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Dear Shareholders,

I am pleased to report that the momentum of our efforts to commercialise the MiCheck® test and develop the imaging and therapeutic applications of the technology has continued as planned. Detailed below is an update of the progress made since my last communication with you.

1. Commercialisation of the MiCheck® Test

Commercialisation of the MiCheck® test is our key milestone. Management have several parallel activities for the commercialisation of the MiCheck® test which are all running to schedule:

- The final trial design and protocol have been through further clinical review and are close to final draft followed by application and registration with regulatory authorities.
- Manufacturing the MiCheck® test in commercial kit form with our US manufacturer
- Continued engagement with potential license partners who are under confidentiality agreements; and
- Finalising the logistics of the US market entry strategy.

Outlined below are some details regarding these activities.

Progressing the Prospective Trial Protocol

Thanks to the efforts of the whole Minomic team the trial design and schedule is running to plan. There have been two advisory meetings during this quarter, the first with Dr Neal Shore in February at the ASCO Genitourinary Cancer Symposium and the second with the entire Clinical Advisory Panel at the European Association of Urology Meeting. Our Consulting Clinicians and their colleagues, have assisted us with optimising our trial protocol in view of the recent changes in the way that aggressive cancer is diagnosed with better methods of biopsy (following a blood test and DRE). As the MiCheck® test is intended to be used to determine who to biopsy it is important we get the best outcome from our trial obtaining blood from test subjects who have a “best practice” biopsy. Thus, the prospective trial design is being refined with input from our key opinion leading clinicians, biostatisticians and relevant experts in trial management. We are still on track to accrue and test samples with finalisation of the test in Q3 2017. A major activity the current quarter has involved strengthening the Minomic biostatistics team with an internal appointment (Ms Rachel Levin) as well as the appointment of a specialist consultant - Dr Robert Borotkanics (Auckland University of Technology and John Hopkins Hospital) and contractors from Simplicity Bio, Switzerland.

As detailed in the previous newsletter, Minomic has submitted the Request Forms to the Early Detection Research Network Committee (EDRN) to access samples from their biobanks. These samples would assist us with further test validation. We are awaiting a response from the EDRN to determine time frames and sample delivery. We have not been notified yet of the decision time frame, however we do not anticipate any significant issues arising and are following up with the committee on a regular basis.

Manufacturing the MiCheck® test in a commercial kit form

As we shared with you in the last update our GPC-1 ELISA has been successfully transferred to the bead based platform. A comparison of performance of these bead based kits with the ELISA test has been run at the Australian Proteome Analysis Facility (APAF) at Macquarie University. APAF have provided us with testing services locally for our trials to date. We are currently using the bead-based kits for further in-house testing and development of the MiCheck® test.

Also in this quarter, a set of our previous trial samples (290 samples) were sent to a US based manufacturer for testing. All laboratory testing has been completed in their Biomarker Testing Services lab. A final report will be provided to us in May, to allow us to make assessment of the results and determine their role in refining our diagnostic algorithm.

Our reagent suppliers in the USA and China continue to manufacture new batches of MIL-38 and recombinant GPC-1. We are pleased to report that all batches have passed Quality Assurance testing at Minomic.

Engaging with potential license partners

At the JP Morgan meeting in January we met with several potential license partners and presented our latest MiCheck® test data outlining the prospective trial protocol design and objectives. As mentioned in the Q4 2016 update the MiCheck® MIA study was used in discussions with potential licensees and KOLs to good effect. We were very pleased with the engagement at these meetings and were encouraged that there was general agreement with our approach to the prospective trial amongst these potential partners. One important outcome from these meetings was signature of a confidential disclosure agreement with the owners of the core technology for production of MIA kits. This will allow us to complete any necessary licencing discussions for our CLIA lab rollout.

Additionally, there were both non-confidential and confidential discussions with companies exploring partnering opportunities around the therapeutic applications of the MIL-38 antibody.

Finalising the logistics of the US market entry strategy

We continue to refine our US commercial entry program. Productive discussions were held with potential licensees of the MiCheck® test at the JP Morgan meeting and follow up meetings are planned for Q2 2017. These parties have appropriate capabilities and experience in the areas of marketing and sales, distribution, reimbursement; and regulatory affairs.

Additionally, we have appointed a US regulatory consultant, Dr Maria Chan. Dr Chan is a veteran of the US Food and Drug Administration and is perfectly placed to assist us with regulatory guidance. Her spouse is well-known to the Minomic family as it is Professor Daniel Chan, who is an important advisor to the company and who sits on our Clinical Advisory Panel.

