May 12, 2010

Immunovaccine Announces 2010 First Quarter Results

HALIFAX, NOVA SCOTIA -- (MARKET WIRE) -- 05/12/10 -- Immunovaccine Inc. (TSX VENTURE: IMV), a clinical stage vaccine development company, today announced its operational and financial results for the first quarter ended March 31, 2010 (Q1 Fiscal 2010).

"The highlight of Immunovaccine's first quarter of 2010 was the start of our Phase I clinical trial testing the safety of DPX-0907, our therapeutic cancer vaccine," said Dr. Randal Chase, President and CEO of Immunovaccine. "We also continue to successfully execute our business strategy, leveraging the full potential of our DepoVax vaccine delivery platform by developing our own in-house product pipeline and through licensing and partnerships."

Financial highlights for the three month period ended March 31, 2010

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--  Reported revenues in the first quarter of 2010 were $58,000 compared to
no revenues during the three month period ended March 31, 2009. These
revenues were generated through the Company's animal health business.
--  Reported a consolidated net loss of $1,498,000 for the first quarter of
2010 compared to a loss of $1,007,000 in the three month period ended
March 31, 2009. Of this increase, $227,000 relates to an increase in
stock-based compensation (a non-cash expense) and $264,000 relates to
increased expenses associated with the Phase I clinical trial, increased
business development expenses and expenses associated with now being a
public company.
--  Ended March 31, 2010, with cash and equivalents of $6.9 million.
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Results from operations

Research and development (R&D) expenses totalled $767,000 for Q1 Fiscal 2010 and represented a $76,000 (11%) increase over the three month period ended March 31, 2009. The increase was primarily related to increased expenses directly associated with the commencement of the Phase I clinical trial for the Company's therapeutic cancer vaccine, DPX-0907.

General and administrative (G&A) expenses totalled $388,000 for Q1 Fiscal 2010, compared to $286,000 for the three month period ended March 31, 2009. The ongoing level of G&A expenses within the Company increased primarily due to increased expenses associated with being a public company, as well as the addition of a full-time Chief Financial Officer from September 28, 2009.

The Company continued to expand its business development and marketing activities (BD) during Q1 Fiscal 2010. Total BD expenses of $183,000 represented an increase of $90,000 compared to the three month period ended March 31, 2009. This increase relates to the hiring of investor relations and public relations firms to help raise corporate profile, as well as

the addition of a senior BD consultant to expand the Company's vaccine pipeline. These expenses were not incurred during the three month period ended March 31, 2009.

As of October 1, 2009, when the Company became a public corporation, its level of eligible investment tax credits decreased from approximately 44% to 15% of eligible expenditures as it no longer qualifies for the refundable federal portion of the investment tax credits. As a result, the total amount recorded during Q1 Fiscal 2010 was $21,000 compared to approximately $75,000 during the three month period ended March 31, 2009.

Stock-based compensation (a non-cash expense) increased by $227,000 to $238,000 during Q1 Fiscal 2010 compared to the three month period ended March 31, 2009. The increase was due primarily to the vesting of 937,000 options that were granted in December 2009. During the three month period ended March 31, 2009, there were a smaller number of unvested options outstanding.

As at May 12, 2010, there were 45,393,145 common shares issued and outstanding, 3,441,687 stock options outstanding and 455,573 broker warrants outstanding. The outstanding stock options have a weighted average exercise price of $0.85 per share, and a weighted average remaining term of 5.8 years. The outstanding broker warrants expire on September 30, 2010 and have an exercise price of $0.70 per share.

Cash and cash equivalents

At March 31, 2010, the Company had cash resources of $6.9 million and identified additional potential cash resources of $1.9 million through programs in place with the Atlantic Canada Opportunities Agency.

The "cash burn rate" of the Company (defined as net loss for the period adjusted for non-cash transactions including amortization, stock-based compensation and shares issued for professional services) is forecasted to increase slightly due to the continuation of the Phase I clinical trial, and be in the range of $1.5 million to $1.7 million per quarter, on average, during Fiscal 2010. At March 31, 2010, the Company had cash resources of $6.9 million and identified additional potential cash resources of $1.9 million. Management is of the belief that this provides the Company with sufficient funds to execute its existing strategy of completing the Phase I trial while maintaining adequate working capital until the second quarter of 2011. The Company will reassess the adequacy of its cash resources should either positive research results be obtained from existing research projects, or potential collaboration opportunities be identified that may require additional funding.

