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Propanc Provides Shareholder Update and Forecast for 2017

MELBOURNE, AUSTRALIA -- (Marketwired) -- 01/04/17 -- Propanc Health Group Corporation (OTCQB: PPCH) ("Propanc" or "the Company"), an emerging healthcare company focusing on development of new and proprietary treatments for cancer patients suffering from solid tumors such as pancreatic, ovarian and colorectal cancers, today announced an update on the significant progress of the Company and its R&D activities in 2016 and its forecast for 2017, as the Company looks towards commencing first-in-man (FIM) studies for its lead product, PRP, a solution for once daily intravenous administration of pancreatic proenzymes trypsinogen and chymotrypsinogen.

Since the beginning of 2016, the Company has initiated and completed a number of activities, including:

- Prepared and submitted four new patents in Australia, Spain and the United States, relating to the dosing, anti-cancer effects and mechanism of action of the two proenzymes against various cancers, and in particular, its effects against cancer stem cells, identified in collaboration with the Company's research partners. As a result of this exciting research, further patents are expected to be filed in 2017.
- Completion of a 14-day, dose range finding toxicity study in rats, defining a maximum tolerated and feasible dose for PRP in preparation for further toxicity assessment in rodents.
- Conducted a scientific advice meeting with the Medicines and Healthcare Products Regulatory Agency, MHRA, UK, defining the non-clinical and clinical development pathway for PRP.
- Developed and validated a new IR (infrared) dye-labelled detection method for trypsinogen and chymotrypsinogen, suitable to measure whole body bio-distribution as well as assessment of PRP concentration in blood plasma and tissue samples.
- Completed a 28-day repeat-dose toxicokinetic study in rats, which measures the distribution of the two proenzymes in relation to its toxicity over time. No issues were reported and plasma levels of PRP were not impaired over time by neutralising antibody production.
- Developed an enzyme linked immunosorbent assay (ELISA) method by producing polyclonal antibodies from rabbits for the detection and quantification of the two proenzymes in the PRP formulation in human blood plasma for future clinical trials.
- Executed a manufacturing agreement with AmatsiQBiologicals, in Belgium, and started the development process for the finished product manufacture of PRP for human use.
- Commenced the in-life phase of a GLP-compliant, 28-day repeat-dose toxicity study for PRP in rats, which is expected to help define the safe starting dose in advanced cancer patients for first-in-man (FIM) studies.

As a result of the activities completed in 2016, the Company expects to undertake the following activities in 2017:

- Completion of the GLP-compliant, 28-day repeat-dose toxicity study in rats for PRP.
- Finished product manufacture and release of an intravenous formulation of PRP for clinical trials.
- Validation of the ELISA assay for the analysis of PRP in human blood plasma to measure the distribution over time in patients.
- Preparation and submission of an investigational medicine product dossier (IMPD) and clinical trial application (CTA) for PRP in the UK, for FIM studies.
- Commencement of FIM studies for PRP, targeting advanced cancer patients (solid tumors).

"We are pleased with the progress of PRP this year, and believe we are entering an exciting growth phase for the future of the Company in 2017 and beyond," said James Nathanielsz, Propanc's Chief Executive Officer. "Our expectation is, as Propanc becomes a clinical stage biopharmaceutical company, there will be opportunities to grow and expand our pipeline, as well as working towards generating revenue through partnering our lead product, PRP, which we have already initiated preliminary discussions for, and expect to further these discussions as we generate clinical trial data."

In addition, the Company submitted two Orphan Medicinal Product Designation (OMPD) applications for pancreatic and ovarian cancers to the European Medicines Agency (EMA). After a detailed discussion of non-clinical results and patient data from an earlier compassionate use program with the Committee for Orphan Medicinal Products (COMP), Propanc's management team decided to withdraw the Company's OMPD applications for both indications and will resubmit as the Company proceeds into clinical development. The Company intends to gather further patient data from human trials to provide a more complete data set to the EMA in support of the application. During human trials, the Company expects to further demonstrate that PRP is safe at specified dosages with minimal toxicity compared to standard treatment approaches. By resubmitting the application with data from human trials, when the Company can demonstrate additional data on safety and toxicity of the drug, the EMA will be able to form a more complete assessment. Propanc expects this to ultimately benefit the Company as the inclusion of the additional data in the OMPD application will demonstrate the unique clinical benefits of PRP and ultimately help drive commercialization efforts. This delay in receiving orphan drug designation does not influence the Company's development plans for PRP in 2017.

