New Shares**), and 1 option for every 3 New Shares issued (**New Options**), at a price of \$0.027 per New Share.

On 7 June 2018, Imugene announced its successful raising of approximately \$12 million through a placement to institutional and sophisticated investors (**Placement**), to be followed by this Entitlement Offer (together, the **Equity Raising**).

Contemporaneously with the announcement of the Placement, the Board was delighted to announce that the Company has entered into a licensing agreement in respect of the entire body of cancer vaccine work developed over 28 years by Professor Pravin Kaumaya of Ohio State University Comprehensive Cancer Centre, and The Mayo Clinic, both highly regarded, and prestigious medical institutions in the United States.

Professor Kaumaya has developed multiple B-cell cancer vaccines and is a recognised leader in cancer vaccine research with an emphasis on peptide vaccines for cancer. He has published over 130 peer-reviewed articles in major scientific journals.

The multiple commercial, strategic and clinical benefits of this transaction secures our global leadership in the promising B-cell peptide cancer vaccine sector, and in particular PD-1 checkpoint inhibitors, where Ohio State University Comprehensive Cancer Centre's pre-clinical work for a Phase I PD-1 clinical trial is well advanced.

The benefits derived from the licensing agreement include:

- 1 substantial intellectual property estate with a broad patent portfolio including six patent families comprising 16 issued patents or pending applications for compositions of matter and/or methods of use of a large range of B-cell peptide and cancer vaccines comprising PD-1, HER1, HER2, HER3, VEGF, IGF-1R, CD28 peptides and combinations thereof;
- 2 FDA IND-ready PD-1 checkpoint inhibitor B-cell vaccine for Phase 1 trial;
- 3 completed two National Cancer Institute (NCI) funded and FDA approved Phase 1 clinical trials at Ohio State's James Cancer Hospital and Solove Research Institute, Columbus, Ohio;
- 4 ongoing NCI funded, FDA approved Phase II HER-2 clinical trial at Ohio State University; and
- 5 expanding Imugene's R&D capability via access to Professor Kaumaya's comprehensive translational laboratory facilities at Ohio State University under a three year research contract.

Funds raised from the Placement and the issue of New Shares will assist in the development of these promising cancer drugs.

The Offer Price represents a 12.0% discount to the weighted average closing price of Imugene over the past five trading days to 4 June 2018 and is open to Eligible Shareholders holding Shares on the Record Date of 13 June 2018. It is also the same price offered to sophisticated and professional investors under the Placement.

Imugene intends to raise approximately \$8.1 million (before direct offer costs) through the issue of approximately 300,506,018 Shares under the Entitlement Offer. In addition, if all of the available New Options are issued and exercised, Imugene will raise a further amount of approximately \$4 million.

The Entitlement Offer is fully underwritten by Bell Potter Securities Limited.

The Board intends to use the proceeds of the Equity Raising for:

- 1 acceleration of the newly combined Imugene pipeline of HER2, PD-1 and combinations of B- cell vaccine clinical programs acquired Ohio State University Comprehensive Cancer Centre's (**OSU**) and Mayo B-Cell Peptide IP and Clinical Portfolio (as announced by the Company on 7 June 2018);
- 2 completion of Phase 2 Trial for OSU/Mayo Clinic HER-2 Vaccine;
- 3 adaptive clinical study for PD-1 vaccine candidate;
- 4 new vaccine candidates through IND enabling studies;
- 5 R&D programs at OSU to advance additional vaccine candidates;
- 6 GMP manufacturing and GLP-preclinical studies for clinical candidates; and
- 7 general working capital.

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is attached to this Prospectus.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on ASX or otherwise transferable.

The Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday, 3 July 2018.

Please read in full the details on how to submit your application, which are set out in this Prospectus. For further information about the Entitlement Offer, please call the share registry, Automic Registry Service Limited, on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia), or visit the Company's website at www.imugene.com.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully



Paul Hopper
Executive Chairman
Imugene Limited

1 Investment overview

1.1 Summary offer details

Terms of offer	Details*
Offer Price per New Share	\$0.027
Ratio	1 New Share for every 9.5 Existing Shares and 1 New Option for every 3 New Shares issued
Total number of New Shares offered under this Prospectus	300,506,018
Total number of New Options offered under this Prospectus	100,168,673
Total number of Shares to be issued under the Placement	444,444,445
Total number of Placement Options issued under this Prospectus	148,148,148
Total number of Shares on issue following the Equity Raising (before the exercise of any New Options or Placement Options)	3,599,757,633
Total amount to be raised under the Equity Raising (before the exercise of any New Options or Placement Options)	\$20,113,662.51
Total number of Shares on issue following the Equity Raising (if all New Options and Placement Options are exercised)	3,848,074,454
Amount to be raised if all available New Options and Placement Options are issued and exercised	\$9,932,672.80
Market capitalisation at the Offer Price (before the exercise of any New Options or Placement Options)	\$97,193,456.09

**Subject to rounding.*

1.2 Important dates

Event	Date
Prospectus date	7 June 2018
Announcement of the Equity Raising	7 June 2018
Ex date	12 June 2018
Record Date for Entitlement Offer (7.00pm, Sydney time)	13 June 2018
Prospectus and Entitlement and Acceptance Form despatched	18 June 2018
Entitlement Offer opens	18 June 2018

Offer closes (5.00pm, Sydney time)	3 July 2018
New Shares quoted on deferred settlement basis	4 July 2018
Announcement of results of Entitlement Offer and under-subscriptions	6 July 2018
Extraordinary general meeting to approve the issuance of Shares and Placement Options under the Placement	9 July 2018
Allotment of New Shares issued under the Entitlement Offer	11 July 2018
Despatch of holding statements for New Shares issued under the Entitlement Offer	12 July 2018
Normal ASX trading for New Shares issued under the Entitlement Offer commences	12 July 2018
Allotment of Shares issued under the Placement	13 July 2018
Despatch of holding statements for New Shares and Placement Shares issued under the Entitlement Offer	16 July 2018
Normal ASX trading for New Shares and Placement Shares issued under the Entitlement Offer commences	16 July 2018

All dates and times are subject to change and are indicative only. All times are to Sydney time. The Company, with the consent of the Lead Manager, reserves the right to vary these dates and times without notice. The last day to extend the Entitlement Offer is 28 June 2018. Imugene may close the Entitlement Offer early, withdraw the Entitlement Offer, or accept late applications. In that event, the relevant Application Money (without interest) will be returned in full to Applicants.

