UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2018

OR

☐ **TRANSITION REPORT UNDER SECTION 13 OF 15(d) OF THE EXCHANGE ACT OF 1934**

From the transition period from to .

Commission File Number 001-35798

Humanigen, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**77-0557236**
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

533 Airport Boulevard, Suite 200, Burlingame, CA 94010
(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code: **(650) 243-3100**

1000 Marina Blvd., Suite 250, Brisbane, CA 94005
(Former address)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☒ No ☐

As of May 7, 2018, there were 109,207,786 shares of common stock of the issuer outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Humanigen, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share data)
(Unaudited)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 1,560	$ 737
Prepaid expenses and other current assets	838	813
Total current assets	2,398	1,550
Property and equipment, net	10	19
Restricted cash	101	101
Total assets	$ 2,509	$ 1,670
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	$ 3,302	$ 3,330
Accrued expenses	3,239	3,307
Term loans payable	-	18,018
Total current liabilities	6,541	24,655
Notes payable to vendors	1,380	1,351
Total liabilities	7,921	26,006
Stockholders' deficit:		
Common stock, $0.001 par value: 225,000,000 and 85,000,000 shares authorized at March 31, 2018 and December 31, 2017, respectively; 109,207,786 and 14,946,712 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	109	15
Additional paid-in capital	262,163	238,246
Accumulated deficit	(267,684)	(262,597)
Total stockholders' deficit	(5,412)	(24,336)
Total liabilities and stockholders' deficit	$ 2,509	$ 1,670

See accompanying notes.

Humanigen, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2018	**2017**
Operating expenses:		
Research and development	$ 696	$ 2,669
General and administrative	3,957	2,449
Total operating expenses	4,653	5,118
Loss from operations	(4,653)	(5,118)
Other expense:		
Interest expense	(394)	(291)
Other expense, net	(3)	(15)
Reorganization items, net	(37)	(124)
Net loss	(5,087)	(5,548)
Other comprehensive income	-	-
Comprehensive loss	$ (5,087)	$ (5,548)
Basic and diluted net loss per common share	$ (0.10)	$ (0.37)
Weighted average common shares outstanding used to calculate basic and diluted net loss per common share	49,155,859	14,977,397

See accompanying notes.

Humanigen, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)

	Three Months Ended March 31,	
	2018	2017
Operating activities:		
Net loss	$ (5,087)	$ (5,548)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	10	14
Noncash interest expense	393	288
Stock based compensation expense	2,675	1,086
Change in fair value of warrants issued in connection with acquisition of licenses	-	(28)
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	(25)	(191)
Accounts payable	(28)	(507)
Accrued expenses	234	651
Liabilities subject to compromise	-	(130)
Net cash used in operating activities	(1,828)	(4,365)
Financing activities:		
Net proceeds from issuance of common stock	2,601	-
Net proceeds from term loan	50	5,500
Net cash provided by financing activities	2,651	5,500
Net increase in cash and cash equivalents	823	1,135
Cash and cash equivalents, beginning of period	737	2,906
Cash and cash equivalents, end of period	$ 1,560	$ 4,041
Supplemental cash flow disclosure:		
Cash paid for interest	$ 1	$ 2
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of notes payable and related accrued interest and fees to common stock	$ 18,432	$ -
Change in fair value of warrants issued in connection with acquisition of licenses	$ -	$ (28)
Issuance in stock options in lieu of cash compensation	$ 303	$ -

See accompanying notes.

Humanigen, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Operations

Description of the Business

Humanigen, Inc. (the "Company") was incorporated on March 15, 2000 in California and reincorporated as a Delaware corporation in September 2001 under the name KaloBios Pharmaceuticals, Inc. The Company completed its initial public offering in January 2013. Effective August 7, 2017, the Company changed its legal name to Humanigen, Inc.

As disclosed in the Company's 2017 Form 10-K, since August 29, 2017 the Company has shifted its primary focus toward developing its proprietary monoclonal antibody portfolio, which comprises lenzilumab, ifabotuzumab and HGEN005, for use in addressing significant, serious and potentially life-threatening unmet needs in oncology and immunology. These product candidates are at various stages of development and will require substantial time, expenses, clinical development, testing, and regulatory approval from the United States Food and Drug Administration ("FDA") prior to commercialization, if they are approved at all. Furthermore, none of these product candidates has advanced into a pivotal registration study and it may be years before any such studies are initiated, if at all.

Lenzilumab is a recombinant monoclonal antibody, or mAb, that neutralizes soluble granulocyte-macrophage colony-stimulating factor, or GM-CSF, a critical cytokine in the inflammatory cascade associated with serious and potentially life-threatening CAR-T-related side effects and in the growth of certain hematologic malignancies, solid tumors and other serious conditions. The Company expects to study lenzilumab's potential in reducing the side effects associated with CAR-T therapy and potentially also improving efficacy. The Company has begun to explore lenzilumab's effectiveness in preventing or ameliorating neurotoxicity and potentially cytokine release syndrome ("CRS") associated with CAR-T therapy. Pre-clinical animal data suggests there may be an increase in CAR-T cell expansion when combined with lenzilumab, which potentially could translate into improved CAR-T efficacy and this is likely to be an area of further study. In addition, the Company has completed enrollment of patients in a Phase 1 clinical trial for chronic myelomonocytic leukemia ("CMML"), to identify the maximum tolerated dose, ("MTD"), or recommended Phase 2 dose ("RPTD") of lenzilumab and to assess lenzilumab's safety, pharmacokinetics, and clinical activity. Twelve patients in the 200, 400 and 600 mg dose cohorts of the CMML trial have been enrolled, and the Company is evaluating subjects in the highest dose cohort of 600 mg for continuing accrual of up to 18 patients. The Company also plans to review preliminary safety and potential efficacy results and anticipates completion of the ad hoc interim analysis in the first half of 2018. The Company may also use the interim data from the lenzilumab CMML Phase 1 study to determine the feasibility of rapidly commencing a Phase 1 study in juvenile myelomonocytic leukemia ("JMML") patients, or to explore progressing a Phase 2 CMML study. JMML is a rare pediatric cancer, is associated with poor outcomes and a very high unmet medical need, for which there are no FDA-approved therapies.

Ifabotuzumab is an anti-Ephrin Type-A receptor 3, or EphA3, mAb that has the potential to offer a novel approach to treating solid tumors and hematologic malignancies, serious pulmonary conditions and as a CAR construct. EphA3 is aberrantly expressed on the surface of tumor cells and stroma cells in certain cancers. The Company completed the Phase 1 dose escalation portion of a Phase 1/2 clinical trial for ifabotuzumab in multiple hematologic malignancies for which the preliminary results were published in the journal Leukemia Research in 2016. An investigator-sponsored Phase 0/1 radio-labeled imaging trial of ifabotuzumab in glioblastoma multiforme, a particularly aggressive and deadly form of brain cancer, has begun at the Olivia-Newton John Cancer Institute in Melbourne, Australia. The Company is also in discussions with a leading center in the U.S. to develop a series of CAR constructs based on ifabotuzumab and may take these constructs, if developed, into pre-clinical testing for a range of cancer types. The Company will also continue to explore partnering opportunities to enable further development of ifabotuzumab.

HGEN005 is a pre-clinical stage anti-human epidermal growth factor-like module containing mucin-like hormone receptor 1, or EMR1, mAb. EMR1 is a therapeutic target for eosinophilic disorders. Eosinophils are a type of white blood cell. If too many are produced in the body, chronic inflammation and tissue and organ damage may result. Analysis of blood and bone marrow shows that surface expression of EMR1 is restricted to mature eosinophils and correlated with eosinophilia. Tissue eosinophils also express EMR1. In pre-clinical work, the Company has demonstrated that eosinophil killing is enhanced in the presence of HGEN005 and immune effector cells. A major limitation of current eosinophil targeted therapies is incomplete depletion of tissue eosinophils and/or lack of cell selectivity, which may mean that HGEN005 could offer promise in a range of eosinophil-driven diseases, such as eosinophilic asthma, eosinophilic esophagitis and eosinophilic granulomatosis with polyangiitis. The Company is in discussion with a leading center in the U.S. to develop a series of CAR constructs based on HGEN005 and may take these constructs, if developed, into pre-clinical testing for eosinophilic leukemia, an orphan condition with significant unmet need.

The Company's monoclonal antibody portfolio was developed with its proprietary, patent-protected Humaneered® technology, which consists of methods for converting antibodies (typically murine) into engineered, high-affinity antibodies designed for human therapeutic use.

Liquidity and Going Concern

The Company has incurred significant losses since its inception in March 2000 and had an accumulated deficit of $267.7 million as of March 31, 2018. At March 31, 2018, the Company had a working capital deficit of $4.1 million. On February 27, 2018, the Company issued 91,815,517 shares of common stock in exchange for the extinguishment of all term loans, related fees and accrued interest and received $1.5 million in cash proceeds. See Note 9 for a more detailed discussion of these restructuring transactions. On March 12, 2018 the Company issued 2,445,557 shares of common stock for proceeds of $1.1 million to accredited investors. The Company will require additional financing in order to meet its anticipated cash flow needs during the next twelve months. The Company has financed its operations primarily through the sale of equity securities, debt financings, interest income earned on cash and cash equivalents, grants and the payments received under its agreements with Novartis Pharma AG ("Novartis") and Sanofi Pasteur S.A. ("Sanofi"). To date, none of the Company's product candidates has been approved for sale and therefore the Company has not generated any revenue from product sales. Management expects operating losses to continue for the foreseeable future. As a result, the Company will continue to require additional capital through equity offerings, debt financing and/or payments under new or existing licensing or collaboration agreements. If sufficient funds are not available on acceptable terms when needed, the Company could be required to significantly reduce its operating expenses and delay, reduce the scope of, or eliminate one or more of its development programs. The Company's ability to access capital when needed is not assured and, if not achieved on a timely basis, could materially harm its business, financial condition and results of operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Condensed Consolidated Financial Statements for the three months ended March 31, 2018 were prepared on the basis of a going concern, which contemplates that the Company will be able to realize assets and discharge liabilities in the normal course of business. The ability of the Company to meet its total liabilities of $7.9 million at March 31, 2018 and to continue as a going concern is dependent upon the availability of future funding. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Basis of Presentation

The accompanying interim unaudited Condensed Consolidated Financial Statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and on a basis consistent with the annual consolidated financial statements and include all adjustments necessary for the presentation of the Company's condensed consolidated financial position, results of operations and cash flows for the periods presented. The Condensed Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries. These financial statements have been prepared on a basis that assumes that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The December 31, 2017 Condensed Consolidated Balance Sheet was derived from the audited financial statements but does not include all disclosures required by U.S. GAAP. These interim financial results are not necessarily indicative of the results to be expected for the year ending December 31, 2018, or for any other future annual or interim period. The accompanying unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto included in the Company's 2017 Form 10-K.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts and disclosures reported in the Condensed Consolidated Financial Statements and accompanying notes. Actual results could differ materially from those estimates. The Company believes judgment is involved in determining the valuation of the fair value-based measurement of stock-based compensation, accruals and warrant valuations. The Company evaluates its estimates and assumptions as facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from these estimates and assumptions, and those differences could be material to the Condensed Consolidated Financial Statements.

2. Chapter 11 Filing

On December 29, 2015, the Company filed a voluntary petition for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. The filing was made in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") (Case No. 15-12628 (LSS) (the "Bankruptcy Case").

Plan of Reorganization

On May 9, 2016, the Company filed with the Bankruptcy Court a Plan of Reorganization and related amended disclosure statement (the "Plan") pursuant to Chapter 11 of the Bankruptcy Code. On June 16, 2016, the Bankruptcy Court entered an order confirming the Plan.

The Plan became effective on June 30, 2016 (the "Effective Date") and the Company emerged from its Chapter 11 bankruptcy proceedings.

Bankruptcy Claims Administration

The reconciliation of certain proofs of claim filed against the Company in the Bankruptcy Case, including certain General Unsecured Claims, Convenience Class Claims and Other Subordinated Claims, is ongoing. As a result of its examination of the claims, the Company may ask the Bankruptcy Court to disallow, reduce, reclassify or otherwise adjudicate certain claims the Company believes are subject to objection or otherwise improper. Under the terms of the Plan, the Company had until December 27, 2016 to file additional objections to disputed claims, subject to the Company's right to seek an extension of this deadline from the Bankruptcy Court. By Order dated April 24, 2018, the Bankruptcy Court extended the claims objection deadline to June 25, 2018. The Company may compromise certain claims with or without specific prior approval of the Bankruptcy Court as set forth in the Plan and may identify additional liabilities that will need to be recorded or reclassified to liabilities subject to compromise. The resolution of such claims could result in material adjustments to the Company's financial statements.

As of March 31, 2018, approximately $0.5 million in claims remain subject to review and reconciliation by the Company. The Company may file objections to these claims after it completes the reconciliation process. As of March 31, 2018, the Company has recorded $0.06 million related to these claims in Accounts payable and Notes payable to vendors, which represents management's best estimate of claims to be allowed by the Bankruptcy Court.

Although the Bankruptcy Case remains open, other than with respect to certain matters relating to the implementation of the Plan, the administration of certain claims, or over which the Bankruptcy Court may have otherwise retained jurisdiction, the Company is no longer operating under the direct supervision of the Bankruptcy Court. The Company anticipates that the Bankruptcy Case will be closed following the completion of the claims reconciliation process and will seek to close the Bankruptcy as soon as possible.

Financial Reporting in Reorganization

The Company applied Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 852, *Reorganizations*, which is applicable to companies under bankruptcy protection, and requires amendments to the presentation of key financial statement line items. It requires that the financial statements for periods subsequent to the Chapter 11 filing distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Revenues, expenses, realized gains and losses, and provisions for losses that can be directly associated with the reorganization and restructuring of the business must be reported separately as reorganization items in the Condensed Consolidated Statements of Operations and Comprehensive Loss. The balance sheet must distinguish pre-petition liabilities subject to compromise from both those pre-petition liabilities that are not subject to compromise and from post-petition liabilities. Liabilities that may be subject to a plan of reorganization must be reported at the amounts expected to be allowed in the Company's Chapter 11 case, even if they may be settled for lesser amounts as a result of the plan of reorganization or negotiations with creditors.

As of March 31, 2018, approximately $0.06 million of pre-petition liabilities remain in Accounts payable and Notes payable to vendors. For the three months ended March 31, 2017, the Company wrote off approximately $0.2 million in claims that had been reduced or for which a settlement had been reached at a lower amount than had been previously accrued. Remaining amounts will be paid based on terms of the Plan.

For the three months ended March 31, 2018 and 2017, Reorganization items, net consisted of the following charges:

	Three months ended March 31, 2018	2017
Legal fees	$ 30	$ 112
Professional fees	7	12
Total reorganization items, net	**$ 37**	**$ 124**

Cash payments for reorganization items totaled $0.1 million and $0.4 million for the three months ended March 31, 2018 and 2017, respectively.

3. Summary of Significant Accounting Policies

There have been no material changes in the Company's significant accounting policies since those previously disclosed in the 2017 Annual Report.

4. Potentially Dilutive Securities

The Company's potentially dilutive securities, which include stock options, restricted stock units and warrants, have been excluded from the computation of diluted net loss per common share as the effect of including those securities would be to reduce the net loss per common share and be antidilutive. Therefore, the denominator used to calculate both basic and diluted net loss per common share is the same in each period presented.

The following outstanding potentially dilutive securities have been excluded from the computations of diluted net loss per common share:

	As of March 31, 2018	2017
Options to purchase common stock	15,527,069	2,432,843
Warrants to purchase common stock	331,193	356,193
	15,858,262	2,789,036

5. Investments

At March 31, 2018, the amortized cost and fair value of investments, with gross unrealized gains and losses, were as follows:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 101	$ —	$ —	$ 101
Total investments	$ 101	$ —	$ —	$ 101
Reported as:				
Cash and cash equivalents				$ —
Restricted cash, long-term				101
Total investments				$ 101

At December 31, 2017, the amortized cost and fair value of investments, with gross unrealized gains and losses, were as follows:

(in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 101	$ —	$ —	$ 101
Total investments	$ 101	$ —	$ —	$ 101
Reported as:				
Cash and cash equivalents				$ —
Restricted cash, long-term				101
Total investments				$ 101

6. Fair Value of Financial Instruments

Cash, accounts payable and accrued liabilities are carried at cost, which approximates fair value given their short-term nature. Marketable securities and cash equivalents are carried at fair value.

The fair value of financial instruments reflects the amounts that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The fair value hierarchy is based on three levels of inputs that may be used to measure fair value, of which the first two are considered observable, and the third is considered unobservable, as follows:

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs other than those included in Level 1 that are directly or indirectly observable, such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company measures the fair value of financial assets and liabilities using the highest level of inputs that are reasonably available as of the measurement date. The following tables summarize the fair value of financial assets that are measured at fair value and the classification by level of input within the fair value hierarchy:

	Fair Value Measurements as of March 31, 2018			
(in thousands)	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 101	$ —	$ —	$ 101
Total assets measured at fair value	$ 101	$ —	$ —	$ 101

	Fair Value Measurements as of December 31, 2017			
(in thousands)	Level 1	Level 2	Level 3	Total
Investments:				
Money market funds	$ 101	$ —	$ —	$ 101
Total assets measured at fair value	$ 101	$ —	$ —	$ 101

7. Debt

Notes Payable to Vendors

On June 30, 2016, the Company issued promissory notes in an aggregate principal amount of approximately $1.2 million to certain claimants in accordance with the Plan. The notes are unsecured, bear interest at 10% per annum and are due and payable in full, including principal and accrued interest on June 30, 2019. As of March 31, 2018 and 2017, the Company has accrued $0.2 million and $0.1 million in interest related to these promissory notes, respectively.

