



Announcement to ASX (446)  
10 January 2012

**VIRAX SECURES \$5 MILLION FUNDING FACILITY**  
**Development of Skin Cancer immunotherapeutic TG1042**  
**Working Capital to advance a corporate transaction**

Virax Holdings Limited (Virax)(ASX-VHL) is pleased to announce that it has secured a \$5 million funding facility with Dutchess Capital (Dutchess).

The funding is through a Continuous Investment Agreement that will provide Virax with a flexible financing structure in which Dutchess is committed to purchasing ordinary shares directly from the Company, at prevailing market prices, over a the three year period. When the Company elects to drawdown under the Agreement, Dutchess is obligated to purchase an amount of shares equal to the dollar amount requested, less a 5% commission.

The Company can request a drawdown, at its discretion, in accordance with the terms of the funding agreement and subject to compliance with the ASX Listing Rules in respect to share placements.

This agreement will assist the Company to advance the development of TG1042 (skin cancer immunotherapeutic) and the provision of working capital to assist with the development and implementation of a corporate transaction. Clinical testing of TG1042 in basal cell carcinoma, the world's most common form of skin cancer, is scheduled to commence in H1, 2012.

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**About TG1042 skin cancer immunotherapeutic product**

TG1042 is an adenoviral vector expressing interferon-gamma. It has been tested previously in humans in skin cancer indications for the treatment of cutaneous lymphomas (via intratumoral injection), where it has shown highly promising results in Phase I and Phase II Clinical Trials.

In Phase I Trials, patients with advanced cutaneous T-cell lymphoma (CTCL) and multi-lesional cutaneous B-cell lymphoma (CBCL), treatment with TG1042 induced a high overall response rate of local clinical responses.

In Phase II Clinical Trial of Intra-lesional administration of TG1042 (Adenovirus-interferon-gamma), patients with relapsing primary cutaneous B-cell lymphomas, the primary endpoint was met in the first step of the Phase II trial as measured by overall response rate.

This treatment was highly promising and on this basis was awarded Orphan Drug status by the European medical regulatory body, European Medicines Agency (EMA) for the treatment of Cutaneous T cell Lymphomas. In addition, the prior human testing of the product has significantly lowered the technical risk of the project in nodular BCC.

Skin cancers such as BCC and melanoma are huge problems in Australia. Australia is the premier location to conduct trials in BCC and melanoma, and the ability of Virax to run the trials in Australia is one of the strategic reasons underpinning the Transgene licence to Virax.

**About Virax**

Virax is an ASX listed Australian health care company. The Company is focused on technologies in the fields of cancer immunotherapy and immunology. Virax's lead product is skin cancer vaccines TG1042 – focusing on basal cell carcinoma.

The Company's broader goal is to develop commercial cancer treatment technologies and programs for global markets.

**About Dutchess Capital**

Dutchess Capital is the investment manager for funds which invest in short term special situations assisting growth-stage and mature public companies alike.

Funds managed by Dutchess have made direct investments in companies which span a wide array of sectors including; Healthcare, Biotechnology, Natural Resources, Telecom, Wireless Communication, Internet, e-Commerce, Technology, Media, Defense, Homeland Security, Financial Services, Entertainment, Nuclear Sciences, Manufacturing, Apparel, Textiles, Consumer Products and Alternative Energy.

For over a decade, Dutchess has successfully utilised various investment structures including Equity Line Facilities, Equity Linked Securities and Direct Placements.

With offices in Boston, New York, London and Beijing, Dutchess invests in worldwide investment opportunities.

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