The health economics case for the MiCheck® test is important in understanding the likely market acceptance and sales uptake. It also supports the value proposition and thereby the market pricing for the test. We have retained the services of Professor Shelby Reed, Dept. of Medicine, Center for Clinical and Genetic Economics, Duke Clinical Research Institute, Duke University, NC, US to prepare a health economics analysis of the MiCheck® test. Professor Reed is a world leader in the health economic field and is President-Elect of the International Society for Pharmacoeconomics and Outcomes (ISPOR), the leading global professional society in pharmacoeconomics and outcomes research.

2. Therapeutic Trial for Prostate and Other Cancers

Following is an update on our early development of the therapeutic application of the GPC-1 antibody called MIL-38.

First in Human Trial

The MILGa Cancer Imaging Trial, using ^{67}Gallium labelled MIL-38 antibody, is a first-in-human study to evaluate the safety and tumour targeting of MILGa in patients with advanced prostate, bladder and pancreatic cancer. The primary endpoints of the study are safety and tolerability of MILGa. The secondary endpoints are to qualitatively evaluate MILGa as a diagnostic tool in prostate, bladder and pancreatic tumours and to perform dosimetry analysis of tumour images to determine relative accumulation of MILGa in different organs.

We have now enrolled and infused 5 patients in this trial. These patients demonstrated good tolerance to MILGa with no drug related adverse events. Imaging case reports have been designed and agreed with an independent expert assessor, Professor Paul Roach at Royal North Shore Hospital. In Q2 2017 the data from all patients dosed to that date will undergo detailed analysis by Professor Roach.

An updated protocol, designed to further improve the imaging and targeting of the drug including dose escalation provisions, was submitted to the ethics committee at the end of Q4, 2016. The revised protocol was approved by the committee in Q1 and is now being employed on patients 4 to 12.

As part of the development of the drug we continue to perform QA/QC and stability studies on batches, along with our manufacturing partners AusPep Pty Ltd and ANSTO. The drug is performing very well and is stable out to 9 months. Stability is particularly important to allow widespread clinical use across the world. A project has also been initiated with Lake Pharma Inc., CA, US which will allow us to further develop the antibody by humanising it. This format of the antibody does not change its underlying characteristics but is a more attractive format for big pharma.

3. Minomic Collaborations

International Preclinical Collaborations

We provide an update of these exciting programs as follows:

Professor John Babich, Weill Cornell University New York

A work program has been designed with Prof Babich. This program will use the MIL-38 antibody labelled with the therapeutic radioisotope ^{177}Lutetium (**MILLu**) and also plans to study an alpha emitting radio-isotope, ^{225}Actinium. This project is pending some preclinical work being done at Queensland University of Technology/University of Queensland that will be used to refine the project plan further and will thus commence later this year.

Professor Babich has also introduced us to Dr Brian Robinson in his institution. Dr Robinson will work with the company on tissue staining studies over the course of 2017. Agreements will be put in place in Q2 2017 to allow this work to proceed.

Professor Ganesh Palapattu, University of Michigan, Michigan

Prof Palapattu now has good preliminary data on the MIL-38 antibody conjugated with an immune system cell type to target and kill tumour cells. This data will be developed over the next 6 months and extended to work on both prostate and bladder cancer.

National Collaborations

Professors Thurecht and Mahler, University of Queensland, Brisbane

Professors Thurecht and Mahler are undertaking preclinical work with the MIL-38 antibody using two alternate cell killing mechanisms. The first mechanism conjugates the MIL-38 antibody with toxic drugs with the antibody's purpose to target the drugs to tumour cells. Minomic has now received initial data indicating MIL-38 antibody drug conjugates (ADCs) can kill cells. Additional ADCs have now been shipped to Minomic for further testing. The second mechanism links the antibody with an immune cell receptor and construction of this "bispecific" antibody has been completed. This material has also been shipped to Minomic for further testing. Data from these studies is expected in Q3 this year.

Alongside these studies the UQ group has also demonstrated that the MIL-38 antibody is internalised (i.e. it enters the cancer cells), a necessary property when using ADCs to kill tumour cells.

Professors Nelson and Russell, The Queensland University of Technology

Professors Nelson and Russell are undertaking mouse studies examining the role of GPC-1 in cancer growth and invasion using ^{177}Lutetium (**MILLu**). These studies commenced ahead of schedule in Q1 and are showing early promise in tumour cell killing. We will report more on this over the next 2 quarters.