Term Loans

Term Loans consisted of the following at December 31, 2017:

As of December 31, 2017

	Original Principal Amount	Accrued Interest	Loan Balance	Fees	Balance Due
December 2016 Loan	$ 3,315	$ 324	$ 3,639	$ 153	$ 3,792
March 2017 Loan	5,978	452	6,430	275	6,705
July 2017 Loan	5,435	249	5,684	250	5,934
Bridge Loan	1,500	6	1,506	-	1,506
Claims Advances Loan	80	1	81	-	81
Totals	$ 16,308	$ 1,032	$ 17,340	$ 678	$ 18,018

On December 21, 2016, the Company entered into a Credit and Security Agreement, as amended on March 21, 2017 and on July 8, 2017 (as amended, the "Term Loan Credit Agreement"), with Black Horse Capital Master Fund ("BHCMF") as administrative agent and lender, and lenders Black Horse Capital ("BHC"), Cheval Holdings, Ltd. ("Cheval" and collectively with BHCMF and BHC, the "Black Horse Entities") and Nomis Bay LTD ("Nomis Bay") (collectively the "Lenders"). The Term Loan Credit Agreement provided for the December 2016 Loan, the March 2017 Loan and the July 2017 Loan (the "Term Loans").

In accordance with the terms of the Term Loan Credit Agreement, the Company used the proceeds of the Term Loans for general working capital, the payment of certain fees and expenses owed to BHCMF and the Lenders and other costs incurred in the ordinary course of business. Dr. Dale Chappell, one of the Company's former directors, is an affiliate of each of BHCMF, BHC and Cheval.

The Term Loans bore interest at 9.00% and were subject to certain customary representations, warranties and covenants, as set forth in the Term Loan Credit Agreement.

On December 1, 2017 the Term Loans matured and began bearing interest at the default rate of 14.00%. The Company's obligations under the Term Loan Credit Agreement were secured by a first priority interest in all of the Company's real and personal property, subject only to certain carve outs and permitted liens, as set forth in the agreement.

On December 21, 2017, the Company entered into a Forbearance and Loan Modification Agreement, where among other things, it obtained a $1.5 million bridge loan (the "Bridge Loan") from Cheval and a credit facility with Nomis Bay (the "Claims Advances Loan"). Both loans bear interest at 14.00% and are treated as secured loans under the Term Loan Credit Agreement.

On February 27, 2018 the Term Loans, the Bridge Loan and the Claims Advances Loan along with all related fees and accrued interest, were extinguished in connection with the Restructuring Transactions described in Note 9.

8. Commitments and Contingencies

Contractual Obligations and Commitments

As of March 31, 2018, there were no material changes to the Company's contractual obligations from those set forth in the 2017 Annual Report.

Guarantees and Indemnifications

The Company has certain agreements with service providers with which it does business that contain indemnification provisions pursuant to which the Company typically agrees to indemnify the party against certain types of third-party claims. The Company accrues for known indemnification issues when a loss is probable and can be reasonably estimated. The Company would also accrue for estimated incurred but unidentified indemnification issues based on historical activity. As the Company has not incurred any indemnification losses to date, there were no accruals for or expenses related to indemnification issues for any period presented.

9. Stockholders' Equity

This summarizes the activity in Stockholders' Equity discussed below:

	Common Stock		Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Deficit
Balances at December 31, 2017	14,946,712	$ 15	$ 238,246	$ (262,597)	$ (24,336)
Conversion of notes payable and related accrued interest and fees to common stock	76,007,754	76	18,356		18,432
Issuance of common stock	18,253,320	18	2,583		2,601
Issuance of stock options in lieu of cash compensation			303		303
Stock-based compensation expense			2,675		2,675
Comprehensive loss				(5,087)	(5,087)
Balances at March 31, 2018	109,207,786	$ 109	$ 262,163	$ (267,684)	$ (5,412)

Restructuring Transactions

On December 21, 2017, the Company entered into a Securities Purchase and Loan Satisfaction Agreement (the "Purchase Agreement") and a Forbearance and Loan Modification Agreement (the "Forbearance Agreement" and, together with the Purchase Agreement, the "Agreements"), each with the Lenders. The Agreements provided for a series of transactions (the "Restructuring Transactions") pursuant to which, at the closing of the Restructuring Transactions (the "Transaction Closing"), which occurred on February 27, 2018, the Company would: (i) in exchange for the satisfaction and extinguishment of the entire balance of the Term Loans, (a) issue to the Lenders an aggregate of 59,786,848 shares of Common Stock (the "New Lender Shares"), and (b) transfer and assign to Madison Joint Venture LLC ("Madison"), an affiliate of Nomis Bay, all of the assets of the Company related to benznidazole (the "Benz Assets"), the Company's former drug candidate; and (ii) issue to Cheval an aggregate of 32,028,669 shares of Common Stock (the "New Black Horse Shares" and, collectively with the New Lender Shares, the "New Common Shares") for total consideration of $3.0 million.

Issuance of the New Lender Shares

Under the Purchase Agreement, at the Transaction Closing, the Company issued to the Lenders the New Lender Shares, of which 29,893,424 shares of Common Stock were issued to the Black Horse Entities and 29,893,424 shares of Common Stock were issued to Nomis Bay. The issuance of the New Lender Shares to the Lenders and the assignment of the Benz Assets to Madison resulted in the satisfaction and extinguishment of the Company's outstanding obligations under the Credit Agreement and the cancellation of the Term Loans, including the Bridge Loan and the Claims Advances Loan, described below and all security interests of the Lenders in the Company's assets were released. The conversion of the Term Loans, Bridge Loan and Claims Advances Loan was accounted for as a decrease to Long-term debt and an increase to Common stock and Additional paid-in capital in the amount of the liabilities outstanding at the time of conversion.

Transfer of the Benz Assets; Claims Advances

Under the Purchase Agreement, at the Transaction Closing, the Company transferred and assigned the Benz Assets to Madison. The Company also agreed to retain, but provide Madison the benefits of, any Benz Assets which are not permitted to be assigned absent receipt of third-party consents. Madison (at the election of Nomis Bay, which controls Madison) has 180 days from the Transaction Closing to decide, in its sole discretion, whether to elect to keep the Benz Assets (a "Positive Election"). The Benz Assets will revert back to the Company in the event that Madison (at the election of Nomis Bay) elects not to make a Positive Election.

In connection with the transfer of the Benz Assets to Madison, Nomis Bay paid certain amounts incurred by the Company and Madison after December 21, 2017 and prior to the Transaction Closing in investigating certain causes of action and claims related to or in connection with the Benz Assets (the "Claims Advances Loan"), including the right to pursue causes of action and claims related to potential misappropriation of the Company's trade secrets by a competitor in connection with such competitor's submissions to the U.S. Food and Drug Administration (the "Claims"). In addition, if Madison (at the election of Nomis Bay) makes a Positive Election: (i) Nomis Bay will assume certain legal fees and expenses owed by the Company to its litigation counsel, and (ii) the Company will be entitled to receive 30% of any amounts realized from the successful prosecution of the Claims or otherwise from the Benz Assets, after Nomis Bay is reimbursed for certain expenses in connection with funding the Claims Advances Loan and after giving effect to any payments that Madison may be required to make to any third parties.

Nomis Bay will have full control, in its sole discretion, over the management of Madison, any development of or realization on the Benz Assets and the prosecution of the Claims. Since the Benz Assets had no carrying value on the Company's Condensed Consolidated Balance Sheet, the initial investment in Madison was recorded at $0.

Issuance of the New Black Horse Shares; Bridge Loan

Under the Purchase Agreement, at the Transaction Closing, the Company issued to Cheval the New Black Horse Shares for total consideration of $3.0 million, including extinguishment of the Bridge Loan. The Company used the proceeds from the issuance of the New Black Horse Shares for working capital and other costs incurred in the ordinary course of business. At the Transaction Closing, the entire amount of the Bridge Loan was credited to Cheval's $3.0 million payment obligation and was converted into New Black Horse Shares and all security interests of Cheval in the non-benznidazole assets was released.

Equity Financing

On March 12, 2018, the Company issued 2,445,557 shares of its common stock for total proceeds of $1.1 million to accredited investors.

Amendments to Articles of Incorporation

Effective February 26, 2018, the Company amended its Amended and Restated Certificate of Incorporation, as amended (the "Charter"), to amend Article IV of the Charter to (i) increase the number of authorized shares of Common Stock from 85,000,000 to 225,000,000, and (ii) authorize the issuance of 25,000,000 shares of preferred stock of the Company, par value $0.001 (the "Preferred Stock"), with such powers, rights, terms and conditions as may be designated by the Company's board of directors upon the issuance of shares of Preferred Stock at one or more times in the future (the "Charter Amendment"). The Charter Amendment was approved and adopted by the written consent of a majority of the stockholders of the Company in accordance with the applicable provisions of the Delaware General Corporation Law, the Charter, and the Company's Second Amended and Restated Bylaws.

Termination of Equity Financing Facility

On August 24, 2017, the Company entered into a Common Stock Purchase Agreement, dated as of August 23, 2017 (the "ELOC Purchase Agreement"), with Aperture Healthcare Ventures Ltd. ("Aperture") pursuant to which the Company may, subject to certain conditions and limitations set forth in the ELOC Purchase Agreement, require Aperture to purchase up to $15 million worth of newly issued shares (the "Put Shares") of the Company's common stock, over the 36-month term.

The Company terminated the ELOC Purchase Agreement on March 12, 2018. No Put Shares were issued pursuant to the ELOC Purchase Agreement prior to such termination.

2012 Equity Incentive Plan

Under the Company's 2012 Equity Incentive Plan, the Company may grant shares, stock units, stock appreciation rights, performance cash awards and/or options to employees, directors, consultants, and other service providers. For options, the per share exercise price may not be less than the fair market value of a Company common share on the date of grant. Awards generally vest and become exercisable over three to four years and expire 10 years from the date of grant. Options generally become exercisable as they vest following the date of grant.

On March 9, 2018, the Board of Directors of the Company approved an amendment to the Company's 2012 Equity Incentive Plan (the "Equity Plan") to increase the number of shares of the Company's common stock authorized for issuance under the Equity Plan by 16,050,000 shares, and to increase the annual maximum aggregate number of shares subject to stock option awards that may be granted to any one person under the Equity Plan during a calendar year to 7,500,000.

A summary of stock option activity for the three months ended March 31, 2018 under all of the Company's options plans is as follows:

	Options	Weighted Average Exercise Price
Outstanding at December 31, 2017	2,448,383	$ 3.67
Granted	13,363,274	0.67
Cancelled (forfeited)	(243,459)	1.27
Cancelled (expired)	(41,129)	37.82
Outstanding at March 31, 2018	15,527,069	$ 1.00

The weighted average fair value of options granted during the three months ended March 31, 2018 was $0.51 per share.

The Company valued the options granted using the Black-Scholes options pricing model and the following weighted-average assumption terms for the three months ended March 31, 2018:

	Three months ended March 31, 2018
Exercise price	$ 0.67
Market value	$ 0.67
Risk-free rate	2.74%
Expected term	6 years
Expected volatility	92.6%
Dividend yield	-

Stock-Based Compensation

The Company recorded stock-based compensation expense in the Condensed Consolidated Statements of Operations and Comprehensive Loss as follows:

	Three months ended March 31,	
	2018	2017
General and administrative	$ 2,474	$ 923
Research and development	201	163
	$ 2,675	$ 1,086

At March 31, 2018, the Company had $5.4 million of total unrecognized stock-based compensation expense, net of estimated forfeitures, related to outstanding stock options that will be recognized over a weighted-average period of 1.8 years.

10. Savant Arrangements

On February 29, 2016, the Company entered into a binding letter of intent (the "LOI") with Savant Neglected Diseases, LLC ("Savant"). The LOI provided that the Company would acquire certain worldwide rights relating to benznidazole (the "Compound") from Savant.

On the Effective Date, as authorized by the Plan and the Confirmation Order, the Company and Savant entered into an Agreement for the Manufacture, Development and Commercialization of Benznidazole for Human Use (the "MDC Agreement"), pursuant to which the Company acquired certain worldwide rights relating to the Compound. The MDC Agreement consummates the transactions contemplated by the LOI.

In addition, on the Effective Date the Company and Savant also entered into a Security Agreement (the "Security Agreement"), pursuant to which the Company granted Savant a continuing senior security interest in the assets and rights acquired by the Company pursuant to the MDC Agreement and certain future assets developed from those acquired assets.

On the Effective Date, the Company issued to Savant a five year warrant (the "Warrant") to purchase 200,000 shares of the Company's Common Stock, at an exercise price of $2.25 per share, subject to adjustment. The Warrant is exercisable for 25% of the shares immediately and exercisable for the remaining shares upon reaching certain regulatory related milestones. As of March 31, 2018 the number of shares for which the Warrant is currently exercisable totals 100,000 shares at an exercise price of $2.25 per share.

The Company reevaluated the performance conditions and expected vesting of the Warrant as of March 31, 2017 and recorded a reduction in expense of approximately $0.03 million during the three months ended March 31, 2017 due to a decline in the fair value, which reduction is included in Research and development expense in the accompanying Condensed Consolidated Statement of Operations and Comprehensive Loss. As a result of the FDA granting accelerated and conditional approval of a benznidazole therapy manufactured by a competitor for the treatment of Chagas disease and awarding such competitor a neglected tropical disease PRV in August 2017, the Company re-evaluated the final two vesting milestones and concluded that the probability of achievement of these milestones had decreased to 0%.

Before a compound receives regulatory approval, the Company records upfront and milestone payments made to third parties under licensing arrangements as expense. Upfront payments are recorded when incurred and milestone payments are recorded when the specific milestone has been achieved.

On May 26, 2017, the Company submitted its benznidazole IND to FDA which became effective on June 26, 2017. The Company recorded expense of $1.0 million during the year ended December 31, 2017 as Research and development expense related to the milestone achievement associated with the IND being declared effective.

On July 10, 2017 FDA notified the Company that it granted Orphan Drug Designation to benznidazole for the treatment of Chagas disease. The Company recorded expense of $1.0 million during the year ended December 31, 2017 as Research and development expense related to the milestone achievement associated with Orphan Drug Designation.

In July 2017, the Company commenced litigation against Savant alleging that Savant breached the MDC Agreement and seeking a declaratory judgement. Savant has asserted counterclaims for breaches of contract under the MDC Agreement and the Security Agreement. The dispute primarily concerns the Company's right under the MDC Agreement to offset certain costs incurred by the Company in excess of the agreed upon budget against payments due Savant. See Note 11, below, for more information regarding the Savant litigation. The aggregate cost overages as of June 30, 2017 that the Company asserts are Savant's responsibility total approximately $3.4 million, net of a $0.5 million deductible. The Company asserts that it is entitled to offset $2.0 million in milestone payments due Savant against the cost overages, such that as of June 30, 2017, Savant owed the Company approximately $1.4 million. As of March 31, 2018, the cost overages totaled $4.1 million such that Savant owed the Company approximately $2.1 million in cost overages. Such cost overages have been charged to Research and development expense as incurred. Recovery of such cost overages, if any, will be recorded as a reduction of Research and development expense in the period received.

The $2.0 million in milestone payments due Savant are included in Accrued expenses in the accompanying Condensed Consolidated Balance Sheet as of March 31, 2018 and December 31, 2017.

11. Litigation

Bankruptcy Proceeding

The Company filed for protection under Chapter 11 of Title 11 of the United States Bankruptcy Code on December 29, 2015. See Note 2 for additional information related to the bankruptcy.

Savant Litigation

On July 10, 2017, the Company filed a complaint against Savant Neglected Diseases, LLC ("Savant") in the Superior Court for the State of Delaware, New Castle County (the "Delaware Court"). *KaloBios Pharmaceuticals, Inc. v. Savant Neglected Diseases, LLC*, No. N17C-07-068 PRW-CCLD. The Company asserted breach of contract and declaratory judgment claims against Savant arising under the MDC Agreement. See Note 10 - "Savant Arrangements" for more information about the MDC Agreement. The Company alleges that Savant has breached its MDC Agreement obligations to pay cost overages that exceed a budgetary threshold as well as other related MDC Agreement representations and obligations. In the litigation, the Company has alleged that as of June 30, 2017, Savant was responsible for aggregate cost overages of approximately $3.4 million, net of a $0.5 million deductible under the MDC. The Company asserts that it is entitled to offset $2.0 million in milestone payments due Savant against the cost overages, such that as of June 30, 2017 Savant owed the Company approximately $1.4 million.