1.3 Purpose of the Equity Raising and use of funds

The purpose of the Equity Raising is to raise new funds for the following purposes:

Use of proceeds	\$ raised
Completion of Phase 2 Trial for OSU/Mayo Clinic HER-2 Vaccine	2,000,000.00
Adaptive clinical study for PD-1 vaccine candidate	6,000,000.00
New vaccine candidates through IND enabling studies: GMP manufacturing and GLP-preclinical studies for clinical candidates	6,000,000.00
R&D programs at OSU to advance additional vaccine candidates	2,000,000.00
General working capital	4,113,662.51
Total funds raised	\$20,113,662.51

1.4 Shareholding structure

Subject to the rounding up of fractional Entitlements and depending on the number of Existing Options that are exercised before the Record Date, the following table shows the shareholding structure of Imugene on completion of the Equity Raising:

Existing Shares on issue as at 7 June 2018 (announcement of the Equity Raising)	2,854,807,170
Approximate Shares issued under the Placement	444,444,445
Approximate New Shares to be issued under the Entitlement Offer	300,506,018
Approximate total number of Shares after the Equity Raising	3,599,757,633

1.5 Potential questions and answers

Question	Answer	Section
Who is the issuer of this Prospectus?	Imugene Limited ACN 009 179 551	Not applicable
What is the Entitlement Offer?	The Entitlement Offer is a non-renounceable pro rata entitlement offer of 1 New Share in Imugene for every 9.5 Existing Shares held by an Eligible Shareholder on the Record Date (and 1 New Option for every 3 New Shares issued).	section 3.1
What is the Offer Price of the New Shares?	The New Shares are being issued at \$0.027 per New Share.	section 3.1
What rights and liabilities attach to the New Shares?	The New Shares will rank equally in all respects with the Shares held by the Existing Shareholders. The rights and liabilities attaching to all Shares are set out in the Company's constitution.	sections 7.2 and 8.2
What rights and liabilities attach to the New Options?	<p>The key terms of the New Options include:</p> <ul style="list-style-type: none"> (a) New Options will be issued on the basis of 1 New Option for every 3 New Shares issued under this Prospectus; (b) no issue price is payable for the New Options as they are issued together with any application by an Eligible Shareholder for New Shares; (c) the exercise price of each New Option is \$0.040; and (d) each New Option will have an expiration date that is 30 November 2021. <p>The full details of the rights and liabilities attaching to the New Options are set out in the Annexure.</p>	section 8.3 and Annexure

Question	Answer	Section
What rights and liabilities attached to the Placement Options?	The Placement Options are being made to Placement Shareholders, being sophisticated investors who participated in the Company's Placement which are to be issued with the Placement Shares on or around 13 July 2018, and quotation of the Placement Options will be sought to occur at the same time as the quotation of the New Shares and New Options.	section 8.3 and Annexure
What is the Company's financial position?	The Company's financial position is set out in detail in section 5 of this Prospectus.	section 5
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 apply for New Shares or in exercising any New Options.</p> <p>Key specific risks include:</p> <ul style="list-style-type: none"> (a) 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; (b) Imugene may be unable to secure necessary approvals from regulatory agencies and institutional bodies (clinics and hospitals) to conduct future clinical trials; (c) 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; (d) Imugene has not yet commercialised its technology and as yet has no material revenues; (e) 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; (f) 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; (g) Imugene may experience delay in achieving a number of critical milestones, including securing commercial partners, completion of clinical trials, obtaining regulatory 	section 6

Question	Answer	Section
	<p>approvals, manufacturing, product launch and sales; and</p> <p>(h) 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.</p>	
Is the Entitlement Offer underwritten?	<p>The Entitlement Offer is fully underwritten by Bell Potter Securities Limited ACN 006 390 772.</p> <p>If Imugene does not raise the full amount of \$8,113,662.49 under this Entitlement Offer, the Lead Manager and Underwriter will subscribe for, or procure subscriptions for, any shortfall.</p>	sections 3.2 and 7.3
How do I participate in the Entitlement Offer?	To participate in the Entitlement Offer, please complete the Entitlement and Acceptance Form attached to this Prospectus and return it to the Company with payment of the Application Money before 3 July 2018.	section 4 and Entitlement and Acceptance Form
How do I calculate the Application Money payable if I wish to participate in the Entitlement Offer?	The Application Money is calculated by multiplying the number of New Shares you wish to apply for by the Offer Price of \$0.027 per New Share.	section 4 and Entitlement and Acceptance Form
Is commission payable to financial advisers or brokers?	No commission is payable to financial advisers or brokers under the Entitlement Offer.	Not applicable
Further questions	If you have questions about the Entitlement Offer, please contact Automatic Registry Service Limited on 1300 288 664.	section 3.11

1.6 Important notice

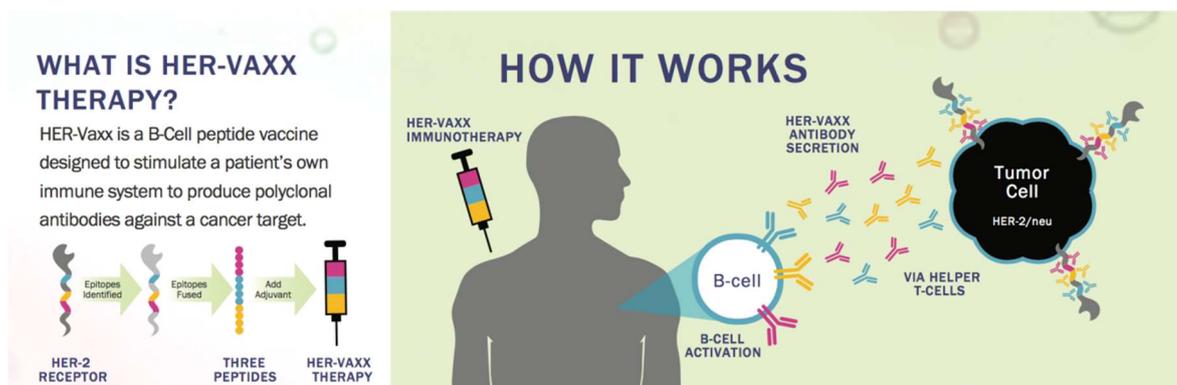
This section is not intended to provide full details of the investment opportunity. Shareholders must read this Prospectus in full to make an informed investment decision. The New Shares and New Options offered under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares.