"Whilst the clinical data generated from this seriously ill patient population are impressive, we agree with the EMA that controlled clinical data from our planned patient trials will further establish the unique clinical benefits from the intravenous administration of PRP in both pancreatic and ovarian cancer patients. Therefore, we will consider resubmitting our application as soon as we generate data from treatment of either pancreatic, or ovarian cancer patients in our upcoming studies," said Professor Klaus Kutz, Propanc's Chief Medical Officer. "The results from these submissions have no influence on our development plans for PRP in 2017 and beyond."

"We respect the decision of the EMA and I look forward to the opportunity to confirm the clinical benefits of PRP administered once daily, intravenously, at much higher doses, in our upcoming clinical trials," said Dr Julian Keyon, Propanc's Chief Scientific Officer. "Through my compassionate use program, we substantially extended the lives of a number of pancreatic and ovarian cancer patients, which is why we are initially targeting these patient

populations, where there is a real medical need and few treatment options exist. Overall, I am satisfied with the quality of scientific data presented, which generated interest among the EMA representatives, especially the effects of PRP against cancer stem cells, and its potential as a targeted, anti-cancer stem cell therapy. There is no doubt in my mind we are on the right track towards proving the potential benefits of this innovative and exciting approach for the treatment and prevention of metastatic cancer from solid tumors."

Before commencing patient trials in the target indications (pancreatic and ovarian cancers), a classical FIM study will be conducted in advanced cancer patients who no longer respond to approved treatment options, which management expects to commence in 2017. This trial is designed to investigate the safety, tolerability and potential adverse effects of PRP. If a patient with pancreatic or ovarian cancer is included in the FIM study, resubmission of the OMPD application will be considered by Propanc's management team. The Company is also determining whether to proceed with Orphan Drug Designation (ODD) applications in the United States, given the recent passing of the 21st Century Cures Act, and support for companies developing potential cures for life threatening diseases.

To view Propanc's "Mechanism of Action" video on anti-cancer product candidate, PRP, please click on the following link: http://www.propanc.com/news-media/video

To be added to Propanc's email distribution list, please emailPPCH@kcsa.com with "Propanc" in the subject line.

About Propanc:

Propanc is developing new cancer treatments for patients suffering from pancreatic, ovarian and colorectal cancers. We have developed a formulation of anti-cancer compounds, which exert a number of effects designed to control or prevent tumors from recurring and spreading throughout the body. Our products involve or employ pancreatic proenzymes, which are inactive precursors of enzymes. In the near term, we intend to target patients with limited remaining therapeutic options for the treatment of solid tumors. In future, we intend to develop our lead product to treat (i) early stage cancer and (ii) pre-cancerous diseases and (iii) as a preventative measure for patients at risk of developing cancer based on genetic screening. For more information, visit: www.propanc.com.

Forward-Looking Statements:

All statements other than statements of historical fact contained herein are "forward-looking statements" for purposes of federal and state securities laws. Forward-looking statements may include the words "may," "will," "estimate," "intend," "continue," "believe," "expect," "plan" or "anticipate" and other similar words. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties including those regarding our earnings, revenues and financial condition, our ability to implement our plans, strategies and objectives for future operations, our ability to execute on proposed new products, services or development thereof, our ability to establish and maintain the proprietary nature of our technology through the patent process, our ability to license from others patents and patent applications, if necessary, to develop certain products, our ability to implement our long range business plan for various

applications of our technology, our ability to enter into agreements with any necessary manufacturing, marketing and/or distribution partners for purposes of commercialization, the results of our clinical research and development, competition in the industry in which we operate, overall market conditions, and any statements or assumptions underlying any of the foregoing. Other risks, uncertainties and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the Securities and Exchange Commission, including our reports on Forms 10-K, 10-Q and 8-K. We do not intend, and undertake no obligation, to update any forward-looking statement contained herein, except as required by law.

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