On July 12, 2017, Savant removed the case to the Bankruptcy Court, claiming that the action is related to or arises under the Bankruptcy Case from which we emerged in July 2016. On July 27, 2017, Savant filed an Answer and Counterclaims. Savant's filing alleges breaches of contracts under the MDC Agreement and the Security Agreement, claiming that the Company breached its obligations to pay the milestone payments and other related representations and obligations.

On August 1, 2017, the Company moved to remand the case back to the Delaware Court (the "Motion to Remand").

On August 2, 2017, Savant sent a foreclosure notice to the Company, demanding that it provide the Collateral as defined in the Security Agreement for inspection and possession on August 9, 2017, with a public sale to be held on September 1, 2017. The Company moved for a Temporary Restraining Order (the "TRO") and Preliminary Injunction in the Bankruptcy Court on August 4, 2017. Savant responded on August 7, 2017. On August 7, 2017, the Bankruptcy Court granted the Company's motion for a TRO, entering an order prohibiting Savant from collecting on or selling the Collateral, entering our premises, issuing any default notices to us, or attempting to exercise any other remedies under the MDC Agreement or the Security Agreement. The parties have stipulated to continue the provisions of the TRO in full force and effect until further order of the appropriate court.

On January 22, 2018, Savant wrote to the Bankruptcy Court requesting dissolution of the TRO. On January 29, 2018, the Bankruptcy Court granted the Motion to Remand and denied Savant's request to dissolve the TRO, ordering that any request to dissolve the TRO be made to the Delaware Court.

On February 13, 2018 Savant made a letter request to the Delaware Superior Court to dissolve the TRO. Also on February 13, 2018, Humanigen filed its Answer and Affirmative defenses to Savant's Counterclaims. On February 15, 2018 Humanigen filed a letter opposition to Savant's request to dissolve the TRO and requesting a status conference. A hearing on Savant's request to dissolve the TRO was held before the Delaware Superior Court on March 19, 2018. The Delaware Superior Court denied Savant's request to dissolve the TRO and the TRO remains in effect.

On April 11, 2018, Humanigen advised the Delaware Superior Court that it would meet and confer with Savant regarding a proposed case management order and date for trial, and that it anticipated submitting a proposed case management order by April 23, 2018.

There have been no further proceedings in this matter to date.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis together with our financial statements and the notes to those statements included elsewhere in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. This Quarterly Report on Form 10-Q contains statements that discuss future events or expectations, projections of results of operations or financial condition, trends in our business, business prospects and strategies and other "forward-looking" information. In some cases, you can identify "forward-looking statements" by words like "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "potential" or "continue" or the negative of those words and other comparable words. These statements may relate to, among other things, our expectations regarding the scope, progress, expansion, and costs of researching, developing and commercializing our product candidates; our opportunity to benefit from various regulatory incentives; expectations for our financial results, revenue, operating expenses and other financial measures in future periods; and the adequacy of our sources of liquidity to satisfy our working capital needs, capital expenditures, and other liquidity requirements. Actual events or results may differ materially due to known and unknown risks, uncertainties and other factors such as:

- *our lack of revenues, history of operating losses, bankruptcy, limited cash reserves and ability to obtain additional capital to develop and commercialize our product candidates, including the additional capital which will be necessary to complete the clinical trials that we have initiated or plan to initiate, and continue as a going concern;*
- *the effect on our stock price and the significant dilution to the share ownership of our existing stockholders that resulted from conversion of the term loans into equity of the company or that may result in the future upon additional issuances of our equity securities;*
- *our ability to execute our new strategy and business plan focused on developing our proprietary monoclonal antibody portfolio;*
- *our ability to preserve our stock quotation on the OTCQB Venture Market or, in the future, to list our common stock on a national securities exchange, whether through a new listing or by completing a reverse merger or other strategic transaction;*
- *the success, progress, timing and costs of our efforts to evaluate or consummate various strategic alternatives if in the best interests of our stockholders;*
- *the potential timing and outcomes of pre-clinical and clinical studies of lenzilumab, ifabotuzumab, HGEN005 or any other product candidates and the uncertainties inherent in pre-clinical and clinical testing;*
- *our ability to timely source adequate supply of our development products from third-party manufacturers on which we depend;*
- *the potential, if any, for future development of any of our present or future products;*
- *our ability to successfully progress, partner or complete further development of our programs;*
- *our ability to identify and develop additional products;*
- *our ability to attain market exclusivity or to protect our intellectual property;*
- *our ability to reach agreement with a partner to effect a successful commercialization of any of our product candidates;*
- *the outcome of pending or future litigation;*
- *the ability of the Black Horse Entities (as defined below) to exert control over all matters of the Company, including their ability to control elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction;*

- *competition; and*
- *changes in the regulatory landscape that may prevent us from pursuing or realizing any of the expected benefits from the various regulatory incentives, or the imposition of regulations that affect our products.*

These are only some of the factors that may affect the forward-looking statements contained in this Form 10-Q. For a discussion identifying additional important factors that could cause actual results to vary materially from those anticipated in the forward-looking statements, see "Risk Factors" in Item 1A of Part I of our 2017 Form 10-K. You should review these risk factors for a more complete understanding of the risks associated with an investment in our securities. However, we operate in a competitive and rapidly changing environment and new risks and uncertainties emerge, are identified or become apparent from time to time. It is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Form 10-Q. You should be aware that the forward-looking statements contained in this Form 10-Q are based on our current views and assumptions. We undertake no obligation to revise or update any forward-looking statements made in this Form 10-Q to reflect events or circumstances after the date hereof or to reflect new information or the occurrence of unanticipated events, except as required by law. The forward-looking statements in this Form 10-Q are intended to be subject to protection afforded by the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Overview

We were incorporated on March 15, 2000 in California and reincorporated as a Delaware corporation in September 2001 under the name KaloBios Pharmaceuticals, Inc. We completed our initial public offering in January 2013. Effective August 7, 2017, we changed our legal name to Humanigen, Inc.

As disclosed in our 2017 Form 10-K, since August 29, 2017, we have shifted our primary focus toward developing our proprietary monoclonal antibody portfolio, which comprises lenzilumab, ifabotuzumab and HGEN005, for use in addressing significant unmet needs in oncology and immunology. These product candidates are at various stages of development and will require substantial time, expenses, clinical development, testing, and regulatory approval from the FDA prior to commercialization, if they are approved at all. Furthermore, none of these product candidates has advanced into pivotal registration studies and it may be years before any such studies are initiated, if at all.

Lenzilumab is a recombinant mAb that neutralizes soluble GM-CSF, a critical cytokine in the inflammatory cascade associated with serious and potentially life-threatening CAR-T-related side effects and in the growth of certain hematologic malignancies, solid tumors and other serious conditions. We expect to study lenzilumab's potential in reducing the side effects associated with CAR-T therapy and potentially also improving efficacy. We have begun to explore lenzilumab's effectiveness in preventing or ameliorating neurotoxicity and potentially CRS associated with CAR-T therapy. Pre-clinical animal data suggests there may be an increase in CAR-T cell expansion when combined with lenzilumab, which potentially could translate into improved CAR-T efficacy and this is likely to be an area of further study. In addition, we have completed enrollment of patients in a Phase 1 clinical trial for CMML to identify the MTD, or RPTD of lenzilumab and to assess lenzilumab's safety, pharmacokinetics, and clinical activity. Twelve patients in the 200, 400 and 600 mg dose cohorts of the CMML trial have been enrolled, and we are evaluating subjects in the highest dose cohort of 600 mg for continuing accrual of up to 18 patients. We also plan to review preliminary safety and potential efficacy results and anticipate completion of the ad hoc interim analysis in the first half of 2018. We may also use the interim data from the lenzilumab CMML Phase 1 study to determine the feasibility of rapidly commencing a Phase 1 study in JMML patients, or to explore progressing a Phase 2 CMML study. JMML is a rare pediatric cancer, is associated with a very high unmet medical need and there are no FDA-approved therapies.

Ifabotuzumab is an EphA3 mAb that has the potential to offer a novel approach to treating solid tumors and hematologic malignancies, serious pulmonary conditions and as a CAR construct. EphA3 is aberrantly expressed on the surface of tumor cells and stroma cells in certain cancers. We completed the Phase 1 dose escalation portion of a Phase 1/2 clinical trial for ifabotuzumab in multiple hematologic malignancies for which the preliminary results were published in the journal Leukemia Research in 2016. An investigator-sponsored Phase 0/1 radio-labeled imaging trial of ifabotuzumab in glioblastoma multiforme, a particularly aggressive and deadly form of brain cancer, has begun at the Olivia-Newton John Cancer Institute in Melbourne, Australia. We are also in discussions with a leading center in the U.S. to develop a series of CAR constructs based on ifabotuzumab and may take these constructs, if developed, into pre-clinical testing for a range of cancer types. We will also continue to explore partnering opportunities to enable further development of ifabotuzumab.

HGEN005 is a pre-clinical stage anti-EMR1 mAb. EMR1 is a therapeutic target for eosinophilic disorders. Eosinophils are a type of white blood cell. If too many are produced in the body, chronic inflammation and tissue and organ damage may result. Analysis of blood and bone marrow shows that surface expression of EMR1 is restricted to mature eosinophils and correlated with eosinophilia. Tissue eosinophils also express EMR1. In pre-clinical work, we demonstrated that eosinophil killing is enhanced in the presence of HGEN005 and immune effector cells. A major limitation of current eosinophil targeted therapies is incomplete depletion of tissue eosinophils and/or lack of cell selectivity, which may mean that HGEN005 could offer promise in a range of eosinophil-driven diseases, such as eosinophilic asthma, eosinophilic esophagitis and eosinophilic granulomatosis with polyangiitis. We are in discussion with a leading center in the U.S. to develop a series of CAR constructs based on HGEN005 and may take these constructs, if developed, into pre-clinical testing for eosinophilic leukemia, an orphan condition with significant unmet need.

Our monoclonal antibody portfolio was developed with our proprietary, patent-protected Humaneered® technology, which consists of methods for converting antibodies (typically murine) into engineered, high-affinity antibodies designed for human therapeutic use.

We have incurred significant losses and had an accumulated deficit of $267.7 million as of March 31, 2018. We expect to continue to incur net losses for the foreseeable future as we develop our drug candidates, expand pre-clinical and clinical trials for our drug candidates currently in development, expand our development activities and seek regulatory approvals. Significant capital is required to continue to develop and to launch a product and many expenses are incurred before revenue is received, if any. We are unable to predict the extent of any future losses or when we will receive revenue or become profitable, if at all.

Despite completing the Restructuring Transactions and the common stock financing (as discussed below), we will require substantial additional capital to continue as a going concern and to support our business efforts, including obtaining regulatory approvals for our product candidates, clinical trials and other studies, and, if approved, the commercialization of our product candidates. We anticipate that we will seek additional financing from a number of sources, including, but not limited to, the sale of equity or debt securities, strategic collaborations, and licensing of our product candidates. Additional funding may not be available to us on a timely basis or at acceptable terms, if at all. Our ability to access capital when needed is not assured and, if not achieved on a timely basis, would materially harm our business, financial condition and results of operations. If adequate funds are not available, we may be required to delay, reduce the scope of, or eliminate one or more of our development programs. We may also be required to sell or license to others our technologies, product candidates, or development programs that we would have preferred to develop and commercialize ourselves and on less than favorable terms, if at all. If in the best interests of our stockholders, we may also find it appropriate to enter into a strategic transaction that could result in, among other things, a sale, merger, consolidation or business combination.

If management is unsuccessful in efforts to raise additional capital, based on our current levels of operating expenses, our current capital is not expected to be sufficient to fund our operations for the next twelve months. These conditions raise substantial doubt about our ability to continue as a going concern.

The consolidated financial statements for the three months ended March 31, 2018 were prepared on the basis of a going concern, which contemplates that we will be able to realize our assets and discharge liabilities in the normal course of business. Our ability to meet our liabilities and to continue as a going concern is dependent upon the availability of future funding. The financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern.

Critical Accounting Policies and Use of Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our Condensed Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP. The preparation of our financial statements in conformity with GAAP requires our management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Actual results could differ materially from those estimates. Our management believes judgment is involved in determining revenue recognition, valuation of financing derivative, the fair value-based measurement of stock-based compensation, accruals and warrant valuations. Our management evaluates estimates and assumptions as facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ from these estimates and assumptions, and those differences could be material to the Condensed Consolidated Financial Statements. If our assumptions change, we may need to revise our estimates, or take other corrective actions, either of which may also have a material adverse effect on our statements of operations, liquidity and financial condition.

We are an emerging growth company under the JOBS Act. Emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, we may not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

There were no significant and material changes in our critical accounting policies and use of estimates during the three months ended March 31, 2018, as compared to those disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Use of Estimates" in our 2017 Form 10-K, filed with the SEC on March 27, 2018.

Results of Operations

General

We have not generated net income from operations, except for the year ended December 31, 2007 during which we recognized a one-time license payment from Novartis. At March 31, 2018, we had an accumulated deficit of $267.7 million primarily as a result of research and development and general and administrative expenses. While we may in the future generate revenue from a variety of sources, including license fees, milestone payments, and research and development payments in connection with strategic partnerships, our product candidates may never be successfully developed or commercialized and we may therefore never realize revenue from any product sales, particularly because most of our product candidates are at an early stage of development. Accordingly, we expect to continue to incur substantial losses from operations for the foreseeable future, and there can be no assurance that we will ever generate significant revenue or profits.

Research and Development Expenses

Conducting research and development is central to our business model. We expense both internal and external research and development costs as incurred. We track external research and development costs incurred by project for each of our clinical programs. Our external research and development costs consist primarily of:

- expenses incurred under agreements with contract research organizations, investigative sites, and consultants that conduct our clinical trials and a substantial portion of our preclinical activities;
- the cost of acquiring and manufacturing clinical trial and other materials; and
- other costs associated with development activities, including additional studies.

Other research and development costs consist primarily of internal research and development costs such as salaries and related fringe benefit costs for our employees (such as workers compensation and health insurance premiums), stock-based compensation charges, travel costs, lab supplies, overhead expenses such as rent and utilities, and external costs not allocated to one of our clinical programs. Internal research and development costs generally benefit multiple projects and are not separately tracked per project.

The following table shows our total research and development expenses for the three months ended March 31, 2018 and 2017:

	Three months ended March 31,	
(in thousands)	**2018**	**2017**
External Costs		
Lenzilumab	$ 461	$ 69
Ifabotuzumab	25	64
Benznidazole	-	1,880
Internal costs	210	656
Total research and development	$ 696	$ 2,669

General and Administrative Expenses

General and administrative expenses consist principally of personnel-related costs, professional fees for legal, consulting, audit and tax services, rent and other general operating expenses not otherwise included in research and development.

Comparison of Three Months Ended March 31, 2018 and 2017

	Three Months Ended March 31,		Increase/(Decrease)	
(in thousands)	**2018**	**2017**	**$'s**	**%**
Operating expenses:				
Research and development	$ 696	$ 2,669	$ (1,973)	(74)
General and administrative	3,957	2,449	1,508	62
Loss from operations	(4,653)	(5,118)	(465)	(9)
Interest expense	(394)	(291)	103	35
Other expense, net	(3)	(15)	(12)	(80)
Reorganization items, net	(37)	(124)	(87)	(70)
Net loss	$ (5,087)	$ (5,548)	$ (461)	(8)

Research and development expenses decreased by $2.0 million, from $2.7 million for the three months ended March 31, 2017 to $0.7 million for the three months ended March 31, 2018. The decrease is primarily due to the discontinuation of the development of benznidazole in August 2017 and lower internal costs, partially offset by an increase in spending on the development of lenzilumab, primarily in connection with the CMML trial.

General and administrative expenses increased $1.5 million from $2.5 million for the three months ended March 31, 2017 to $4.0 million for the three months ended March 31, 2018. The increase is primarily due to a $1.5 million increase in stock-based compensation expense related to the issuance of options to management, consultants and board members subsequent to the completion of the Restructuring Transactions.

Reorganization items, net, decreased $0.1 million for the three months ended March 31, 2018 versus the three months ended March 31, 2017. The decrease is primarily related to the decrease in legal fees in the current three-month period.

Interest expense increased $0.1 million from $0.3 million recognized for the three months ended March 31, 2017 to $0.4 million for the three months ended March 31, 2018. The increase in interest expense was related to higher average Term Loans balances for the three months ended March 31, 2018 compared to the three months ended March 31, 2017.

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily through proceeds from the public offerings of our common stock, private placements of our preferred stock, debt financings, interest income earned on cash, and cash equivalents, and marketable securities, borrowings against lines of credit, and receipts from agreements with Sanofi and Novartis. At March 31, 2018, we had cash and cash equivalents of $1.6 million. As of May 7, 2018, we had cash and cash equivalents of $0.7 million.

The following table sets forth the primary sources and uses of cash and cash equivalents for each of the periods presented below:

(In thousands)	Three Months Ended March 31, 2018	2017
Net cash (used in) provided by:		
Operating activities	$ (1,828)	$ (4,365)
Financing activities	2,651	5,500
Net increase in cash and cash equivalents	$ 823	$ 1,135

Net cash used in operating activities was $1.8 million and $4.4 million for the three months ended March 31, 2018 and 2017, respectively. Cash used in operating activities of $1.8 million for the three months ended March 31, 2018 primarily related to our net loss of $5.1 million, adjusted for non-cash items, such as $2.7 million in stock-based compensation, $0.4 million in noncash interest expense, and net increases in working capital items of $0.2 million, primarily related to an increase of $0.2 million in Accrued expenses.