2 Imugene – the business

2.1 Company overview

Imugene (ASX:IMU) is an Australian immuno-oncology focused biopharmaceutical company developing mimotopes¹ inducing B-Cells to produce antibodies against cancer targets. The lead product is HER-Vaxx and developing a pipeline of mimotopes against clinically and commercially validated targets.

The Company's lead product is HER-Vaxx, a proprietary HER2 +ve cancer vaccine that stimulates a polyclonal antibody response against the HER2/neu receptors which are prevalent in breast cancer and gastric cancer. The company seeks to develop its pipeline of mimotopes against clinically and commercially validated targets.



Having successfully conducted a Phase 1 clinical trial in patients with metastatic breast cancer, our next trial is to conduct a targeted trial in patients with HER-2 positive gastric cancer. The Company changed to HER-2 positive gastric cancer as this indication is not nearly as well served as breast cancer, but still has approximately the same number of patients being HER-2 positive, and is more severe than breast cancer. This offers a significant market opportunity for HER-Vaxx. Asia was the region of choice due to the prevailing factors; higher rate of gastric cancer and the limited access to Herceptin (an alternative drug targeting similar illness).

The Phase 1b/2 gastric cancer study design is as follows:

- (a) the Phase 1b lead-in trial is testing three different doses of the HER-Vaxx vaccine with up to 18 patients (three groups of up to six patients) in combination with chemotherapy across eight trial sites;
- (b) the key endpoints are to identify the optimal dose of HER-Vaxx for the Phase 2 part of the study, and confirm safety. Researchers will monitor the patient's immune responses to the vaccine;
- (c) the Phase 1b is targeted to be followed by a randomised open label Phase 2 study with around 68 patients with metastatic gastric cancer overexpressing HER2. The study will be randomised into two arms of either HER-Vaxx plus standard-of-care (chemotherapy)

¹ A mimotope is a small molecule, often a peptide, which mirrors the structure of an epitope, the specific target an antibody binds to. Because of this property, the mimotope induces an antibody response similar to the one elicited by the epitope. A mimotope causes your B cells to produce an antibody copy of the antibody you want to "mimic".

or standard-of-care alone. The endpoints of this randomised trial will be safety, immune response, progression-free survival and overall survival.

The planned trial has been designed to be rigorous enough to appeal to potential partners, and has also been designed to generate a high level of data from as few patients as possible. Given that HER-Vaxx targets the immune system and not the cancer directly, it should be possible to get early signs of safety and immunogenicity from a small number of patients by monitoring their immune systems.

Through this process, it may be possible to tell at an early stage (that is, before the tumour responds) that a patient's immune system is being "turned on" by HER-Vaxx and that the appropriate cancer-fighting antibodies are being produced by the patient to target the cancer. While not direct evidence of efficacy, this will be encouraging to see and expected to assist in conducting the trial both from a patient recruitment point of view as well as being able to provide partners with important safety and immunogenicity data early on.

Despite the above, given clinical trials have been at an early stage and based on a small sample size, investors should not rely on the Company's results to date in making an investment decision. Commercialisation of these drugs will depend on completing further and more extensive clinical trials, and subsequent FDA approval being obtained.

2.2 Board and management team

Mr Paul Hopper

Chairman and Executive Director

Mr Hopper has over twenty years' experience in the management and funding of biotechnology and healthcare public companies both as CEO and Director, with capital markets experience in equity and debt raisings in Australia, Asia, US and Europe. Mr Hopper's sector experience has covered a number of therapeutic areas with a particular emphasis on immunotherapy and cancer vaccines. Mr Hopper has served as CEO and Director of many listed biotechnology and healthcare companies in Australia and the US.

Ms Leslie Chong

Managing Director and Chief Executive Officer

Ms Chong joined the company in September 2015 from the leading pharmaceutical company, Genentech, where she was a Senior Clinical Program Lead, a member of the Roche family, in the head office in San Francisco. She has over 19 years of experience in leading clinical and department development in oncology.

Mr Charles Walker

Non-Executive Director

Mr Walker has experience across many aspects of the biotechnology and life sciences industry. His experience includes operational and leadership experience, a capital markets track record from executing over 50 international fundraisings both as principal and advisor, as well as a detailed scientific understanding gained from his technical background in pharmacology. He was previously Managing Director of Imugene, and prior to that, CEO and former CFO of Alchemia

Dr Axel Hoos

Non-Executive Director

Dr Hoos is a Senior Vice President, Oncology R&D at GlaxoSmithKline where he directs clinical and translational research on molecular mechanisms of cancer and tumour-host interactions for rational combination of therapies to optimise patient outcomes. Prior to his current role, he was

the medical lead in immunology/oncology at Bristol-Myers Squibb where he developed the Yervoy monoclonal antibody in melanoma and other indications. He has previously been Co-Director of the influential think-tank Cancer Immunotherapy Consortium. He adds substantial big pharma oncology experience to the Board.

3 Details and effect of the Entitlement Offer

3.1 Overview

The Entitlement Offer is a non-renounceable offer of approximately 300,506,018 New Shares at \$0.027 per New Share to raise about \$8.1 million (before direct offer costs including fees paid to the Lead Manager, advisers and to providers of specific services to cover share registry, printing and postage costs).