IDEAL ARC Hub grant – Professors Jin Dayong University of Technology, NSW and Emily Hilder, University of South Australia, SA

The IDEAL Hub agreement has now been signed to allow projects to commence in Q2. Two projects that will further develop Minomic's diagnostic capabilities have been drafted with a view to allowing the hub to hire appropriate staff for this purpose. Dr Brad Walsh sits on the steering committee and this group will meet regularly to review the scientific progress of all the Hub projects.

4. Intellectual Property

This quarter has seen a paper drafted for publication in a peer reviewed journal. This paper titled "Immunofluorescence assay for detection of prostate cancer cells in urine sediments: evaluation of glypican 1 (GPC-1) as a biomarker of prostate cancer" is being finalised for submission to the journal "The Prostate". Additional publications concerning the MiCheck® test and related technology are planned following submission of this paper.

Although abstracts regarding our diagnostic and therapeutic studies were submitted to the following meetings – ASCO Genitourinary Cancers Symposium, European Association of Urology and American Urology Association we were unsuccessful in being granted talks at these meetings. However, our abstract submitted to ASCO Genitourinary Cancers Symposium will be published in due course. The title of this abstract is "*A multivariate index analyte (MIA) assay for differentiating aggressive from nonaggressive prostate cancer.*" It details the MiCheck® results shared with you in the last shareholder update.

The table below gives an update of the patent estate and the stage of development of each family.

Patent Family	Stage of Development
1. **Cell Surface Prostate Cancer Antigen for Diagnosis**	Clear International Preliminary Report on Patentability issued (all claims novel, inventive and supported) National Phase commenced in AU, CN, CA, EU, JP, SG and KR
2. **Monoclonal ANTI-GPC-1 Antibodies and Uses Thereof**	Clear International Preliminary Report on Patentability issued (all claims novel, inventive and supported) National Phase commences 23 April 2017
3. **Glypican Epitopes and Uses Thereof**	Clear International Preliminary Report on Patentability issued (all claims novel, inventive and supported) National Phase commences 16 July 2017
4. **Therapeutic antibodies and Uses Thereof**	Clear International Preliminary Report on Patentability issued (all claims novel, inventive and supported) National Phase commences 20 October 2017
5. **Biomarker Combinations for Prostate Disease**	International Search Report & Written Opinion have issued. Minomic has responded to examiners questions and a revised written Opinion has been received. All claims novel, inventive and supported. National Phase commences 22 January 2018

5. Capital Raising and Stock Market Listing

As indicated last quarter we expect to progress spinning out the therapeutic business once the results of the therapeutic first-in-human trial are available in Q3. Nonetheless we have continued to undertake preparatory work with our lawyers and tax advisors to ensure we can progress this when the opportunity arises. We also continue to meet with potential investors and fund raisers to keep them appraised of our progress

6. Profile – Professor David Gillatt, Chair, Minomic Clinical Advisory Panel

In this newsletter we profile Professor David Gillatt, Chair of the Minomic Clinical Advisory Panel. Currently he fills the roles of Professor of Urological Oncology and Robotic Surgery and Director of Medical Services at Macquarie University Hospital. Previously he was a leading UK prostate cancer surgeon and is recognised as one of the world's foremost robotic surgeons in the treatment of both prostate and bladder cancers, having performed more than 2000 major resections in his career. He also has expertise in the discovery and optimisation of biomarkers for early prostate cancer diagnosis and prognosis, and in the effect of ketamine abuse on bladder function. His early research work was in the utility and adoption of PSA as a marker of prostate disease. Before joining Macquarie University Hospital, Professor Gillatt was Clinical Director of Urology at Southmead Hospital and Medical Director of the Bristol Urological Institute, where he established the Prostate Cancer Care and Research Centre. The centre has gained a national and international reputation as one of the foremost research organisations for urology in the UK. It integrates teaching, research and clinical practice in urology. He was one of the two clinicians who initiated the feasibility arm of the PROTECT study. This is the largest study of diagnosis and treatment of early prostate cancer ever done. Professor Gillatt brings this experience to Macquarie University Hospital where he will provide leadership across both the Faculty of Medicine and Health Sciences and Macquarie University Hospital in the delivery of clinical services, teaching and research. A key focus will be strengthening Macquarie University Hospital's multidisciplinary team approach to prostate cancer care that already sees coordinated services engage all relevant specialties with the aim of delivering outstanding patient care.

In conclusion, we continue to move forward with our aim always being to bring to market a better cancer diagnostic for the benefit of all and followed by the potential promise of new therapies. The year is indeed off to a busy start and I look forward to reporting our progress to you over the next three quarters.

Yours sincerely,

Dr Bradley Walsh
CEO