Cash used in operating activities of $4.4 million for the three months ended March 31, 2017 primarily related to our net loss of $5.5 million, adjusted for non-cash items, such as $1.1 million in stock-based compensation, $0.3 million in noncash interest expense, and net cash outflows of $0.3 million related to changes in operating assets and liabilities, primarily Prepaid expenses and other assets, Liabilities subject to compromise, Accounts payable and Accrued expenses.

Net cash provided by financing activities was $2.7 million for the three months ended March 31, 2018. This amount consists primarily of $1.5 million received from Cheval related to the Restructuring Transactions (see "Restructuring Transactions" below) and $1.1 million from the issuance of 2,445,557 shares of our common stock to accredited investors on March 12, 2018. Net cash provided by financing activities was $5.5 million for the three months ended March 31, 2017 related to the March 2017 Term Loan.

Restructuring Transactions

On December 1, 2017, our obligations matured under the Term Loan Credit Agreement with the Term Loan Lenders. On December 21, 2017, we entered into the Restructuring Agreements, each with the Term Loan Lenders, in connection with a series of transactions providing for, among other things, the satisfaction and extinguishment of our outstanding obligations under the Term Loan Credit Agreement and the infusion of $3.0 million of new capital. As of February 27, 2018, the date the Restructuring Transactions were completed, the aggregate amount of our obligations under the Term Loan Credit Agreement, including the Bridge Loan, the Claims Advances Loan (each as discussed below) and all accrued interest and fees, approximated $18.4 million.

On February 27, 2018 (the "Restructuring Effective Date"), the Restructuring Transactions were completed in accordance with the Restructuring Agreements. As a result, on the Restructuring Effective Date, we: (i) in exchange for the satisfaction and extinguishment of the entire $18.4 million balance of the Term Loans, including the Bridge Loan, the Claims Advances Loan and all accrued interest and fees, (a) issued to the Term Loan Lenders an aggregate of 59,786,848 shares of our common stock (the "New Lender Shares"), and (b) transferred and assigned to Madison, an entity owned 70% by Nomis Bay and 30% by us, the Benz Assets, our former drug candidate, capable of being so assigned; and (ii) issued to Cheval an aggregate of 32,028,669 shares of our common stock (the "New Black Horse Shares" and, collectively with the New Lender Shares, the "New Common Shares") for total consideration of $3.0 million (collectively, the "Restructuring Transactions"), $1.5 million of which we received on December 22, 2017 in the form of a bridge loan (the "Bridge Loan").

On the Restructuring Effective Date, the aggregate amount of the Term Loans that were deemed to be satisfied and extinguished (i) previously owed to the Black Horse Entities, including the Bridge Loan and all accrued interest and fees, totaled $9.9 million, and (ii) previously owed to Nomis Bay, including the Claims Advances Loan totaling $0.1 million and all accrued interest and fees, totaled $8.5 million. In addition, on the Restructuring Effective Date, (i) each of the Term Loan Credit Agreement, all promissory notes issued thereunder and the Intellectual Property Security Agreement, dated as of December 21, 2016, by and between us and the Term Loan Lenders, were terminated and are of no further force or effect, and (ii) all security interests of the Black Horse Entities and Nomis Bay in our assets were released. Although the Term Loans were satisfied and extinguished, if Madison (at the election of Nomis Bay) elects to keep the Benz Assets after the Restructuring Effective Date, Nomis Bay will be obligated to pay or cause Madison to pay $0.3 million in legal fees and expenses owed by us to our litigation counsel, which remain unpaid in our Accounts payable as of March 31, 2018.

Upon completion of the Restructuring Transactions, the Black Horse Entities collectively held 66,870,851 shares of our common stock, or approximately 62.6% of our outstanding common stock. Accordingly, the completion of the Restructuring Transactions on the Restructuring Effective Date resulted in a change in control of our company, as the Black Horse Entities and their affiliates owning more than a majority of our outstanding common stock. Dr. Dale Chappell, a member of our board of directors from June 30, 2016 until November 10, 2017, controls the Black Horse Entities and accordingly, will be able to exert control over matters of our company and will be able to determine all matters of our company requiring stockholder approval.

Despite completing the Restructuring Transactions and the March 12, 2018 common stock issuance, we will require substantial additional capital to continue as a going concern and to support our business efforts, including obtaining regulatory approvals for our product candidates, clinical trials and other studies, and, if approved, the commercialization of our product candidates. The amount of capital we will require and the timing of our need for additional capital will depend on many factors, including:

- the type, number, timing, progress, costs, and results of the product candidate development programs that we are pursuing or may choose to pursue in the future;
- the scope, progress, expansion, costs, and results of our pre-clinical and clinical trials;
- the timing of and costs involved in obtaining regulatory approvals;
- the success, progress, timing and costs of our efforts to evaluate or consummate various strategic alternatives if in the best interests of our stockholders;
- our ability to preserve our stock quotation on the OTCQB Venture Market or, in the future, to list our common stock on a national securities exchange, whether through a new listing or by completing a strategic transaction;
- our ability to establish and maintain development partnering arrangements and any associated funding;
- the emergence of competing products or technologies and other adverse market developments;
- the costs of maintaining, expanding, and protecting our intellectual property portfolio, including potential litigation costs and liabilities;
- the resources we devote to marketing, and, if approved, commercializing our product candidates;
- the scope, progress, expansion and costs of manufacturing our product candidates; and
- the costs associated with being a public company.

We are pursuing efforts to raise additional capital from a number of sources, including, but not limited to, the sale of equity or debt securities and strategic collaborations. Additional funding may not be available to us on a timely basis or at acceptable terms, if at all. Our ability to access capital when needed is not assured and, if not achieved on a timely basis, would materially harm our business, financial condition and results of operations. If adequate funds are not available, we may be required to delay, reduce the scope of, or eliminate one or more of our development programs. We may also be required to sell or license to others our technologies, product candidates, or development programs that we would have preferred to develop and commercialize ourselves and on less than favorable terms, if at all. If in the best interests of our stockholders, we may also find it appropriate to enter into a strategic transaction that could result in, among other things, a sale, merger, consolidation or business combination.

If management is unsuccessful in efforts to raise additional capital, based on our current levels of operating expenses, our current capital will not be sufficient to fund our operations for the next twelve months. These conditions raise substantial doubt about our ability to continue as a going concern.

Our common stock currently trades on the OTCQB Venture Market under the ticker symbol “HGEN”. Although our common stock is listed for quotation on the OTCQB Venture Market, trading is limited and an active market for our common stock may never develop in the future, which could harm our ability to raise capital to continue to fund operations.

Termination of Equity Financing Facility

On March 12, 2018, we notified Aperture of our decision to terminate the ELOC Purchase Agreement, pursuant to which Aperture had agreed to provide us with an equity line of credit. We did not sell any shares pursuant to the equity line of credit prior to its termination.

Off-Balance Sheet Arrangements

We currently have no off-balance sheet arrangements, such as structured finance, special purpose entities or variable interest entities.

Item 4. Controls and Procedures.

Management's Evaluation of our Disclosure Controls and Procedures

"Disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act, means controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Disclosure controls and procedures include, without limitation, those designed to ensure that this information is accumulated and communicated to our management to allow timely decisions regarding required disclosure. Management, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon the evaluation our Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were not effective as of March 31, 2018 to ensure that information required to be disclosed in the reports we file and submit under the Exchange Act is (i) recorded, processed, summarized and reported as and when required and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely discussion regarding required disclosure.

Changes in Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act). Our Chief Executive Officer and Chief Financial Officer assessed the effectiveness of our internal control over financial reporting as of March 31, 2018. In making this assessment, our Chief Executive Officer and Chief Financial Officer used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in *Internal Control—Integrated Framework*. Based on that assessment and using the COSO criteria, our Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2018, our internal control over financial reporting was not effective because of the material weaknesses described below.

A material weakness is defined as "a deficiency, or a combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis."

The ineffectiveness of our internal control over financial reporting at March 31, 2018, was due to an insufficient degree of segregation of duties among our accounting and financial reporting personnel.

During 2018, we intend to work to remediate the material weaknesses identified above, which could include the addition of accounting and financial reporting personnel and/or the engagement of accounting and personnel consultants on a limited-time basis until we add a sufficient number of personnel. However, our current financial position could make it difficult for us to add the necessary resources.

Inherent Limitations of Controls

Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. Controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Please see Note 11 to the Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q for a summary of legal proceedings and developments during the quarter ended March 31, 2018.

Item 6. Exhibits.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
2.1	Findings of Fact, Conclusions of Law, and Order Confirming Second Amended Chapter 11 Plan of Reorganization of the Registrant (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 001-035798) filed on June 22, 2016).	8-K	June 22, 2016	2.1	
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-035798) filed on July 6, 2016).	8-K	July 6, 2016	3.1	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-035798) filed on August 7, 2017).	8-K	August 7, 2017	3.1	
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant, as amended (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 001-035798) filed on February 28, 2018).	8-K	February 28, 2018	3.1	
3.4	Second Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-035798) filed on August 7, 2017).	8-K	August 7, 2017	3.2	
4.1	Specimen of Stock Certificate evidencing shares of Common Stock (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-184299) filed on January 15, 2013).	S-1	January 15, 2013	4.1	
4.2	Warrant to Purchase Stock, by and between the Registrant and MidCap Financial SBIC, LP, dated as of June 19, 2013 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-35798) filed on June 24, 2013).	8-K	June 24, 2013	10.2	
4.3	Registration Rights Agreement, dated December 3, 2015, between the Registrant and each of the several purchasers signatory thereto (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 001-35798) filed on December 9, 2015).	8-K	December 9, 2015	4.1	
4.4	Common Stock Purchase Warrant, by and between the Registrant and Armistice Capital Fund, dated as December 4, 2015 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 001-35798) filed on December 9, 2015).	8-K	December 9, 2015	4.2	
4.5†	Common Stock Purchase Warrant, dated June 30, 2016, by and between the Registrant and Savant Neglected Diseases, LLC (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-035798) filed on September 23, 2016, as amended by Amendment No. 1 filed on December 30, 2016).	10-Q	September 23, 2016	4.1	
4.6	Registration Rights Agreement, dated December February 27, 2018 between the Registrant and Black Horse Capital Master Fund, Black Horse Capital, Cheval Holdings, Ltd., and Nomis Bay LTD.				Furnished herewith
10.1	Termination and Release Agreement, dated February 27, 2018, between the Registrant and Black Horse Capital Master Fund, Black Horse Capital, Cheval Holdings, Ltd., and Nomis Bay LTD.				Furnished herewith

10.2*	Amendment to the 2012 Equity Incentive Plan, effective March 9, 2018 (incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-8 (File No. 333-224336) filed on April 18, 2018).	S-8	April 18, 2018	10.3	
10.3*	Employment Agreement dated March 9, 2018, between the Company and Jon. G. Jester.				Furnished herewith
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as amended.				Furnished herewith
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as amended.				Furnished herewith
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. §1350.				Furnished herewith
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. §1350.				Furnished herewith
101.INS	XBRL Instance Document				
101.SCH	XBRL Taxonomy Extension Schema Document				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				

† Confidential treatment has been granted with respect to certain portions of this exhibit. Omitted portions have been filed separately with the Securities and Exchange Commission.

* Denotes management or director compensation plan or arrangement.

** The Certifications attached as Exhibits 32.1 and 32.2 that accompany this Quarterly Report on Form 10-Q are not deemed filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Humanigen, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Form 10-Q, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HUMANIGEN, INC.

Date: May 7, 2018

By: /s/ Cameron Durrant
Cameron Durrant
Chief Executive Officer
(Principal Executive Officer)

Date: May 7, 2018

By: /s/ Greg Jester
Greg Jester
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 4.6

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this **"Agreement"**) is made and entered into as of February 27, 2018 by and among Humanigen, Inc., (the **"Company"**), Cheval Holdings, Ltd (**"Cheval"**), Black Horse Capital Master Fund Ltd (**"BHCMF"**), (**"BH Capital"**), and Nomis Bay LTD (**"Nomis"** and, collectively with Cheval, BHCMF, and BH Capital, the **"Purchasers"** and, each individually, a **"Purchaser"**).

WHEREAS, the Company and the Purchasers are parties to a Securities Purchase and Loan Satisfaction Agreement, dated as of December 21, 2017 (the **"Purchase Agreement"**), pursuant to which the Purchasers have agreed to acquire certain shares of Common Stock (as defined below) of the Company; and

WHEREAS, in connection with the consummation of the transactions contemplated by the Purchase Agreement, and pursuant to the terms of the Purchase Agreement, the parties hereto desire to enter into this Agreement in order to grant certain registration rights to the Purchasers as set forth below.

NOW, THEREFORE, in consideration of the foregoing and the mutual and dependent covenants hereinafter set forth, the parties hereto agree as follows:

1. Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Affiliate" of a Person means any other Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such Person. The term **"**control**"** (including the terms **"**controlling**"**, **"**controlled by**"** and **"**under common control with**"**) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Board" means the board of directors (or any successor governing body) of the Company.

"Commission" means the Securities and Exchange Commission or any other federal agency administering the Securities Act and the Exchange Act at the time.

"Common Stock" means the common stock of the Company and any other shares of stock issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Common Stock).

"**Company**" has the meaning set forth in the preamble and includes the Company's successors by merger, acquisition, reorganization or otherwise.

"**Controlling Person**" has the meaning set forth in **Section 6(g)**.

"**Demand Registration**" has the meaning set forth in **Section 3(b)**.

"**DTCDRS**" has the meaning set forth in **Section 6(r)**.

"**Effectiveness Period**" has the meaning set forth in **Section 6(b).**

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Inspectors**" has the meaning set forth in **Section 6(h)**.

"**Long-Form Registration**" has the meaning set forth in **Section 3(a)**.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Piggyback Registration**" has the meaning set forth in **Section 4(a)**.

"**Piggyback Registration Statement**" has the meaning set forth in **Section 4(a)**. "**Piggyback Shelf Registration Statement**" has the meaning set forth in **Section 4(a)**.

"**Piggyback Shelf Takedown**" has the meaning set forth in **Section 4(a)**.

"**Prior Form S-1**" means the Company's Registration Statement on Form S-1, as amended (Reg. No. 333-216799), previously filed and declared effective by the Commission.

"**Prospectus**" means the prospectus or prospectuses included in any Registration Statement, as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement, including all material incorporated by reference therein.

"Purchasers" has the meaning set forth in the preamble.

"Purchase Agreement" has the meaning set forth in the recitals.

"Records" has the meaning set forth in **Section 6(h)**.

"Registrable Securities" means (a) the Shares, and (b) any shares of Common Stock issued or issuable with respect to any Shares by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other reorganization or other similar event with respect to the Common Stock (it being understood that, for purposes of this Agreement, a Person shall be deemed to be a holder of Registrable Securities whenever such Person has the right to then acquire or obtain from the Company any Registrable Securities, whether or not such acquisition has actually been effected). As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (i) the Commission has declared a Registration Statement covering such securities effective and such securities have been disposed of pursuant to such effective Registration Statement, (ii) such securities are sold under circumstances in which all of the applicable conditions of Rule 144 under the Securities Act are met, (iii) such securities are otherwise transferred, or (iv) such securities cease to be outstanding.

"Registration Date" has the meaning set forth in **Section 2(b)**.

"Registration Statement" means any registration statement of the Company that registers the resale of Registrable Securities pursuant to this Agreement, including the Prospectus forming a part thereof, all amendments to such registration statement, including post-effective amendments, all exhibits and all material incorporated by reference therein.

"Rule 144" means Rule 144 under the Securities Act or any successor rule thereto.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Selling Expenses" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any holder of Registrable Securities (except as expressly set forth in clause (ix) of **Section 7** hereof).

"Shares" means the shares of Common Stock issued or issuable to the Purchasers pursuant to the Purchase Agreement, any shares of Common Stock owned by the Purchasers on the date hereof, and the other shares of Common Stock previously registered with the Commission for resale on the Prior Form S-1.

"**Shelf Registration**" has the meaning set forth in **Section 2(a)**.

"**Shelf Registration Statement**" has the meaning set forth in **Section 2(a)**.

"**Shelf Takedown**" has the meaning set forth in **Section 3(d)**.

"**Shelf Takedown Notice**" has the meaning set forth in **Section 3(c)**.

"**Short-Form Registration**" has the meaning set forth in **Section 3(b)**.