The Board intends to use the proceeds of the Equity Raising to proceed with:

- (a) acceleration of the newly combined Imugene pipeline of HER2, PD-1 and combinations of B- cell vaccine clinical programs acquired from Ohio State University Comprehensive Cancer Centre's (**OSU**) and Mayo B-Cell Peptide IP and Clinical Portfolio (as announced by the Company on 7 June 2018);
- (b) completion of Phase 2 Trial for OSU/Mayo Clinic HER-2 Vaccine;
- (c) adaptive clinical study for PD-1 vaccine candidate;
- (d) new vaccine candidates through IND enabling studies;
- (e) R&D programs at OSU to advance additional vaccine candidates;
- (f) GMP manufacturing and GLP-preclinical studies for clinical candidates; and
- (g) general working capital.

Funds will also be applied for ongoing working capital and the costs of the Equity Raising.

Eligible Shareholders who are on Imugene's share register on the Record Date are entitled to acquire 1 New Share for every 9.5 Existing Shares held on the Record Date (**Entitlement**).

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The offer price of \$0.027 per New Share represents a discount of approximately 10% to the closing price of Shares on 4 June 2018 (being the last trading day before announcement of the Equity Raising).

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Prospectus. Eligible Shareholders may subscribe for all or part of their Entitlement.

Shareholders will have their interest in Imugene diluted because of the issue of Shares under the Placement. In addition, Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in Imugene further diluted.

Eligible Shareholders should be aware that an investment in Imugene involves risks. The key risks identified by Imugene are set out in section 6 of this Prospectus.

3.2 Underwriting

The Entitlement Offer is underwritten by Bell Potter Securities Limited ACN 006 390 772.

Further details of the Underwriting Agreement, including the circumstances in which the Lead Manager and Underwriter may terminate its obligations, are set out in section 7.3.

3.3 Eligible Shareholders

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

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

- (a) the number of Ineligible Shareholders to whom offers to issue the New Shares and the New Options would otherwise be made;
- (b) the number and value of the New Shares and the New 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 New Shares and the New Options would otherwise be offered for issue.

3.4 Placement

This Prospectus is also being sent to Placement Shareholders who are anticipated to be issued Placement Shares and Placement Options on or around 13 July 2018, through the Company's recent Placement. Eligibility to receive Placement Options is limited to Placement Shareholders.

Investors who receive Shares under the Placement will not be entitled to participate in the Entitlement Offer.

3.5 Non-renounceable

The rights to the New Shares and the New Options are non-renounceable. Therefore you cannot trade Entitlements on ASX and you cannot transfer or otherwise dispose of them.

3.6 Shortfall facility

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including after the Entitlements of Ineligible Shareholders) are less than the number of New Shares offered and the Underwriters or sub-underwriters do not acquire that shortfall under the Underwriting Agreement.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion. If issued, Shortfall Shares will be issued at a price not less than the Offer Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are later taken up as Shortfall Shares.

3.7 Financial position

The effect of the Equity Raising on the financial position of the Company is set out in section 5.

3.8 Taxation considerations

The taxation consequences of an investment in the Company depend upon your particular circumstances. You should make your own enquiries about the taxation consequences of an investment in the Company. If you are in doubt about the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

3.9 Foreign selling restrictions

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

In particular, this Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the New Shares nor the New Options have been, or will be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The New Shares and the New Options may not be offered or sold to persons in the United States or who are acting for the account or benefit of a person in the United States. The New Shares and the New Options will only be offered and sold outside the United States in reliance on Regulation S under the US Securities Act.

Each Applicant warrants and represents that they:

- (a) are an Australian or New Zealand citizen or resident in Australia or New Zealand;
- (b) are located in Australia or New Zealand at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person; and
- (c) will not distribute this Prospectus (or any part of it) to any person in the United States or in any other jurisdiction outside Australia or New Zealand.

3.10 Withdrawal

The Company reserves the right to withdraw the Entitlement Offer, at any time before the allotment of New Shares. If the Entitlement Offer does not proceed, the Application Money is refunded. No interest is paid on any Application Money refunded because of the withdrawal of the Entitlement Offer.

3.11 Enquiries

If you have questions about the Offer, please contact Automic Registry Service Limited on 1300 288 664.

4 How to apply

4.1 Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled under the Entitlement Offer (i.e. their Entitlement) is shown on the attached Entitlement and Acceptance Form.

Eligible Shareholders may:

- (a) take up their Entitlement in full (refer to section 4.2);
- (b) take up part of their Entitlement, in which case the balance of their Entitlement lapses (refer to section 4.3); or
- (c) allow their Entitlement to lapse (refer to section 4.4).

Ineligible Shareholders may not take up any of their Entitlements.

Imugene may reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (Sydney time) on 3 July 2018** (however, that date may be varied by Imugene, in accordance with the Listing Rules and the Underwriting Agreement).

4.2 Taking up all of your Entitlement

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

Please return your completed Entitlement and Acceptance Form together with a cheque for your Application Money in accordance with section 4.6 for the amount shown on the Entitlement and Acceptance Form to the share registry so that it is received no later than **5.00pm (Sydney time) on 3 July 2018** at the address set out below:

By hand delivery (not to be used if mailing)

Imugene Limited
C/- Automic Registry Service Limited
Level 29, 201 Elizabeth Street
Sydney, NSW 2000

By post

Imugene Limited
C/- Automic Registry Service Limited
PO Box 2226, Strawberry Hills
NSW 2012

Alternatively, you may take up all of your Entitlement by payment of the Application Money through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than **5.00pm (Sydney time) on 3 July 2018**.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the Closing Date. If you wish to advise or change your banking instructions with the share registry you may do so by going to <https://investor.automic.com.au/#/home> and following the instructions.

4.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required under section 4.2.

Alternatively, you may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If you pay through BPAY and Imugene receives an amount that is less than the Offer Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

4.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

4.5 Consequences of not accepting your Entitlement

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, any New Shares and New Options that you would have otherwise been entitled to under the Entitlement Offer may be acquired by the Lead Manager and Underwriter, or sub-underwriters.

No party is anticipated to acquire a relevant interest in voting Shares exceeding 20% as result of the Entitlement Offer, the Placement, or any Entitlement Offer shortfall.