2. Compliance with Securities Act; Shelf Registration.

(a) Following the execution of this Agreement, unless an exception to the registration requirements under applicable law applies and except as provided in subsection **(b)** hereof, the Company shall prepare a Registration Statement on Form S-3 or other appropriate form to permit the offering for resale of the Registrable Securities on a delayed or continuous basis pursuant to Rule 415 under the Securities Act or any successor rule thereto (a "**Shelf Registration Statement**"), and shall file with (or confidentially submit to) the Commission such Shelf Registration Statement within 180 days following the date of this Agreement. The Company shall use its best efforts to cause any such Shelf Registration Statement to become effective under the rules of the Commission, and to maintain the effectiveness thereof during the Effectiveness Period. The Company warrants that at the time the Shelf Registration Statement and any amendments thereto become effective, the Shelf Registration Statement will conform, in all material respects, to the requirements of the Securities Act and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this **Section 2(a)** with respect to the Securities of any Purchaser that such Purchaser shall furnish to the Company such information regarding itself and the Securities held by it as the Company determines is reasonably necessary to effect the registration of such Purchaser's Securities.

(b) Notwithstanding the foregoing, nothing contained in subsection **(a)** shall obligate the Company to file or maintain a Shelf Registration Statement if the Company reasonably, upon the advice of counsel, determines that it would not be permitted to file a Shelf Registration Statement under the Securities Act or the rules and regulations of the Commission thereunder. If (i) within 180 days following the date of this Agreement, the Company has not filed a Shelf Registration Statement in accordance with subsection **(a)**, or (ii) at any time after a Shelf Registration Statement has become effective in accordance with subsection **(a)**, the Company fails to maintain the effectiveness of such Registration Statement (in either case, such date being the "**Registration Date**"), then the Purchasers shall have all of the Demand Registration rights further described in this Agreement; provided, however, that if the Company subsequently qualifies at any time to file a Shelf Registration Statement, it shall thereafter do so in accordance with subsection **(a)** above. For avoidance of doubt, the Purchasers shall not be entitled to exercise the registration rights conferred by **Section 3** or **Section 4** hereunder at any time when a Shelf Registration Statement covering the resale of all of the Registrable Securities has been filed and effectiveness of which is being prosecuted in the ordinary course, or has become effective.

3. Demand Registration; Other Registration Provisions.

(a) At any time after the Registration Date, any Purchaser may request registration under the Securities Act of all or any portion of their Registrable Securities pursuant to a Registration Statement on Form S-1 or any successor form thereto (each, a **"Long-Form Registration"**). Each request for a Long-Form Registration shall specify the number of Registrable Securities requested to be included in the Long-Form Registration. Upon receipt of any such request, the Company shall promptly (but in no event later than 7 days following receipt thereof) deliver notice of such request to all other holders of Registrable Securities who shall then have 14 days from the date such notice is given to notify the Company in writing of their desire to be included in such registration. The Company shall prepare and file with (or confidentially submit to) the Commission a Registration Statement on Form S-1 or any successor form thereto covering all of the Registrable Securities that the holders thereof have requested to be included in such Long-Form Registration within 30 days after the date on which the initial request is given and shall use its best efforts to cause such Registration Statement to be declared effective by the Commission as soon as practicable thereafter. The Company shall not be required to effect a Long-Form Registration more than twelve times for the holders of Registrable Securities as a group; provided, that a Registration Statement shall not count as a Long-Form Registration requested under this **Section 3(a)** unless and until it has become effective and the holders requesting such registration are able to register and sell at least 50% of the Registrable Securities requested to be included in such registration.

(b) After the Registration Date, the Company shall use its best efforts to qualify and remain qualified to register the offer and sale of securities under the Securities Act pursuant to a Registration Statement on Form S-3 or any successor form thereto. At such time as the Company shall have qualified for the use of a Registration Statement on Form S-3 or any successor form thereto, the holders of Registrable Securities shall have the right to request an unlimited number of registrations under the Securities Act of all or any portion of their Registrable Securities pursuant to a Registration Statement on Form S-3 or any similar short-form Registration Statement (each, a **"Short-Form Registration"** and, together with each Long-Form Registration and Shelf Registration (as defined below), a **"Demand Registration"**). Each request for a Short-Form Registration shall specify the number of Registrable Securities requested to be included in the Short-Form Registration. Upon receipt of any such request, the Company shall promptly (but in no event later than 7 days following receipt thereof) deliver notice of such request to all other holders of Registrable Securities who shall then have 14 days from the date such notice is given to notify the Company in writing of their desire to be included in such registration. The Company shall prepare and file with (or confidentially submit to) the Commission a Registration Statement on Form S-3 or any successor form thereto covering all of the Registrable Securities that the holders thereof have requested to be included in such Short-Form Registration within 30 days after the date on which the initial request is given and shall use its best efforts to cause such Registration Statement to be declared effective by the Commission as soon as practicable thereafter.

(c) The Company shall not be obligated to effect any Long-Form Registration within 180 days after the effective date of a previous Long-Form Registration, Shelf Takedown or a previous Piggyback Registration in which holders of Registrable Securities were permitted to register the offer and sale under the Securities Act, and actually sold, at least 50% of the shares of Registrable Securities requested to be included therein.

(d) For up to 90 days, the Company may postpone the filing or effectiveness of a Registration Statement for a Demand Registration, suspend the use of any Prospectus included in any effective Registration Statement or delay the filing of a supplement to the Prospectus requested to be filed by any holder of Registrable Securities for an offering proposed to be made pursuant to a Prospectus (a **"Shelf Takedown"**) if the Board determines in its reasonable good faith judgment that such Demand Registration or Shelf Takedown would (i) materially interfere with a significant acquisition, corporate organization, financing, securities offering or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act; provided, that in such event the holders of a majority of the Registrable Securities initiating such Demand Registration or Shelf Takedown shall be entitled to withdraw such request and, if such request for a Demand Registration is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder and the Company shall pay all registration expenses in connection with such registration. The Company may delay a Demand Registration or Shelf Takedown or suspend the use of any Prospectus hereunder only once in any period of 12 consecutive months.

(e) If the holders of the Registrable Securities initially requesting a Demand Registration or Shelf Takedown elect to distribute the Registrable Securities covered by their request in an underwritten offering, they shall so advise the Company as a part of their request made pursuant to **Section 3(a)**, **Section 3(b)**, or **Section(c),** and the Company shall include such information in its notice to the other holders of Registrable Securities. The holders of a majority of the Registrable Securities initially requesting the Demand Registration or Shelf Takedown shall select the investment banking firm or firms to act as the managing underwriter or underwriters in connection with such offering.

(f) The Company shall not include in any Demand Registration or Shelf Takedown any securities which are not Registrable Securities without the prior written consent of the holders of a majority of the Registrable Securities included in such Demand Registration or Shelf Takedown, which consent shall not be unreasonably withheld or delayed. If a Demand Registration or Shelf Takedown involves an underwritten offering and the managing underwriter of the requested Demand Registration or Shelf Takedown advises the Company and the holders of Registrable Securities in writing that in its reasonable and good faith opinion the number of shares of Common Stock proposed to be included in the Demand Registration or Shelf Takedown, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such underwritten offering and/or the number of shares of Common Stock proposed to be included in such Demand Registration or Shelf Takedown would adversely affect the price per share of the Common Stock proposed to be sold in such underwritten offering, the Company shall include in such Demand Registration or Shelf Takedown (i) first, the shares of Common Stock that the holders of Registrable Securities propose to sell, and (ii) second, the shares of Common Stock proposed to be included therein by any other Persons (including shares of Common Stock to be sold for the account of the Company and/or other holders of Common Stock) allocated among such Persons in such manner as they may agree. If the managing underwriter determines that less than all of the Registrable Securities proposed to be sold can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder.

4. Piggyback Registration.

(a) Whenever the Company proposes to register the offer and sale of any shares of its Common Stock under the Securities Act (other than a registration (i) pursuant to a Registration Statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (ii) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), or (iii) solely in connection with any dividend or distribution reinvestment or similar plan), whether for its own account or for the account of one or more stockholders of the Company and the form of Registration Statement (a **"Piggyback Registration Statement"**) to be used may be used for any registration of Registrable Securities (a **"Piggyback Registration"**), the Company shall give prompt written notice (in any event no later than 30 days prior to the filing of such Registration Statement) to the holders of Registrable Securities of its intention to effect such a registration and, subject to **Section 4(b)** and **Section 4(c)**, shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion from the holders of Registrable Securities within 14 days after the Company**'**s notice has been given to each such holder. A Piggyback Registration shall not be considered a Demand Registration for purposes of **Section 2**. If any Piggyback Registration Statement pursuant to which holders of Registrable Securities have registered the offer and sale of Registrable Securities is a Registration Statement on Form S-3 or the then appropriate form for an offering to be made on a delayed or continuous basis pursuant to Rule 415 under the Securities Act or any successor rule thereto (a **"Piggyback Shelf Registration Statement"**), such holder(s) shall have the right, but not the obligation, to be notified of and to participate in any offering under such Piggyback Shelf Registration Statement (a **"Piggyback Shelf Takedown"**).

(b) If a Piggyback Registration or Piggyback Shelf Takedown is initiated as a primary underwritten offering on behalf of the Company and the managing underwriter advises the Company and the holders of Registrable Securities (if any holders of Registrable Securities have elected to include Registrable Securities in such Piggyback Registration or Piggyback Shelf Takedown) in writing that in its reasonable and good faith opinion the number of shares of Common Stock proposed to be included in such registration or takedown, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number of shares of Common Stock proposed to be included in any such registration or takedown would adversely affect the price per share of the Common Stock to be sold in such offering, the Company shall include in such registration or takedown (i) first, the shares of Common Stock that the Company proposes to sell; (ii) second, the shares of Common Stock requested to be included therein by holders of Registrable Securities, allocated pro rata among all such holders on the basis of the number of Registrable Securities owned by each such holder or in such manner as they may otherwise agree; and (iii) third, the shares of Common Stock requested to be included therein by holders of Common Stock other than holders of Registrable Securities, allocated among such holders in such manner as they may agree.

(c) If a Piggyback Registration or Piggyback Shelf Takedown is initiated as an underwritten offering on behalf of a holder of Common Stock other than Registrable Securities, and the managing underwriter advises the Company in writing that in its reasonable and good faith opinion the number of shares of Common Stock proposed to be included in such registration or takedown, including all Registrable Securities and all other shares of Common Stock proposed to be included in such underwritten offering, exceeds the number of shares of Common Stock which can be sold in such offering and/or that the number of shares of Common Stock proposed to be included in any such registration or takedown would adversely affect the price per share of the Common Stock to be sold in such offering, the Company shall include in such registration or takedown (i) first, the shares of Common Stock requested to be included therein by the holder(s) requesting such registration or takedown and by the holders of Registrable Securities, allocated pro rata among all such holders on the basis of the number of shares of Common Stock other than the Registrable Securities (on a fully diluted, as converted basis) and the number of Registrable Securities, as applicable, owned by all such holders or in such manner as they may otherwise agree; and (ii) second, the shares of Common Stock requested to be included therein by other holders of Common Stock, allocated among such holders in such manner as they may agree.

(d) If any Piggyback Registration or Piggyback Shelf Takedown is initiated as a primary underwritten offering on behalf of the Company, the Company shall select the investment banking firm or firms to act as the managing underwriter or underwriters in connection with such offering.

5. Lock-up Agreement. Each holder of Registrable Securities agrees that in connection with any registered offering of the Common Stock or other equity securities of the Company, and upon the request of the managing underwriter in such offering, such holder shall not, without the prior written consent of such managing underwriter, during the period commencing on the
effective date of such registration and until the date specified by such managing underwriter (such period not to exceed 180 days), (a) offer, pledge, sell, contract to sell, grant any option or contract to purchase, purchase any option or contract to sell, hedge the beneficial ownership of or otherwise dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into, exercisable for or exchangeable for shares of Common Stock held immediately before the effectiveness of the Registration Statement for such offering, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (a) or (b) above is

to be settled by delivery of Common Stock or such other securities, in cash or otherwise. The foregoing provisions of this **Section 5** shall not apply to sales of Registrable Securities to be included in such offering pursuant to **Section 2(a)**, **Section 2(b)**, **Section 2(c)**, or **Section 3(a)**, and shall be applicable to the holders of Registrable Securities only if all officers and directors of the Company and all stockholders owning more than 10% of the Company's outstanding Common Stock are subject to the same restrictions. Each holder of Registrable Securities agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the managing underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. Notwithstanding anything to the contrary contained in this **Section 5**, each holder of Registrable Securities shall be released, pro rata, from any lockup agreement entered into pursuant to this **Section 5** in the event and to the extent that the managing underwriter or the Company permit any discretionary waiver or termination of the restrictions of any lock-up agreement pertaining to any officer, director or holder of greater than 10% of the outstanding Common Stock.

6. Registration Procedures. In the case of any Shelf Registration pursuant to **Section 2** hereof, and whenever the holders of Registrable Securities request that the offer and sale of any Registrable Securities be registered under the Securities Act or any Registrable Securities be distributed in a Shelf Takedown pursuant to the provisions of this Agreement, the Company shall use its best efforts to effect the registration of the offer and sale of such Registrable Securities under the Securities Act in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as soon as practicable and as applicable:

(a) subject to **Section 2(a)**, **Section 3(a)** and **Section 3(b)**, prepare and file with the Commission a Registration Statement covering such Registrable Securities and use its best efforts to cause such Registration Statement to be declared effective;

(b) prepare and file with the Commission such amendments, post-effective amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for a period of not less than 90 days, or if earlier, until all of such Registrable Securities have been disposed of and to comply with the provisions of the Securities Act with respect to the disposition of such Registrable Securities in accordance with the intended methods of disposition set forth in such Registration Statement (the "**Effectiveness Period**");

(c) within a reasonable time before filing such Registration Statement, Prospectus or amendments or supplements thereto with the Commission, furnish to one counsel selected by holders of a majority of such Registrable Securities copies of such documents proposed to be filed, which documents shall be subject to the review, comment and approval of such counsel;

(d) notify each selling holder of Registrable Securities, promptly after the Company receives notice thereof, of the time when such Registration Statement has been declared effective or a supplement to any Prospectus forming a part of such Registration Statement has been filed with the Commission;

(e) furnish to each selling holder of Registrable Securities such number of copies of the Prospectus included in such Registration Statement (including each preliminary Prospectus) and any supplement thereto, including a Shelf Supplement (in each case including all exhibits and documents incorporated by reference therein), and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(f) use its best efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any selling holder reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such holders to consummate the disposition in such jurisdictions of the Registrable Securities owned by such holders; provided, that the Company shall not be required to qualify generally to do business, subject itself to general taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for this **Section 6(f)**;

(g) notify each selling holder of such Registrable Securities, at any time when a Prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event that would cause the Prospectus included in such Registration Statement to contain an untrue statement of a material fact or omit any fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and, at the request of any such holder, the Company shall prepare a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(h) make available for inspection by any selling holder of Registrable Securities, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such holder or underwriter (collectively, the "**Inspectors**"), all financial and other records, pertinent corporate documents and properties of the Company (collectively, the "**Records**"), and cause the Company's officers, directors and employees to supply all information reasonably requested by any such Inspector in connection with such Registration Statement;

(i) provide a transfer agent and registrar (which may be the same entity) for all such Registrable Securities not later than the effective date of such registration;

(j) use its best efforts to cause such Registrable Securities to be listed on each securities exchange on which the Common Stock is then listed or, if the Common Stock is not then listed, on a national securities exchange selected by the holders of a majority of such Registrable Securities;

(k) in connection with an underwritten offering, enter into such customary agreements (including underwriting and lock-up agreements in customary form) and take all such other customary actions as the holders of such Registrable Securities or the managing underwriter of such offering reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, making appropriate officers of the Company available to participate in "road show" and other customary marketing activities (including one-on-one meetings with prospective purchasers of the Registrable Securities));

(l) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission and make available to its stockholders an earnings statement (in a form that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 under the Securities Act or any successor rule thereto) no later than thirty (30) days after the end of the 12-month period beginning with the first day of the Company's first full fiscal quarter after the effective date of such Registration Statement, which earnings statement shall cover said 12-month period, and which requirement will be deemed to be satisfied if the Company timely files complete and accurate information on Forms 10-K, 10-Q and 8-K under the Exchange Act and otherwise complies with Rule 158 under the Securities Act or any successor rule thereto; and

(m) furnish to each underwriter, if any, with (i) a written legal opinion of the Company's outside counsel, dated the closing date of the offering, in form and substance as is customarily given in opinions of the Company's counsel to underwriters in underwritten registered offerings; and (ii) on the date of the applicable Prospectus, on the effective date of any post-effective amendment to the applicable Registration Statement and at the closing of the offering, dated the respective dates of delivery thereof, a "comfort" letter signed by the Company's independent certified public accountants in form and substance as is customarily given in accountants' letters to underwriters in underwritten registered offerings;

(n) without limiting **Section 6(f)**, use its best efforts to cause such Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the holders of such Registrable Securities to consummate the disposition of such Registrable Securities in accordance with their intended method of distribution thereof;

(o) notify the holders of Registrable Securities promptly of any request by the Commission for the amending or supplementing of such Registration Statement or Prospectus or for additional information;

(p) advise the holders of Registrable Securities, promptly after it shall receive notice or obtain knowledge thereof, of the issuance of any stop order by the Commission suspending the effectiveness of such Registration Statement or the initiation or threatening of any proceeding for such purpose and promptly use its best efforts to prevent the issuance of any stop order or to obtain its withdrawal at the earliest possible moment if such stop order should be issued;

(q) permit any holder of Registrable Securities which holder, in its sole and exclusive judgment, might be deemed to be an underwriter or a "controlling person" (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act) (a "**Controlling Person**") of the Company, to participate in the preparation of such Registration Statement and to require the insertion therein of language, furnished to the Company in writing, which in the reasonable judgment of such holder and its counsel should be included;

(r) cooperate with the holders of the Registrable Securities to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold pursuant to such Registration Statement or Rule 144 free of any restrictive legends and representing such number of shares of Common Stock and registered in such names as the holders of the Registrable Securities may reasonably request a reasonable period of time prior to sales of Registrable Securities pursuant to such Registration Statement or Rule 144; provided, that the Company may satisfy its obligations hereunder without issuing physical stock certificates through the use of The Depository Trust Company's Direct Registration System (the "**DTCDRS**");

(s) not later than the effective date of such Registration Statement, provide a CUSIP number for all Registrable Securities and provide the applicable transfer agent with printed certificates for the Registrable Securities which are in a form eligible for deposit with The Depository Trust Company; provided, that the Company may satisfy its obligations hereunder without issuing physical stock certificates through the use of the DTCDRS;

(t) take no direct or indirect action prohibited by Regulation M under the Exchange Act; provided, that, to the extent that any prohibition is applicable to the Company, the Company will take all reasonable action to make any such prohibition inapplicable; and

(u) otherwise use its best efforts to take all other steps necessary to effect the registration of such Registrable Securities contemplated hereby.

7. Expenses. All expenses (other than Selling Expenses) incurred by the Company in complying with its obligations pursuant to this Agreement and in connection with the registration and disposition of Registrable Securities shall be paid by the Company, including, without limitation, all (i) registration and filing fees (including, without limitation, any fees relating to filings required to be made with, or the listing of any Registrable Securities on, any securities exchange or over-the-counter trading market on which the Registrable Securities are listed or quoted); (ii) underwriting expenses (other than fees, commissions or discounts); (iii) expenses of any audits incident to or required by any such registration; (iv) fees and expenses of complying with securities and "blue sky" laws (including, without limitation, fees and disbursements of counsel for the Company in connection with "blue sky" qualifications or exemptions of the Registrable Securities); (v) printing expenses; (vi) messenger, telephone and delivery expenses; (vii) fees and expenses of the Company's counsel and accountants; (viii) Financial Industry Regulatory Authority, Inc. filing fees (if any); and (ix) reasonable fees and expenses, not to exceed $10,000, of one counsel for the holders of Registrable Securities participating in such registration as a group (selected by, in the case of a registration under **Section 3(a)**, the holders of a majority of the Registrable Securities included in the registration). In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties) and the expense of any annual audits. All Selling Expenses relating to the offer and sale of Registrable Securities registered under the Securities Act pursuant to this Agreement shall be borne and paid by the holders of such Registrable Securities, in proportion to the number of Registrable Securities included in such registration for each such holder.

8. Indemnification.

(a) The Company shall indemnify and hold harmless, to the fullest extent permitted by law, each holder of Registrable Securities, such holder's officers, directors, managers, members, partners, stockholders and Affiliates, and each other Controlling Person, if any, who controls any of the foregoing Persons, against all losses, claims, actions, damages, liabilities and expenses, joint or several, to which any of the foregoing Persons may become subject under the Securities Act or otherwise, insofar as such losses, claims, actions, damages, liabilities or expenses arise out of or are based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus (as defined in Rule 405 under the Securities Act or any successor rule thereto) or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus, preliminary Prospectus or free writing prospectus, in light of the circumstances under which they were made) not misleading; and shall reimburse such Persons for any legal or other expenses reasonably

incurred by any of them in connection with investigating or defending any such loss, claim, action, damage or liability, except insofar as the same are caused by or contained in any information furnished in writing to the Company by such holder expressly for use therein or by such holder's failure to deliver a copy of the Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus (as defined in Rule 405 under the Securities Act or any successor rule thereto) or any amendments or supplements thereto (if the same was required by applicable law to be so delivered) after the Company has furnished such holder with a sufficient number of copies of the same prior to any written confirmation of the sale of Registrable Securities. This indemnity shall be in addition to any liability the Company may otherwise have. The Company further agrees to provide customary indemnification of any underwriter named in any agreement executed in connection with an underwritten offering through which any holder(s) propose to sell Registrable Securities in accordance with the terms of this Agreement.

(b) In connection with any registration in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, shall indemnify and hold harmless, the Company, each director of the Company, each officer of the Company who shall sign such Registration Statement, and each Controlling Person who controls any of the foregoing Persons against any losses, claims, actions, damages, liabilities or expenses resulting from any untrue or alleged untrue statement of material fact contained in the Registration Statement, Prospectus, preliminary Prospectus, free writing prospectus (as defined in Rule 405 under the Securities Act or any successor rule thereto) or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus, preliminary Prospectus or free writing prospectus, in light of the circumstances under which they were made) not misleading, but only to the extent that such untrue statement or omission is contained in any information so furnished in writing by such holder; provided, that the obligation to indemnify shall be several, not joint and several, for each holder and shall not exceed an amount equal to the net proceeds (after underwriting fees, commissions or discounts) actually received by such holder from the sale of Registrable Securities pursuant to such Registration Statement. This indemnity shall be in addition to any liability the selling holder may otherwise have. Each such holder further agrees to provide customary indemnification of any underwriter named in any agreement executed in connection with an underwritten offering through which any holder(s) propose to sell Registrable Securities in accordance with the terms of this Agreement.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action involving a claim referred to in this **Section 8**, such indemnified party shall, if a claim in respect thereof is made against an indemnifying party, give written notice to the latter of the commencement of such action. The failure of any indemnified party to notify an indemnifying party of any such action shall not (unless such failure shall have a material adverse effect on the indemnifying party) relieve the indemnifying party from any liability in respect of such action that it may have to such indemnified party hereunder. In case any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate in and to assume the defense of the claims in any such action that are subject or potentially subject to indemnification hereunder, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after written notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, that, if (i) any indemnified party shall have reasonably concluded that there may be one or more legal or equitable defenses available to such indemnified party which are additional to or conflict with those available to the indemnifying party, or that such claim or litigation involves or could have an effect upon matters beyond the scope of the indemnity provided hereunder, or (ii) such action seeks an injunction or equitable relief against any indemnified party or involves actual or alleged criminal activity, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party without such indemnified party's prior written consent (but, without such consent, shall have the right to participate therein with counsel of its choice) and such indemnifying party shall reimburse such indemnified party and any Controlling Person of such indemnified party for that portion of the fees and expenses of any counsel retained by the indemnified party which is reasonably related to the matters covered by the indemnity provided hereunder. If the indemnifying party is not entitled to, or elects not to, assume the defense of a claim, it shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicting indemnified parties shall have a right to retain one separate counsel, chosen by the holders of a majority of the Registrable Securities included in the registration, at the expense of the indemnifying party.

(d) If the indemnification provided for hereunder is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, claim, damage, liability or action referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage, liability or action in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions which resulted in such loss, claim, damage, liability or action as well as any other relevant equitable considerations; provided, that

the maximum amount of liability in respect of such contribution shall be limited, in the case of each holder of Registrable Securities, to an amount equal to the net proceeds (after underwriting fees, commissions or discounts) actually received by such seller from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, whether the violation of the Securities Act or any other similar federal or state securities laws or rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any applicable registration, qualification or compliance was perpetrated by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties agree that it would not be just and equitable if contribution pursuant hereto were determined by pro rata allocation or by any other method or allocation which does not take account of the equitable considerations referred to herein. No Person guilty or liable of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

9. Participation in Underwritten Registrations. No Person may participate in any registration hereunder which is underwritten unless such Person (a) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided, that no holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding such holder, such holder's ownership of its shares of Common Stock to be sold in the offering and such holder's intended method of distribution) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise provided in **Section 8**.

10. Rule 144 Compliance. With a view to making available to the holders of Registrable Securities the benefits of Rule 144 and any other rule or regulation of the Commission that may at any time permit a holder to sell securities of the Company to the public without registration, the Company shall:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the Registration Date;

(b) use best efforts to file with the Commission in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act, at any time after the Registration Date; and

(c) furnish to any holder so long as the holder owns Registrable Securities, promptly upon request, a written statement by the Company as to its compliance with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed or furnished by the Company as such holder may reasonably request in connection with the sale of Registrable Securities without registration.

11. Preservation of Rights. The Company shall not (a) grant any registration rights to third parties which are more favorable than or inconsistent with the rights granted hereunder, or (b) enter into any agreement, take any action, or permit any change to occur, with respect to its securities that violates or subordinates the rights expressly granted to the holders of Registrable Securities in this Agreement.

12. Termination. This Agreement shall terminate and be of no further force or effect when there shall no longer be any Registrable Securities outstanding; provided, that the provisions of **Section 7** and **Section 8** shall survive any such termination.

13. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the addresses indicated below (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 13**).

If to the Company:

Humanigen, Inc.
1000 Marina Blvd., Ste. #250
Brisbane, CA 94005
E-mail: cdurrant@humanigen.com
Attention: Cameron Durrant

If to any Purchaser, to such Purchaser's address as set forth in the register of stockholders maintained by the Company.

14. Entire Agreement. This Agreement, together with the Purchase Agreement and any related exhibits and schedules thereto, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. Notwithstanding the foregoing, in the event of any conflict between the terms and provisions of this Agreement and those of the Purchase Agreement, the terms and conditions of this Agreement shall control.

15. Successor and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Each Purchaser may assign its rights hereunder to any purchaser or transferee of Registrable Securities; provided, that such purchaser or transferee shall, as a condition to the effectiveness of such assignment, be required to execute a counterpart to this Agreement agreeing to be treated as an Purchaser whereupon such purchaser or transferee shall have the benefits of, and shall be subject to the restrictions contained in, this Agreement as if such purchaser or transferee was originally included in the definition of an Purchaser herein and had originally been a party hereto.

16. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

17. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

18. Amendment, Modification and Waiver. The provisions of this Agreement may only be amended, modified, supplemented or waived with the prior written consent of the Company and the holders of a majority of the Registrable Securities. No waiver by any party or parties shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

19. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

20. Remedies. Each holder of Registrable Securities, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. The Company acknowledges that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and the Company hereby agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

21. Governing Law; Submission to Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction). Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States or the courts of the State of Delaware and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of process, summons, notice or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or any proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

22. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby. Each party to this Agreement certifies and acknowledges that (a) no representative of any other party has represented, expressly or otherwise, that such other party would not seek to enforce the foregoing waiver in the event of a legal action, (b) such party has considered the implications of this waiver, (c) such party makes this waiver voluntarily, and (d) such party has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this **Section 22**.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

23. Further Assurances. Each of the parties to this Agreement shall, and shall cause their Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and to give effect to the transactions contemplated hereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written above.

Humanigen, Inc.

By /s/ Cameron Durrant
Name: Dr. Cameron Durrant
Title: Chairman and Chief Executive Officer

Cheval Holdings, LTD

By /s/ Dale Chappell
Name: Dale Chappell
Title: Director

Black Horse Capital Master Fund LTD

By /s/ Dale Chappell
Name: Dale Chappell
Title: Director

Black Horse Capital LP

By: Black Horse Capital Management LLC,
A Delaware limited liability company
Its: Managing General Manager

By /s/ Dale Chappell
Name: Dale Chappell
Title: Manager

Nomis Bay LTD

By /s/ James Keyes
Name: James Keyes
Title: Director

Exhibit 10.1

Termination and Release Agreement

THIS TERMINATION AND RELEASE AGREEMENT, dated as of February 27, 2018 (this "Agreement"), is executed by and among HUMANIGEN, INC., a Delaware corporation, formerly known as KaloBios Pharmaceuticals, Inc. ("Borrower"), BLACK HORSE CAPITAL MASTER FUND LTD. ("BHCMF") individually as a Lender, and as Agent, BLACK HORSE CAPITAL LP ("BHC"), as a Lender, CHEVAL HOLDINGS LTD. ("Cheval", and together with BHCMF and BHC, the "Black Horse Lenders"), as a Lender, and Nomis Bay LTD ("Nomis"), as a Lender. The Black Horse Lenders and Nomis are collectively referred to as the "Lenders". Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in that certain Credit and Security Agreement, dated December 21, 2016 by and among the parties to this Agreement, as amended (the "Credit Agreement"). All capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

RECITALS

WHEREAS, each Lender made available and extended credit to Borrower under the terms and conditions of the Credit Agreement;

WHEREAS, the Lenders and the Borrower have entered into that certain Securities Purchase and Loan Satisfaction Agreement, dated as of December 21, 2017, whereby the parties agreed on the terms and conditions for the satisfaction of the Term Loans and Grid Loans extended by the Lenders, the Bridge Loan extended by the Black Horse Lenders and the Claims Advances Loan extended by Nomis, in each case under the Credit Agreement, and the satisfaction and cancellation of each Note issued to the Lenders under the Credit Agreement (the "Securities Purchase and Loan Satisfaction Agreement");

WHEREAS, Nomis and the Borrower have entered into that certain limited liability company operating agreement, dated of even date herewith, in connection with a newly formed entity that is assuming the Claims Advances Loan concurrently with the execution of this Agreement; and

WHEREAS, each Lender, the Agent and the Borrower have agreed to terminate the Credit Agreement.

NOW, THEREFORE, in consideration of the premises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

AGREEMENT

1. Satisfaction of Promissory Notes. The Borrower and each Lender has reached an agreement for the satisfaction of all principal and interest due and owing to such Lender under the Credit Agreement, the Notes and each other Financing Document. The Lenders and the Borrower confirm and agree that the Securities Purchase and Loan Satisfaction Agreement covers the only accrued obligations known to be outstanding between the Lenders and the Borrower as of the date thereof.

2. Termination of the Credit Agreement. The Credit Agreement, the Notes and each other Financing Document are hereby terminated and shall be of no further force or effect, except to the extent that any provisions contained in the Credit Agreement, the Notes or a Financing Document are stated to survive the termination thereof. All obligations, if any, of any Lender to make any loans or extensions of credit under, or with respect to, the Credit Agreement, the Notes or a Financing Document shall be terminated.

3. Release of Lenders and Agent. For and in consideration of the Lenders' agreements contained herein, Borrower hereby releases and forever discharges each Lender and its respective parents, subsidiaries and affiliates, past or present, and each of them, as well as their respective directors, officers, agents, servants, employees, shareholders, representatives, attorneys, administrators, executors, heirs, assigns, predecessors and successors in interest, and each of them (collectively, the "Releasees"), from and against any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action in law or equity, obligations, controversies, debts, costs, expenses, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether known or unknown, fixed or contingent, suspected or unsuspected by Borrower (collectively, "Claims"), which Borrower now owns or holds or has at any time heretofore owned or held, which are based upon or arise out of or in connection with any matter, cause or thing existing at any time prior to the date hereof or anything done, omitted or suffered to be done or omitted at any time prior to the date hereof in each case in connection with the Credit Agreement, the Notes or any Financing Document, other than Claims arising out of common law fraud of a Releasee (collectively the "Released Matters"). Borrower represents, warrants and agrees, that in executing and entering into this release, it is not relying and has not relied upon any representation, promise or statement made by anyone which is not recited, contained or embodied in this Agreement, the Credit Agreement, the Notes, any Financing Document or the Securities Purchase and Loan Satisfaction Agreement. Borrower has reviewed this release with its legal counsel, and understands and acknowledges the significance and consequence of this release and of the specific waiver thereof contained herein. Borrowers understands and expressly assumes the risk that any fact not recited, contained or embodied therein may turn out hereafter to be other than, different from, or contrary to the facts now known to Borrower or believed by Borrower to be true. Nevertheless, Borrower intends by this release to release fully, finally and forever all Released Matters and agrees that this release shall be effective in all respects notwithstanding any such difference in facts, and shall not be subject to termination, modification or rescission by reason of any such difference in facts. Borrower, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claims released, remised and discharged by Borrower pursuant to this Agreement. If Borrower violates the foregoing covenant, Borrower agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

4. Further Assurances. The Borrower, each Lender, and the Agent, respectively, shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, or advisable to consummate and make effective the transactions contemplated by this Agreement, including the execution or delivery of any additional instruments necessary to consummate the transactions contemplated by this Agreement.

5. Governing Law. This Agreement shall be governed by, and shall be construed and enforced in accordance with the laws of the State of Delaware, without regard to the conflicts of law principals.

6. Entire Agreement. This Agreement and the agreements contemplated hereby represent the entire understanding between the parties with respect to the termination of the Credit Agreement and have been entered into by the parties with a full understanding of its terms.

7. Amendments and Modifications. This Agreement may not be modified, amended, altered, or supplemented except upon the execution and delivery of a written agreement executed by each of the parties to this Agreement.

8. Binding Effect. All of the terms and conditions of this Agreement will be binding upon, and inure to the benefit of and be enforceable by, the parties and their respective successors and assigns, but this Agreement and the rights and obligations hereunder may only be assigned with the prior written consent of the parties.

9. Severability. If any provisions of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect, without said provision, provided that no such severability shall be effective if it materially changes the economic benefit of this Agreement to any party.