4.6 Payment

The consideration for the New Shares is payable in full on application by a payment of \$0.027 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Money. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Imugene Limited – Entitlement Offer**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Money through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not send cash by mail. Receipts for payment will not be issued.

4.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms of this Prospectus and cannot be withdrawn.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be taken to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are an Eligible Shareholder and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares or New Options under the Entitlement Offer; and
- (b) acknowledge that the New Shares and New Options have not been, and will not be, registered under the US *Securities Act of 1933* or under the laws of any other jurisdiction outside Australia or New Zealand.

4.8 Validity of Entitlement and Acceptance Forms

An Entitlement and Acceptance Form may only be distributed with, attached to or accompany a complete and unaltered copy of this Prospectus.

By completing and lodging an Entitlement and Acceptance Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus before completing the Entitlement and Acceptance Form.

The Company does not accept a completed Entitlement and Acceptance Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Entitlement and Acceptance Form has been altered in any way.

4.9 Brokerage and Stamp Duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

4.10 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Prospectus or any Entitlement and Acceptance Form in the United States or in any country outside Australia or New Zealand except that Australian or New Zealand nominees may send this Prospectus and related offer documents to beneficial shareholders who are institutional or professional shareholders in other countries (other than the United States) where Imugene may determine it is lawful and practical to make the Entitlement Offer.

4.11 Information Availability

Eligible Shareholders can obtain a copy of this Prospectus from Imugene's website at www.imugene.com or by calling the share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) at any time from 8.30am to 5.00pm (Sydney time) until the Closing Date. Shareholders who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The electronic version of this Prospectus will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the share registry.

5 Financial information

5.1 Historical and pro forma consolidated balance sheet as at 31 December 2017

This section contains a summary of the historical financial information for Imugene as at 31 December 2017 (**Historical Financial Information**) and a pro-forma historical statement of the financial position as at 31 December 2017 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**). The Financial Information has been prepared to illustrate the effect of the Equity Raising.

	31 Dec 2017 Historical	Placement (\$12 million)	Entitlement Offer (\$8.1 million)	31 Dec 2017 Pro forma Historical
	\$			\$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	11,923,686	11,091,323	7,499,271	30,514,280
Trade and other receivables	844,050	-	-	844,050
Other current assets	63,702	-	-	63,702
TOTAL CURRENT ASSETS	12,831,438	11,091,323	7,499,271	31,422,032
NON-CURRENT ASSETS				
Other financial assets	20,306	-	-	20,306
Property, plant and equipment	5,425	-	-	5,425
Intangible assets	6,599,755	-	-	6,599,755
TOTAL NON-CURRENT ASSETS	6,625,486	-	-	6,625,486
TOTAL ASSETS	19,456,924	11,091,323	7,499,721	38,047,518
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	567,320	-	-	567,320
Provisions	64,480	-	-	64,480
TOTAL CURRENT LIABILITIES	631,800	-	-	631,800
NON-CURRENT LIABILITIES				
Other financial liabilities	985,450	-	-	985,450
TOTAL NON-CURRENT LIABILITIES	985,450	-	-	985,450
TOTAL LIABILITIES	1,617,250	-	-	1,617,250
NET ASSETS	17,839,674	11,091,323	7,499,271	36,430,268

EQUITY				
Share capital	44,376,128	11,091,323	7,499,271	62,966,722
Share-based payment reserve	1,239,157	-	-	1,239,157
Accumulated losses	(27,775,611)	-	-	(27,775,611)
TOTAL EQUITY	17,839,674	11,091,323	7,499,271	36,430,268

5.2 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in this section of the Prospectus, as if those events or transactions had occurred as at 31 December 2017.

5.3 Pro-forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the following significant transactions occurred as at 31 December 2017:

Material transactions since 31 December 2017:

- (a) the issue of 444,444,445 Shares under the Placement, raising gross proceeds of \$12,000,000 less expenses of \$908,677; and

The Entitlement Offer:

- (b) the issue of 300,506,018 New Shares under the Entitlement Offer, expected to raise gross proceeds of \$8,113,663 less estimated offer costs of \$614,392.

Due to the nature of the pro forma adjustments, they do not represent the actual or prospective financial position of Imugene.

5.4 Pro forma cash flow statement as at 31 December 2017

The Company's pro forma historical cash position at 31 December 2017 adjusted for the Equity Raising is derived from actual cash as follows:

Cash as at 31 December 2017	\$11,923,686
Placement proceeds	\$12,000,000
Expenses of the Placement	\$(908,677)
Gross proceeds of the Entitlement Offer	\$8,113,663
Offer costs of the Entitlement Offer	\$(614,392)
Pro forma historical cash balance	<u>\$30,514,280</u>

6 Risk factors

6.1 Factors influencing success and risk

Introduction

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

Imugene 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 profits, and the market price of the Shares.

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

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying 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.

6.2 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.

6.3 General investment risks

Investment risks

The price of the Shares might rise or fall and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will exist for the Shares.

Factors affecting the price at which Imugene Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment.

Quotation of options

Depending on the level of participation in the Equity Raising, there is a risk that required conditions for the quotation of the New Options and Placement Options may not be satisfied. In which case, the New Options and Placement Options will be issued but will remain unquoted.

Macro economic risks

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.

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 tax laws by the Australian Taxation Office that differs to Imugene's interpretation may lead to an increase in Imugene's tax liabilities and a reduction in Shareholder returns.

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

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.

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, mediation, conciliation or administrative proceeding taking place, pending or threatened against the Company.

6.4 Cautionary statement

Statements 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, beliefs and projections are expressed in good faith and are believed to have a reasonable basis. They are based on, among other sources, the examination of historical operating trends, data in the Company's records and other data available from third parties. There can be no assurance, however, that the Directors' expectations, beliefs or

projections 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.

7 Material agreements

7.1 Key documents

The Board considers that certain agreements relating to Imugene are significant to the Entitlement Offer, the operations of Imugene or may be relevant to investors. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below.

7.2 Constitution

The following is a summary of the major provisions of the Company's constitution:

Shares

The Directors are entitled to issue and cancel 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.

The Constitution also permits the issue of preference shares on terms determined by the Directors.

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.