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original and together will constitute one and the same instrument. The parties agree that facsimile, e-mail, or other electronic (including PDF) copies of signatures shall be deemed originals for all purposes hereof and shall be acceptable and binding on the parties hereto.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first written above.

:

BORROWER

Humanigen, Inc.

By: /s/ Cameron Durrant
Name: Dr. Cameron Durrant
Title: Chairman and Chief Executive Officer

BHCMF:

Black Horse Capital Master Fund LTD

By: /s/ Dale Chappell
Name: Dale Chappell
Title: Director

BHC:

Black Horse Capital LP

By: Black Horse Capital Management LLC,
A Delaware limited liability company
Its: Managing General Manager

By: /s/ Dale Chappell
Name: Dale Chappell
Title: Manager

CHEVAL:

Cheval Holdings, LTD

By: /s/ Dale Chappell
Name: Dale Chappell
Title: Director

[*Signature page to Termination and Release Agreement*]

NOMIS:

Norris Bay LTD

By: /s/ J. Keyes
Name: J. Keyes
Title: Director

[*Signature page to Termination and Release Agreement*]

Exhibit 10.3

EMPLOYMENT AGREEMENT ("Agreement"), as of March 1, 2018, by and between Humanigen, Inc., a Delaware corporation with offices at 1000 Marina Blvd, Suite 250, Brisbane, CA 94005 (the "Corporation"), and Jon G. Jester, an individual ("Executive").

W I T N E S S E T H

WHEREAS, the Corporation desires to employ Executive as its Chief Financial Officer upon the terms and conditions hereinafter set forth; and

WHEREAS, Executive desires to serve as the Chief Financial Officer of the Corporation upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties mutually agree as follows:

Section 1. Employment. Commencing on March 1, 2018 (hereinafter referred to as the "Effective Date"), the Corporation shall employ Executive and Executive shall commence such employment, as an executive of the Corporation, on the terms and conditions set forth in this Agreement.

Section 2. Duties. As of the Effective Date, Executive shall serve as Chief Financial Officer of the Corporation. The duties and services required to be performed are described in the job description previously provided to you and shall be consistent with your position and as may be assigned from time to time by the President and Chief Executive Officer and the Corporation's Board of Directors (the "Board"). From and after the Effective Date and during the term of this Agreement, Executive shall devote substantially all of his business time to the performance of his duties hereunder unless otherwise authorized by the Board; provided, that Executive may not serve on any public company outside boards without the prior written consent of the Board.

Section 3. Term. This Agreement shall become effective as of the date written above (the "Effective Date") and shall terminate three (3) years from the Effective Date of this Agreement; provided, however, that this Agreement shall remain in effect for successive one- year periods thereafter unless, not less than six (6) months prior to the scheduled expiration of the term of this Agreement, either you or the Company shall deliver to the other written notice of his, her or its intention not to continue in effect this Agreement, in which case this Agreement shall terminate as of the scheduled expiration date of the year in which such notice is given; and provided further, that the Agreement is not otherwise terminated as provided below (the "Term").

Section 4. Compensation of Executive.

4.1. Compensation**.** As compensation for his services hereunder the Corporation shall pay Executive an annual salary ("Salary") equal to Three Hundred Ten Thousand ($310,000) Dollars. The Salary shall be payable according to the salary payment cycle of the Corporation, less such deductions as shall be required to be withheld by applicable law and regulations. Upon each anniversary of the Effective Date during the term of this Agreement, Executive's Salary shall be reviewed by the Compensation Committee of the Board (the "Compensation Committee"), or earlier at the sole discretion of the Compensation Committee and the Board.

4.2. Bonus; Stock Options.

(a) In addition to his Salary, Executive may receive a cash or cash equivalent bonus ("Bonus") in respect of each calendar year during the Term. The Bonus for each calendar year shall be determined by the Compensation Committee and the Board in their sole discretion. The Target Bonus shall be fifty percent (50%) of the Salary in any one year, with a maximum amount at the sole discretion of the Compensation Committee and the Board. Such Bonus may be a mix of cash and stock, as determined by the Board in its sole discretion. Objectives for the Bonus will be set and agreed to by the Board and Executive at the beginning of each calendar year. The Bonus for any particular calendar year, if any, will be paid by March 15 of the following calendar year.

(b) Subject to Compensation Committee and Board approval, Executive shall be eligible to receive, as promptly as possible following the Effective Date, an option to purchase one hundred and fifty thousand (150,000) shares of the Corporation's Common Stock, subject to and in accordance with the terms and provisions of the Corporation's 2012 Equity Incentive Plan, as amended (the "Plan") and the applicable award agreement. Such stock options will vest quarterly over three years in equal installments.

(c) Subject to Compensation Committee and Board approval, for each fiscal year during the term of his employment following the first fiscal year, Executive may be eligible to receive, at such time as the Compensation Committee and Board may deem appropriate, options to purchase additional shares of the Corporation's Common Stock in accordance with the terms and provisions of the Plan or any successor plan.

4.3. Expenses. The Corporation shall pay or reimburse Executive for all reasonable and necessary business, travel or other expenses incurred by him, upon proper documentation thereof, in accordance with the Corporation's travel and expense policy, which may be incurred by him in connection with the rendition of the services contemplated hereunder.

4.4. Benefits. From and after the Effective Date and during the Term, Executive shall be entitled to participate in such pension, profit sharing, group insurance, term life, option plans, hospitalization, and group health benefit plans and all other benefits and plans as the Corporation provides to its senior executives, subject to the terms and conditions of such plans.

4.5. Vacations. Executive shall be entitled to vacation time in accordance with the Corporation's vacation time policy.

4.6. Sick Time. Executive shall be entitled to sick time in accordance with the Corporation's sick time policy.

Section 5. Termination.

5.1. Termination. This Agreement and Executive's employment hereunder shall terminate immediately upon: (i) Executive's death or Total Disability (as defined below); or (ii) termination of Executive's employment by the Corporation For Cause (as defined below); or (iii) termination of Executive's employment by the Corporation other than For Cause; or (iv) a Change in Control Termination (as defined below); or (v) termination of Executive's employment by Executive without Good Reason (as defined below); or (vi) termination of Executive's employment by Executive for Good Reason.

5.2. Termination Upon Death or Total Disability. In the event of a termination upon the death or Total Disability of Executive, the Corporation shall pay to Executive, or any person designated by Executive in writing or, if no such person is designated, to his estate, the Salary which has been earned but unpaid. As used herein, the term "Total Disability" shall mean that Executive is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than one year.

5.3. Termination For Cause or without Good Reason. In the event Executive's employment is terminated by the Corporation For Cause or by Executive without Good Reason, Executive shall be paid his Salary through the date of termination. As used herein, the term "For Cause" shall mean (i) Executive's failure to perform Executive's material duties hereunder (other than such failure resulting from incapacity due to physical or mental illness); (ii) Executive's substantiated misappropriation of the Corporation's assets or substantiated perpetration of fraud against or proven dishonesty in dealings with the Corporation; (iii) Executive's plea of guilty or nolo contendere to, or conviction in a court of law of, any crime or offense which constitutes a felony, in each case whether or not involving the Corporation; (iv) Executive's willful misconduct; (v) Executive's habitual drunkenness or habitual use of illegal substances; (vi) Executive's failure to cooperate with a governmental or regulatory investigation concerning the Corporation or Executive; (vii) Executive's behavior which is materially detrimental to the Corporation's reputation; (viii) Executive's willful refusal to follow, or reckless disregard of, the policies and directives of the Corporation or the Board; or (ix) Executive's material breach of this Agreement, which material breach, if curable, is not cured within fifteen (15) calendar days after notice thereof by the Corporation. Whether a termination is "For Cause," as such term is defined in this Section 5.3, shall be determined by the Board in its sole discretion. For purposes of this Section 5.3, no act or failure to act by Executive shall be considered "willful" if such act is done by Executive in the good faith belief that such act is or was in the best interests of the Corporation or one or more of its businesses.

5.4. Termination for Good Reason. Executive may terminate this Agreement, upon notice to the Corporation, for Good Reason, which Good Reason is not remedied by the Corporation within thirty (30) calendar days after notice thereof by Executive. The term "Good Reason" shall include any of the following, (i) any assignment to Executive of duties inconsistent with Executive's position of its Executive Vice President, Chief Financial Officer and Chief Administration Officer or which constitutes a significant reduction in authority, responsibilities, or status; (ii) any demotion, including, but not limited to, reporting to someone other than the Chief Executive Officer; (iii) any material reduction in Executive's base salary, or other benefit plans available to executive officers of the Corporation, or the level, amount or value of any accrued benefit; or (iv) any attempted reduction of Executive's bonus potential which is inconsistent with the provisions of this Agreement.

5.5. Termination by the Corporation other than For Cause or by Executive for Good Reason. If, other than as set forth in Section 10.1, Executive's employment is terminated during the Term by the Corporation other than For Cause or by Executive as a result of Good Reason, then the Corporation shall pay to Executive after such termination, subject to his execution and non-revocation of the release described in Section 5.6, severance payments ("Severance") equal to (i) nine (9) months of Executive's Salary for the year in which the termination for Good Reason occurs plus (ii) the amount of the actual bonus earned by Executive under Section 4.2(a) hereof for the year prior to the year of termination, pro-rated based on the number of days Executive was employed by the Corporation during the year of termination as compared to the total number of days in such year. The Severance shall be paid in a lump sum within thirty (30) days after the Release Effective Date (as defined below), less such deductions as shall be required to be withheld by applicable law and regulations. In addition, if Executive timely and properly elects continuation coverage under the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA"), then, subject to his execution and non-revocation of the release described in Section 5.6, the Corporation shall reimburse Executive for the monthly COBRA premium paid by Executive for Executive and Executive's eligible dependents. Executive shall be eligible to receive such reimbursement until the earliest of: (x) the nine (9) month anniversary of the date of Executive's termination of employment; (y) the date Executive is no longer eligible to receive COBRA continuation coverage; or (z) the date on which Executive either receives or becomes eligible to receive substantially similar coverage from another employer.

5.6. Release. Executive agrees that, as a condition to receiving the payments and benefits set forth in Section 5.5 or Section 10.1, as applicable, Executive will execute a release of claims substantially in the form of the release attached hereto as Exhibit A. Within five business days of the date of Executive's termination of employment, the Corporation shall deliver to Executive the release for Executive to execute. Executive will forfeit all rights to the payments and benefits set forth in Section 5.5 or Section 10.1, as applicable, unless, within sixty (60) days of delivery of the release by the Corporation to Executive, Executive executes and delivers the release to the Corporation and such release has become irrevocable by virtue of the expiration of the revocation period without the release having been revoked (the first such date, the "Release Effective Date"). In the event that the Release Effective Date could occur in one of two taxable years of Executive, the Release Effective Date shall be deemed to occur on the earliest date in the later such taxable year as otherwise would apply hereunder. The Corporation shall have no obligation to provide the payments and benefits set forth in Section 5.5 or Section 10.1, as applicable, prior to the Release Effective Date.

Section 6. Confidential Information; Restrictive Covenants.

6.1. Disclosure. Executive hereby acknowledges that he will acquire confidential information concerning the Corporation, its business, products, product development, formulas, research and development, know-how, names and contact information of the Corporation's customers, suppliers, contract manufacturers, and vendors, and the Corporation's current and future business plans and that, among other things, his knowledge of the Corporation's business will be enhanced through his employment by the Corporation. Executive acknowledges that such information is of great value to the Corporation, is the sole property of the Corporation, other than those customers, suppliers, contract manufacturers, and vendors introduced to the Corporation by Executive, and has been and will be acquired by him in confidence.

6.2. Confidentiality. In consideration of the obligations undertaken by the Corporation herein, Executive will not, at any time during or after the Term, directly or indirectly, use for Executive's own benefit or any other party's benefit, or reveal, divulge or make known to any person, any information which is treated as confidential by the Corporation and not otherwise in the public domain. Confidential information shall not include information which was previously known by Executive, information which was given to Executive by any third party under no obligation of confidentiality, or information which Executive is required to disclose as a result of a governmental investigation or by a court order. Executive agrees that all materials or copies thereof containing confidential information of the Corporation in Executive's custody or possession will not, at any time, be removed from the Corporation's premises without the prior written consent of the Board. The parties hereto acknowledge that pursuant to 18 USC § 1833(b), an individual may not be held liable under any criminal or civil federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The parties hereto further acknowledge that an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

6.3. Restrictive Covenants. Executive recognizes that the services to be performed by him hereunder are special, unique and extraordinary. The parties confirm that it is reasonably necessary for the protection of the Corporation that Executive agrees, and, accordingly, Executive does hereby agree, that he will not, either on Executive's own behalf or as an officer, director, stockholder, partner, principal, consultant, associate, employee, owner, agent, creditor, independent contractor, or co-venturer of any third party or in any other relationship or capacity, directly or indirectly, at any time during his employment and for the Restricted Period (as defined below) solicit, induce, persuade or encourage, or attempt to solicit, induce, persuade or encourage, any individual employed by the Corporation, with whom Executive has worked, to terminate such employee's position with the Corporation, whether or not such employee is a full-time or temporary employee of the Corporation and whether or not such employment is pursuant to a written agreement, for a determined period, or at will. The provisions of this Section 6.3 shall only apply to those individuals employed by the Corporation at the time of solicitation or attempted solicitation.

6.4. Restricted Period. "Restricted Period" shall mean the term following Executive's employment to last for as long as Executive receives Severance or his regular Salary and benefits from the Corporation.

6.5. Modification of Restrictions. If any of the restrictions contained in this Section 6 shall be deemed to be unenforceable by reason of the extent, duration or geographical scope thereof, or otherwise, then after such restrictions have been reduced so as to be enforceable, in its reduced form this Section shall then be enforceable in the manner contemplated hereby.

Section 7. Work for Hire.

7.1. Executive agrees to make full and prompt disclosure to the Corporation of all inventions, improvements, discoveries, methods, developments, formulas, computer software (and programs and code) and works of authorship, whether or not patentable or copyrightable, which were or are created, made, conceived or reduced to practice by Executive or under Executive's direction or jointly with others during Executive's employment by the Corporation, whether or not during normal working hours or on the premises of the Corporation (all of which are collectively referred to in this Agreement as "Developments").

7.2. Executive agrees to assign and, by executing this Agreement, Executive does hereby assign, to the Corporation (or to any person or entity designated by the Corporation) all of Executive's rights, titles and interests, if any, in and to all Developments and all related patents, patent applications, copyrights and copyright applications. However, this Section 7.2 shall not apply to Developments (i) which do not relate to the present or planned business or research and development of the Corporation and (ii) which are made and conceived by Executive: (A) at a time other than during normal working hours, (B) not on the Corporation's premises and (C) not using the Corporation's tools, devices, equipment or proprietary information. Executive understands that to the extent that the terms of this Agreement shall be construed in accordance with the laws of any state which precludes a requirement in an employment agreement to assign certain classes of inventions made by an employee, this Section 7 shall be interpreted not to apply to any invention which a court rules and/or the Corporation agrees falls within such class or classes. Executive also agrees to waive all claims to moral and/or equitable rights in any Developments.

7.3. Executive agrees to cooperate fully with the Corporation, both during and after Executive's employment with the Corporation, with respect to the procurement, maintenance and enforcement of copyrights, patents and other intellectual property rights (both in the United States and foreign countries) relating to Developments. Executive agrees that he will sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney, which the Corporation may deem necessary or desirable in order to protect its rights and interests in any Development. Executive further agrees that if the Corporation is unable, after reasonable effort, to secure Executive's signature on any such papers, any executive officer of the Corporation shall be entitled to execute any such papers as Executive's agent and attorney-in-fact, and Executive hereby irrevocably designates and appoints each executive officer of the Corporation as Executive's agent and attorney-in-fact to execute any such papers on Executive's behalf, and to take any and all actions as the Corporation may deem necessary or desirable, in order to protect its rights and interests in any Development, under the conditions described in this sentence.

Section 8. Conflicts of Interest; Insider Trading.

8.1. Conflicts of Interest. Further, in order to avoid actual or apparent conflicts of interest, except with the Corporation's consent, Executive shall not have any direct or indirect ownership or financial interest in any company, person or entity which is: (i) a service provider to, or vendor of the Corporation; (ii) a customer of the Corporation; or (iii) a competitor of the Corporation. Executive shall not be deemed to have any direct or indirect ownership or financial interest for any such interest that does not exceed five (5%) percent of the issued and outstanding voting securities of any class of any corporation whose voting capital stock is traded on a national securities exchange or in the over-the-counter market.

8.2. General Requirements. Executive shall observe such lawful policies of the Corporation as may from time to time be in effect.

8.3. Insider Trading. Considering that the Corporation is a publicly-traded corporation, Executive hereby agrees that Executive shall comply with the Corporation's Insider Trading Policy and any and all federal and state securities laws, including but not limited to those that relate to non-disclosure of information, insider trading and individual reporting requirements and shall specifically abstain from discussing the non-public aspects of the Corporation's business affairs with any individual or group of individuals (e.g., Internet chat rooms) who does not have a business need to know such information for the benefit of the Corporation. Executive hereby agrees to immediately notify the Corporation's Compliance Officer or Chief Financial Officer in accordance with the Corporation's Insider Trading Policy prior to Executive's acquisition or disposition of Corporation's securities.