Restricted securities

If the ASX classifies any of Imugene's share capital as restricted securities, then the restricted securities must not be disposed of during the escrow period and Imugene must refuse to acknowledge a disposal of the restricted securities during the escrow period, except as permitted under the Listing Rules or by the ASX.

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 10 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 8.9. 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.

Remuneration may be provided in the manner that the Directors decide. There is also provision for Directors to be paid additional remuneration (as resolved by the Directors) or provide benefits

if they perform extra or special services, including being a member on a committee of Directors or the chairman of Directors or deputy chairman of Directors.

Directors are also entitled to be paid all travelling and other expenses they incur in attending to Imugene's affairs, including attending and returning from general meetings or Board meetings, or meetings of any committee engaged in Imugene's business.

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 (however the Director may, subject to the Corporations Act, be counted in a quorum for, and vote at, a meeting of Directors considering the contract or arrangement).

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 is (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.

Subject to the Listing Rules, the Directors may pay dividends as the directors resolve but only out of the profits of Imugene.

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.

7.3 Underwriting agreement

Bell Potter Securities Limited ACN 006 390 772 is the Lead Manager and Underwriter to the Entitlement Offer and has underwritten the full amount of the Entitlement Offer on the terms set out in the Underwriting Agreement.

The underwriting of the Entitlement Offer is conditional upon shareholder approval being obtained for the Placement at the general meeting of the Company expected to be held on or around 9 July 2018.

In addition, customary with these types of arrangements:

- (a) the Underwriting Agreement includes a number of termination events, including where S&P/ASX 200 Index closes at a level that is 90% or less of the level of that index as at the close of trading on the business day immediately preceding the date of the Underwriting Agreement (**Reference Level**) and remains below the Reference Level:
 - (i) at the close of trading on ASX for two consecutive business days; or
 - (ii) at the close of trading on ASX on the business day immediately prior to the settlement of the Offer;
- (b) the Lead Manager and Underwriter will receive an underwriting fee of up to 7% of the gross proceeds of the Entitlement Offer (excluding GST); and
- (c) the Lead Manager and Underwriter is entitled to reimbursement of certain expenses; and
- (d) Imugene has agreed to indemnify the Lead Manager and Underwriter and others against their losses in connection with the Entitlement Offer.

7.4 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:

- (a) the constitution of Imugene; and
- (b) the consents to the issue of this Prospectus.

8 Additional information

8.1 Continuous reporting and disclosure obligations

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

In general terms, a transaction specific prospectus is only required to contain information about 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 about all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Company is subject to regular reporting and disclosure obligations because it is a 'disclosing entity' for the purposes of the Corporations Act. Additionally, 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 Shares.

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

Company announcements since 31 December 2017 to the date of this Prospectus are set out below.

Date	Announcements
05.06.2018	Trading Halt
26.04.2018	Appendix 4C - quarterly
13.04.2018	Ceasing to be a substantial holders from PTM
29.03.2018	Initial Director's Interest Notice – LC
28.03.2018	Leslie Chong Appointed as Managing Director
13.03.2018	Change in substantial holding
13.03.2018	Change in substantial holding
27.02.2018	Half Yearly Report and Accounts
19.02.2018	Arginine Modulator Active in Cancer Models
12.02.2018	Novel Anti-PD-1 Mimotope Vaccine Ready for Development
09.02.2018	IMU Meets Investigator for Gastric Cancer Clinical Trial
07.02.2018	Cancer vaccine shows early promise in clinical trial
06.02.2018	Change in substantial holding
06.02.2018	Change in substantial holding
29.01.2018	Business Update – December Quarter Appendix 4C
09.01.2018	SF Biotech Presentation

The information in the Annual Report, the Half Yearly Report and the ASX announcements described in the table above may be of interest to investors and their financial advisers as these documents contain information regarding the Company's financial position and operations that investors may consider relevant.

The Directors rely upon section 712(3) Corporations Act with the inclusion by reference of:

- (a) the Annual Report and the Half Yearly Report; and
- (b) the Company's ASX announcements since 31 December 2017 set out in the table above, for the purposes of section 711 Corporations Act.

The Company will give free of charge, to any person who requests it during the application period under this Prospectus, a copy of the Annual Report and any continuous disclosure notices lodged by the Company from 31 December 2017 to the date of this Prospectus.

8.2 Rights attaching to New Shares

The rights attaching to the New Shares, which are the same as the Existing Shares, are set out in the Company's constitution and summarised in section 7.2 of this Prospectus.

8.3 Rights attaching to New Options

The rights attaching to the New Options are summarised in the Annexure to this Prospectus.

The Placement Options will also be offered on equivalent terms.

8.4 Existing Options

Existing Options	Exercise price	Expiry date
242,534,374	\$0.0260	22-Nov-20
2,500,000	\$0.0250	14-Jul-19
10,000,000	\$0.0150	26-Oct-18
2,500,000	\$0.0125	26-Oct-19
2,500,000	\$0.0175	26-Oct-19
9,000,000	\$0.0125	14-Sep-20
9,000,000	\$0.0150	14-Sep-20
9,000,000	\$0.0175	14-Sep-20
10,000,000	\$0.0200	4-Dec-20
2,500,000	\$0.0200	30-Jun-20
2,500,000	\$0.0250	30-Jun-20
2,500,000	\$0.2000	30-Jun-20
2,500,000	\$0.0250	30-Jun-20

The Board considers it is unlikely that any Existing Options will be exercised before the Record Date. However, if any Existing Options are exercised before the Record Date, any proceeds raised will be applied to the general working capital of Imugene.

8.5 Litigation

To the best of the Directors' knowledge and belief, no litigation, mediation, conciliation or administrative proceeding is taking place, pending or threatened against the Company.

8.6 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 the statement included in this Prospectus with the consent of that party, as specified below.

Bell Potter Securities Limited has given, and has not withdrawn, its written consent to be named as Lead Manager and Underwriter to the Entitlement Offer in the form and context in which it is named.

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 Limited has given, and not withdrawn, its written consent to be named as share registrar in the form and context in which it is named.

8.7 Interests of experts and advisers

Except as set out in this Prospectus:

- (a) 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 has any interest or has had any interest during the last two years:
 - (i) in the formation or promotion of Imugene;
 - (ii) in property acquired or proposed to be acquired by Imugene in connection with its formation or promotion or the offer of the New Shares and New Options, or
 - (iii) the offer of the New Shares and New Options;
- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any 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 in connection with the services provided by the person in connection with the:
 - (i) formation or promotion of Imugene, or
 - (ii) offer of the New Shares and New Options; and
- (c) the Underwriter has not, and has not had in the two years before lodgment of this Prospectus, any interest in:
 - (i) the formation or promotion of Imugene,
 - (ii) in property acquired or proposed to be acquired by Imugene in connection with its formation or promotion or the offer of the New Shares and New Options, or
 - (iii) the offer of the New Shares and New Options;
 - (iv) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to the Underwriter for services rendered by it in

connection with the formation or promotion of Imugene or the offer of the New Shares and New Options.

Bell Potter Securities Limited has acted as Lead Manager and Underwriter to the Entitlement Offer. Bell Potter Securities Limited will be paid a management and underwriting fee, details of which are disclosed in section 7.3 of this Prospectus.

McCullough Robertson has acted as legal adviser to the Company for the Entitlement Offer and has undertaken due diligence enquiries and provided legal advice on the Entitlement Offer. McCullough Robertson will be paid an amount of \$50,000 (excluding GST and disbursements) for these services.

8.8 Substantial Shareholders

No individual shareholders have a substantial holding (5% or more) in Imugene as at the date of this Prospectus.

8.9 Interests of Directors

Other than as 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 lodgment of this Prospectus, any interest in:
 - (i) the formation or promotion of Imugene;
 - (ii) any property acquired or proposed to be acquired by Imugene in connection with its formation or promotion or the offer of the New Shares and New Options; or
 - (iii) the offer of the New Shares and New 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:
 - (i) to induce him or her to become, or to qualify him or her as, a Director, or
 - (ii) otherwise for services rendered by him or her in connection with the formation or promotion of Imugene or the offer of the New Shares and New Options.

Shareholdings

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

Director	Existing Shares	Existing Options
Mr Paul Hopper	72,196,875	Nil
Dr Axel Hoos	7,500,000	25,000,000
Mr Charles Walker	27,462,500	325,000
Leslie Chong	2,850,588	27,000,000

The Directors reserve their rights to apply for New Shares under the Entitlement Offer.

8.10 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 the 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 the Shareholders for payment to the non-executive directors is A\$400,000 per annum. The current executive directors' fees are A\$137,400 per annum for the chairman (Mr Paul Hopper), A\$300,000 for the CEO and Managing Director (Ms Leslie Chong), A\$45,000 per annum for Mr Charles Walker (non-executive director) and US\$45,000 per annum for Dr Axel Hoos (non-executive director).

8.11 Expenses of the Entitlement Offer

The total estimated expenses of the Entitlement Offer payable by the Company including ASX and ASIC fees, underwriting fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be \$614,392.

8.12 Allotment

Imugene will apply within seven days from the date of this Prospectus for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than five Business Days after the close of the Entitlement Offer.

Application Money will be held by Imugene on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Money.

It is the responsibility of Applicants to work out the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

8.13 CHESS

The Company will apply for the New Shares to participate in CHESS. An Applicant who is issued New Shares under this Entitlement Offer will receive a shareholding statement instead of a share certificate. It sets out the number of New Shares issued to the successful Applicant.

The shareholding 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.

8.14 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 until the Closing Date.

The Entitlement and Acceptance Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Entitlement and Acceptance Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus before completing the Entitlement and Acceptance Form.

Imugene will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered in any way.

While Imugene believes that it is extremely unlikely that during the period of the Entitlement Offer the electronic version of the Prospectus will be 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.

8.15 Privacy

Eligible Shareholders may be asked to give 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 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.

8.16 Authorisation

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

Dated 7 June 2018



Paul Hopper
Chairman

9 Glossary

In this document:

Annual Report	means the annual report of the Company for the financial year ended 30 June 2017 which includes audited financial statements for the financial year ended 30 June 2017 and the auditor's report, which was lodged with ASX and ASIC on 31 August 2017.
Applicant	means a person or entity who submits an Entitlement and Acceptance Form.
Application Money	means the money received by the Company under the Entitlement Offer, being the Offer Price multiplied by the number of New Shares applied for by an Eligible Shareholder.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Automic	means Automic Registry Service Limited.
Board	means the board of directors of the Company.
Business Day	means a business day as defined in the Listing Rules.
CHESS	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Closing Date	means the date on which the Entitlement Offer closes, being 3 July 2018, or another date nominated by the Company, in consultation with the Lead Manager, subject to the Listing Rules.
Company or Imugene	means Imugene Limited ACN 009 179 551.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Eligible Shareholder	means a Shareholder as at the Record Date who is not an Ineligible Shareholder.
Entitlement	means the right to subscribe for New Shares and New Options under the Entitlement Offer.
Entitlement and Acceptance Form	means a Shareholder's personalised entitlement and acceptance form accompanying this Prospectus.
Entitlement Offer	means the non-renounceable pro rata entitlement offer to Eligible Shareholders to subscribe for 1 New Share for every 9.5 Existing Shares of which the Shareholder is the registered holder on the Record Date (and 1 New Option for every 3 New Shares issued), at the Offer Price, under this Prospectus.
Equity Raising	means the Entitlement Offer and the Placement.
Existing Options	means the Options already on issue in Imugene and referred to in section 8.4 of this Prospectus.
Existing Shareholders	means the holders of Shares before the date of this Prospectus.