Section 9. Indemnification.

9.1. Indemnification. The Corporation hereby agrees to indemnify and hold harmless Executive to the fullest extent permitted by the Corporation's Certificate of Incorporation, By-Laws, the Delaware General Corporation Law or any other applicable law, as any or all may be amended from time to time. Such reimbursements shall include but not be limited to Executive's reasonable and necessary out of pocket expenses including attorneys and expert fees, losses, judgments, claims, and settlement payments and any other such costs and expenses.

9.2. Undertaking. To the extent that the Corporation advances payment for any fees or expenses to Executive pursuant to this Section 9, such advance shall be accompanied by a written undertaking by Executive to repay such amounts if it shall be ultimately determined by a court of competent jurisdiction in a final disposition, that Executive (i) is not entitled to be indemnified by the Corporation or (ii) that the amount advanced exceeded the indemnification to which he is entitled, in which case the amount of such excess shall be repaid to the Corporation.

9.3. Notice. As a condition precedent to his right to be indemnified hereunder, Executive shall give the Corporation notice in writing as soon as practicable of any claim made against him for which indemnity will or could be sought under this Agreement.

9.4. Cooperation. Executive shall fully cooperate with the Corporation in connection with any matter, which results in the assertion of a claim by Executive for indemnification hereunder. The Corporation shall be entitled at its own expense to participate in the defense of any proceeding, claim or action, or, if it shall elect, to assume such defense, in which event such defense shall be conducted by counsel chosen by the Corporation, subject to the consent of Executive, which consent shall not be unreasonably withheld or delayed.

9.5. Exceptions. The Corporation shall not be liable under this Agreement to make any payment in connection with any claim:

(a) For which payment is actually made to Executive under valid and collectable insurance policies, the premiums of which are paid by the Corporation or any of its affiliates, except in respect of any deductible and excess beyond the amount of payment under such insurance;

(b) For which Executive is indemnified by the Corporation otherwise than pursuant to this Agreement, provided such amount has previously been paid to Executive;

(c) Brought about or contributed to by the dishonesty of Executive;

(d) For which Executive fails to cooperate in a criminal or civil investigation involving the claim; and

(e) By Executive who acts as a plaintiff suing the Corporation, its affiliates or directors, officers or shareholders of the Corporation or its affiliates, except with regard to Executive's successful enforcement of Section 9.1 hereof**.**

9.6. Survival. The obligations of the Corporation hereunder will survive (i) any actual or purported termination of this Agreement by the Corporation or its successors or assigns, whether by operation of law or otherwise, (ii) any change in the Corporation's Certificates of Incorporation or By-laws, and (iii) termination of Executive's services to the Corporation or its affiliates (whether such services were terminated by the Corporation, such affiliate or Executive), if such claim arises as a result of an occurrence prior to the termination of this Agreement, whether or not a claim is made or an action or proceeding is threatened or commenced before or after the actual or purported termination of this Agreement, change in the Corporation's Certificate of Incorporation or By-laws, or termination of Executive's services.

Section 10. Change in Control.

10.1. Payment on Change in Control Termination. The Corporation will provide or cause to be provided to Executive the rights and benefits described below if, during the Term, within the three (3) month period prior to and the twelve (12) month period following a Change in Control, (x) Executive terminates his employment for Good Reason, or (y) the Corporation or its successor terminates Executive's employment ("Change in Control Termination"); provided however, that a Change in Control Termination shall not include a termination For Cause or a termination as a result of Executive's death or Total Disability. In the event of a Change in Control Termination during the Term, the Corporation shall pay or cause its successor to pay to Executive, in cash, in a lump sum within thirty (30) days after the Release Effective Date, less such deductions as shall be required to be withheld by applicable law and regulations, and subject to his execution and non-revocation of the release described in Section 5.6, an amount equal to one and a half (1.5) times Executive's base compensation which equals the sum of the following: (i) Executive's annual Salary on the day preceding the Change in Control Termination, plus (ii) an amount equal to the aggregate bonus received by Executive for the year immediately preceding the Change in Control Termination or if no Bonus had been received, then at minimum fifty percent (50%) of the Target Bonus. In addition, if Executive timely and properly elects continuation coverage under COBRA, then, subject to his execution and non-revocation of the release described in Section 5.6, the Corporation shall reimburse Executive for the monthly COBRA premium paid by Executive for Executive and Executive's eligible dependents. Executive shall be eligible to receive such reimbursement until the earliest of: (x) the eighteen (18) month anniversary of the date of Executive's termination of employment; (y) the date Executive is no longer eligible to receive COBRA continuation coverage; or (z) the date on which Executive either receives or becomes eligible to receive substantially similar coverage from another employer. In addition, in the event of a Change in Control Termination, subject to Executive's execution and non-revocation of the release described in Section 5.6, any and all outstanding stock options held by Executive shall become fully vested and exercisable. Executive shall have six (6) months to exercise any such stock options following his termination of employment, provided that in no event may Executive exercise a stock option following the original expiration date of such stock option as set forth in the applicable award agreement.

10.2. Change in Control Defined. A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events;

(a) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Corporation representing more than fifty percent (50%) of the total voting power represented by the Corporation's then-outstanding voting securities;

(b) The consummation of the sale or disposition by the Corporation of all or substantially all of the Corporation's assets;

(c) The consummation of a merger or consolidation of the Corporation with or into any other entity, other than a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

(d) Individuals who are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board over a period of 12 months; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Corporation's securities immediately before such transaction.

Section 11. Miscellaneous.

11.1. Section 409A. The parties intend for the payments and benefits under this Agreement to be exempt from Section 409A of the Internal Revenue Code ("Section 409A") or, if not so exempt, to be paid or provided in a manner which complies with the requirements of such section, and intend that this Agreement shall be construed and administered in accordance with such intention. Any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. All in-kind benefits, reimbursements, and tax-gross-ups (if any) to be provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirements that (x) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (y) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (z) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, (i) no amounts payable under this Agreement to Executive on termination of employment shall be paid until Executive would be considered to have incurred a separation from service from the Corporation within the meaning of Section 409A and (ii) amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the Applicable Period (as defined below) shall instead be paid on the first business day after the expiration of the Applicable Period, with interest from the date such amounts would otherwise have been paid at the short-term applicable federal rate, compounded semi-annually, as determined under Section 1274 of the Internal Revenue Code of 1986, as amended, for the month in which payment would have been made but for the delay in payment required to avoid the imposition of an additional rate of tax on Executive under Section 409A. The "Applicable Period" shall be the period commencing on Executive's separation from service and ending on the date that is six (6) months following Executive's separation from service.

11.2. Survival. The provisions of Sections 5, 6.1, 6.2, 6.4, 6.5, 7, 8, 9, 10 and 11 shall indefinitely survive Executive's employment with the Corporation. The provisions of Section 6.3 shall survive for the Restricted Period, as defined therein.

11.3. Injunctive Relief. Executive agrees that any breach or threatened breach by him of Sections 6, 7 or 8 of this Agreement shall entitle the Corporation, in addition to all other legal remedies available to it, to apply to any court of competent jurisdiction to enjoin such breach or threatened breach without proving actual damage or posting a bond or other security. The parties understand and intend that each restriction agreed to by Executive herein shall be construed as separable and divisible from every other restriction, that the unenforceability of any restriction shall not limit the enforceability, in whole or in part, of any other restriction, and that one or more or all of such restrictions may be enforced in whole or in part as the circumstances warrant. In the event that any restriction in this Agreement is more restrictive than permitted by law in the jurisdiction in which the Corporation seeks enforcement thereof, such restriction shall be limited to the extent permitted by law.

11.4. Entire Agreement. This Agreement constitutes and embodies the entire and complete understanding and agreement of the parties with respect to Executive's employment by the Corporation, supersedes all prior understandings and agreements, if any, whether oral or written, between Executive and the Corporation, including, without limitation, the Prior Agreement, and shall not be amended, modified or changed except by an instrument in writing executed by the party to be charged. The invalidity or partial invalidity of one or more provisions of this Agreement shall not invalidate any other provision of this Agreement. No waiver by either party of any provision or condition to be performed shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time.

11.5. Assignment; Binding Effect. Executive may not assign or delegate any of his or duties under this Agreement. This Agreement shall inure to the benefit of, be binding upon and enforceable against, the parties hereto and their respective successors and permitted assigns.

11.6. Captions. The captions contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

11.7. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or sent by fax or certified, mail, postage prepaid, to the party at the address set forth above or to such other address as either party may hereafter give notice of in accordance with the provisions hereof.

11.8. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California applicable to contracts made and to be performed therein without giving effect to the principles of conflict of laws thereof. Except in respect of any action commenced by a third party in another jurisdiction, the parties hereto agree that any legal suit, action, or proceeding against them arising out of or relating to this Agreement may be brought in the United States Federal Courts in the State of California or the state courts, in the State of California. By its execution hereof, the parties hereby irrevocably waive any objection and any right of immunity on the ground of venue, the convenience of the forum or the jurisdiction of such courts or from the execution of judgments resulting therefrom. The parties hereby irrevocably accept and submit to the jurisdiction of the aforesaid courts in any such suit, action or proceeding.

11.9. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE TRIAL BY JURY AND THAT ANY ACTION OR PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

11.10. Counterparts. This Agreement may be executed and delivered in counterparts, including by facsimile transmission or portable document format (".pdf"), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

Humanigen, Inc.

By: /s/ Cameron Durrant
Cameron Durrant, Chairman of the Board and Chief Executive Officer
Date: March 9, 2018

Executive

By: /s/ Jon G. Jester
Jon G. Jester
Date: March 9, 2018

EXHIBIT A

General Release of Claims

You, for yourself, your spouse and your agents, successors, heirs, executors, administrators and assigns, hereby irrevocably and unconditionally forever release and discharge Humanigen, Inc. (the "Corporation"), its parents, divisions, subsidiaries and affiliates and its and their current and former owners, directors, officers, stockholders, insurers, benefit plans, representatives, agents and employees, and each of their predecessors, successors, and assigns (collectively, the "Releasees"), from any and all actual or potential claims or liabilities of any kind or nature, including, but not limited to, any claims arising out of or related to your employment and separation from employment with the Corporation and any services that you provided to the Corporation; any claims for salary, commissions, bonuses, other severance pay, vacation pay, allowances or other compensation, or for any benefits under the Employee Retirement Income Security Act of 1974 ("ERISA") (except for vested ERISA benefits); any claims for discrimination, harassment or retaliation of any kind or based upon any legally protected classification or activity; any claims under Title VII of the Civil Rights Acts of 1964, the Civil Rights Act of 1866 and 1964, as amended, 42 U.S.C. § 1981, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Americans with Disabilities Act, 42 U.S.C. §1981, 42 U.S.C. § 1983, the Family Medical Leave Act and any similar state law, the Fair Credit Reporting Act and any similar state law, the Fair Credit Reporting Act, 15 U.S.C. § 1681, et seq., the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101, et seq., the Equal Pay Act and any similar state law, including the California Worker Adjustment and Retraining Notification Act, Cal. Labor Code § 1400, et seq., the California Fair Employment and Housing Act, Cal. Gov't Code § 12940, et seq., California Government Code Section 12900 et seq. (which prohibits discrimination based on protected characteristics including race, color, religion, sex, gender, sexual orientation, marital status, national origin, language restrictions, ancestry, physical or mental disability, medical condition, age, and denial of leave), California Civil Code Section 51 et seq. (which prohibits discrimination based on age, sex, race, color, religion, ancestry, national origin, disability, medical condition, marital status, or sexual orientation), the California Family Rights Act of 1993, the California Equal Pay Law, Cal. Lab. Code § 1197.5, et seq. or any California wage payment law, any other section of the California Labor Code, or any section of the applicable Order of the California Industrial Welfare Commission, as well as any amendments to any such laws; any claims for any violation of any federal or state constitutions or executive orders; any claims for wrongful or constructive discharge, violation of public policy, breach of contract or promise (oral, written, express or implied), personal injury not covered by workers' compensation benefits, misrepresentation, negligence, fraud, estoppel, defamation, infliction of emotional distress, contribution and any claims under any other federal, state or local law, including those not specifically listed in this Release, that you, your heirs, executors, administrators, successors, and assigns now have, ever had or may hereafter have, whether known or unknown, suspected or unsuspected, up to and including the date of your execution of this Release.

For the purpose of implementing a full and complete release and discharge of the Releasees as set forth above, you acknowledge that this Release is intended to include in its effect, without limitation, all claims known or unknown that you have or may have against the Releasees which arise out of or relate to your employment, including but not limited to compensation, performance or termination of employment with the Corporation, except for, and notwithstanding anything in this Release to the contrary, claims which cannot be released solely by private agreement. This Release also excludes any claims relating to any right you may have to payments pursuant to Section 5.5 or Section 10.1, as applicable of the Employment Agreement, entered into as of March 9, 2018, by and between the Corporation and you, any claim for workers' compensation benefits and any rights you may have to indemnification or directors' and officers' liability insurance under the Corporation's bylaws or certificate of incorporation, any indemnification agreement to which you are a party or beneficiary or applicable law, as a result of having served as an officer, director or employee of the Corporation or any of its affiliates. You further acknowledge and agree that you have received all leave, compensation and reinstatement benefits to which you were entitled through the date of your execution of this Release, and that you were not subjected to any improper treatment, conduct or actions as a result of a request for leave, compensation or reinstatement.

You further acknowledge that you have read Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

You understand that Section 1542 gives you the right not to release existing claims of which you are not now aware, unless you voluntarily choose to waive this right. **Even though you are aware of this right, you nevertheless hereby voluntarily waive the right described in Section 1542 and any other statutes of similar effect, and elect to assume all risks for claims that now exist in your favor*, known or unknown*, arising from the subject matter of the Release.** You acknowledge that different or additional facts may be discovered in addition to what you now know or believe to be true with respect to the matters released in this Release, and you agree that this Release will be and remain in effect in all respects as a complete and final release of the matters released, notwithstanding any such different or additional facts.

You affirm, by signing this Release, that you have not suffered any unreported injury or illness arising from your employment, and that you have not filed, with any federal, state, or local court or agency, any actions or charges against the Releasees relating to or arising out of your employment with or separation from the Corporation. You further agree that while this Release does not preclude you from filing a charge with the National Labor Relations Board ("NLRB"), the Equal Employment Opportunity Commission ("EEOC") or a similar state or local agency, or from participating in any investigation or proceeding with them, you do waive your right to personally recover monies or reinstatement as a result of any complaint or charge filed against the Corporation with the NLRB, EEOC or any federal, state or local court or agency, except as to any action to enforce or challenge this Release, to recover any vested benefits under ERISA, or to recover workers' compensation benefits.

You acknowledge:

(a) That you were provided twenty-one (21) / forty-five (45) full days during which to consider whether to sign this Release. If you have signed this Agreement prior to the expiration of the 21-day / 45-day period, you have voluntarily elected to forego the remainder of that period.

(b) That you have carefully read and fully understand all of the terms of this Release, including its Attachment A.

(c) That you understand that by signing this Release, you are waiving your rights under the Age Discrimination in Employment Act, as amended by the Older Workers Benefit Protection Act, 29 U.S.C. § 621, et seq., and that you are not waiving any rights arising after the date that this Release is signed.

(d) That you have been given an opportunity to consult with anyone you choose, including an attorney, about this Release.

(e) That you understand fully the terms and effect of this Release and know of no claim that has not been released by this Release. And, you further acknowledge that you are not aware of, or that you have fully disclosed to the Corporation, any matters for which you are responsible or which has come to your attention as an employee of the Corporation that might give rise to, evidence, or support any claim of illegal conduct, regulatory violation, unlawful discrimination, or other cause of action against the Corporation.

(f) That these terms are final and binding on you.

(g) That you have signed this Release voluntarily, and not in reliance on any representations or statements made to you by any employee or officer of the Corporation or any of its subsidiaries.

(h) That you have seven (7) days following your execution of this Release to revoke it in writing, and that this Release is not effective or enforceable until after this seven (7) day period has expired without revocation. If you wish to revoke this Release after signing it, you must provide written notice of your decision to revoke this Release to the Corporation, to the attention of the Chair of the Compensation Committee pursuant to customary communications between you and such Chair, by no later than 11:59 p.m. on the seventh calendar day after the date on which you have signed this Release.

PLEASE READ CAREFULLY. THIS RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

ACKNOWLEDGED AND AGREED

/s/ Jon G. Jester	March 9, 2018
Jon G. Jester	Date

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATIONS

I, Cameron Durrant, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Humanigen, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2018

/s/ Cameron Durrant
Cameron Durrant,
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATIONS

I, Greg Jester, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Humanigen, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2018

/s/ Greg Jester
Greg Jester
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION OF
PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Cameron Durrant, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Humanigen, Inc. for the quarter ended March 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Humanigen, Inc.

Date: May 7, 2018

By: /s/ Cameron Durrant
Name: Cameron Durrant
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg Jester, certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Humanigen, Inc. for the quarter ended March 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Humanigen, Inc.

Date: May 7, 2018

By: /s/ Greg Jester
Name: Greg Jester
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)