Existing Shares	means the Shares already on issue in Imugene as at the Record Date.
Half Yearly Report	means the report of the Company for the half year ended 31 December 2017 which includes reviewed financial statements for the financial year ended 31 December 2017 and the auditor's review report, which was lodged with ASX and ASIC on 27 February 2018.
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 Shares or Options to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.
Lead Manager and Underwriter	means Bell Potter Securities Limited ACN 006 390 772.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
New Options	means new options in the Company issued under this Prospectus.
New Shares	means the Shares issued by Imugene under this Prospectus, including (as the context requires) the shortfall from the Entitlement Offer issued as Shortfall Shares or to the Lead Manager and Underwriter, or a sub-underwriter.
Offer Price	means \$0.027 per New Share.
Placement	means the offer of Shares and Placement Options to institutional investors, announced on 7 June 2018 and to complete on or around 13 July 2018.
Placement Options	means approximately 148,148,148 options to be issued to Placement Shareholders under this Prospectus on the terms set out in the Annexure.
Placement Shareholders	means investors to be issued with Shares and Placement Options under the Placement.
Prospectus	means this prospectus.
Record Date	means 7.00pm (Sydney time) on 13 June 2018.
Shareholders	means shareholders in Imugene.
Shares	means fully paid ordinary shares in Imugene.
Shortfall Shares	means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer, together with those New Shares to which any Ineligible Shareholders would otherwise have been entitled.
Underwriting Agreement	means the underwriting agreement dated 7 June 2018 between Imugene and the Underwriter.
Us or we	means the Company.
You	means the investors under this Prospectus.

Corporate directory

Company

Imugene Limited ACN 009 179 551
Level 3, 62 Lygon St
Carlton VIC 3053
Tel: +61 3 9824 5254
www.imugene.com

Directors

Mr Paul Hopper (**Executive Chairman**)
Ms Leslie Chong (**Managing Director**)
Dr Axel Hoos (**Non Executive Director**)
Mr Charles Walker (**Non Executive Director**)

Company Secretary

Mr Phillip Hains

Share Registry

Automic Registry Service Limited
Level 29, 201 Elizabeth Street
Sydney, NSW 2000
Tel: +61 2 9698 5414
www.automic.com.au

Lead Manager and Underwriter to the Entitlement Offer

Bell Potter Securities Limited ACN 006 390 772
AFSL No. 243480
Level 29, 101 Collins Street
Melbourne VIC 3000
Tel: 1300 023 557
www.bellpotter.com.au

Lawyers to the Entitlement Offer

McCullough Robertson
Level 11, Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000
Tel: +61 7 3233 8888
www.mccullough.com.au

Annexure

New Option terms

Eligibility	New Options to be issued to Eligible Shareholders who take up New Shares under this Prospectus.
Grant of New Options	To be issued on the basis of 1 New Option for every 3 New Shares issued under this Prospectus.
Exercise of New Options	<p>Each New Option is exercisable immediately on issue. The New Options may be exercised at any time before their 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 New Option exercised.</p> <p>Holders of New Options may only exercise a minimum of \$500 of New Options on any particular occasion, unless the Holder has, in total, less than \$500 of New Options, in which case they must exercise all their New Options at the same time.</p> <p>The exercise of each New Option is subject to compliance with the Corporations Act (in particular, the requirements of Chapter 6 of the Corporations Act).</p>
Terms of Shares issued	Any Shares issued as a result of exercising a New Option will be issued on the same terms and rank in all respects on equal terms, with existing Shares.
Quotation of Shares issued	Application for official quotation of Shares allotted and issued as a result of the exercise of the New Options will be made within three Business Days from the date of issue of the Shares.
Expiration of New Options	Each New Option will expire on 30 November 2021.
Issue price of New Options	No issue price is payable for the New Options as they are issued together with any application by an Eligible Shareholder for New Shares.
Exercise price of New Options	\$0.040 upon exercise to acquire each Share.
Option register	New Options will be registered in the name of a Shareholder in an option register maintained by the share registry. The share registry will issue holding statements that evidence the number of New Options held by the Shareholder. No option certificates will be issued.
Reconstruction of capital	<p>If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of Imugene:</p> <ul style="list-style-type: none">(a) the number of New Options or the exercise price of the New Options or both will be adjusted as specified in 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 New Options will remain unchanged.
No adjustment for pro rata issue of Shares	There will be no adjustment to the terms of the New Options if there is a pro rata issue of Shares.

Adjustment for issue of bonus shares	If there is a bonus issue of Shares, the number of Shares issued upon exercise of the New Options will be adjusted as specified in Listing Rule 6.22.3.
New issues of Shares	The New Options do not confer a right to participate in new issues of Shares unless the New Options have been exercised on or before the record date for determining entitlements to the issue.
Notice of adjustments	Imugene will give written notice to the New Option holder of any adjustment of the exercise price of the New Options and any increase or decrease in the number of New Options.
Dividend rights	While they remain unexercised, the New Options will not give a holder an entitlement to receive any dividends declared and paid by Imugene for Shares.
Applicable law	Each New Option is issued subject to: <ul style="list-style-type: none"> (a) the Corporations Act; (b) the Listing Rules; and (c) the Company's constitution.
Quotation	The Company will apply to ASX for official quotation of the New Options.

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular, this Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By returning the Entitlement and Acceptance Form with payment to the Registry:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of shares acquired by you and agree to be bound by the Constitution of the Company.

HOW TO APPLY FOR SHARES

1 Acceptance of Entitlement Shares

Enter into section 1 the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

2 Payment Amount

Enter into section 2 the total amount payable for the number of Entitled New Shares for which you are applying. If the dollar amount divided by the issue price is a fraction of a New Share, the New Shares allotted will be rounded down.

3 BPAY®

You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form. Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight). It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such securities for which you have paid.

4 Cheque Details

Enter your cheque details in section 6. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to **Imugene Limited** and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many New Shares as your cheque will pay for.

5 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm AEST. We may use this email or number to contact you regarding your acceptance of the New Shares, if necessary.

***By providing your email address, you elect to receive all communications despatched by the company electronically (where legally permissible)**

LODGING YOUR ENTITLEMENT AND ACCEPTANCE FORM
This form must be received at an address given below by 5.00pm (AEST) on 3 July 2018. (If you are making cheque payment)
BY MAIL Imugene Limited C/- Automic PO Box 2226 Strawberry Hills NSW 2012
BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST) Automic Level 29 201 Elizabeth Street Sydney NSW 2000

If you require further information about the offer, please contact Automic on 1300 288 664 between 9:00am and 5:00pm.