Recent Developments and Outlook

The Company continues to execute its business strategy into 2010, focused on taking its lead product DPX-0907, a therapeutic cancer vaccine, into a Phase I clinical trial and actively pursuing additional research collaborations and licensing deals.

During Q1 Fiscal 2010 the Company also furthered its efforts to raise awareness of its technology and identify additional partnerships. Key achievements include:

-- On February 2, 2010, the Company announced that it had engaged SectorSpeak Inc. to assist with its corporate communications and

investor relations activities including organizing investor road shows to introduce the Company to analysts, institutional investors and retail brokers;
-- On February 8, 2010, the Company announced that it was being invited to present at the Canada - U.S. Partners in Biomedical Defense II Conference in Washington, D.C. At the conference, on March 24, 2010, the Company presented positive new preclinical research, done in collaboration with Defence Research and Development Canada (DRDC), confirming that a reduction in the number of required doses for an anthrax vaccine can be achieved with DepoVax , Immunovaccine's patented vaccine delivery platform. The new research shows that one dose of anthrax antigen, formulated in DepoVax , is able to raise antibody levels that are 10 times higher on average than the comparable alum-adjuvanted anthrax vaccine;
-- On February 23, 2010, the Company announced the addition of Mr. James W. Hall, C.A., as a member of the Board of Directors. Mr. Hall will also serve as Chair of the Company's Audit Committee;
-- On March 2, 2010, the Company announced that Pfizer Animal Health signed an agreement to exercise a licensing option on the Company's vaccine enhancement and delivery platform to develop a third livestock vaccine;
-- On March 19, 2010, the Company was successful in securing a non-repayable $50,000 grant from the Atlantic Canada Opportunities Agency ("ACOA") towards certain research salaries in 2010. Also during March 2010, the Company extended its business development program with ACOA for an extra twelve months. This provides the Company with additional time to access up to $107,000 to be used towards business development activities; and
-- On March 29, 2010, the Company announced that it had started recruiting patients with breast, ovarian and prostate cancer for its Phase I clinical trial to investigate the safety of DPX-0907, a therapeutic cancer vaccine.

Since the end of Q1 2010, the Company continues to recruit and enrol patients with breast, ovarian and prostate cancer for its Phase I clinical trial of its therapeutic cancer vaccine.

On April 5, 2010, the Company announced the publication of its DPX-0907 preclinical study comparing the Company's DepoVax vaccine delivery platform to a standard vaccine formulation used in the clinic today to deliver peptide antigens. The study shows that the DepoVax platform promotes stronger antigen specific immune responses and unlike the control vaccine, the DepoVax formulation does not induce problematic immune regulatory responses.

The Company also continued its pursuit of business development opportunities, signing a collaborative research agreement with the Dana-Farber Cancer Institute, a principal teaching affiliate of the Harvard Medical School on April 12, 2010. This research involves formulating Dana-Farber's HIV protein antigens in the Company's DepoVax vaccine delivery platform to establish whether it will induce a stronger immune response.

The Company's unaudited interim consolidated financial statements for Q1 Fiscal 2010 and the Management Discussion and Analysis are available at www.sedar.com.

Immunovaccine Inc. (TSX VENTURE: IMV) is a clinical stage vaccine development company focused on the commercialization of its patented DepoVax vaccine delivery technology and product candidates. The Company continues to strengthen its vaccine pipeline through licensing and strategic partnerships to develop therapeutic cancer and infectious disease

vaccines. www.imvaccine.com

This press release contains forward-looking information under applicable securities law. All information that addresses activities or developments that we expect to occur in the future is forward-looking information. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made. However, they should not be regarded as a representation that any of the plans will be achieved. Actual results may differ materially from those set forth in this press release due to risks affecting the Company, including access to capital, the successful completion of clinical trials and receipt of all regulatory approvals. Immunovaccine Inc. assumes no responsibility to update forward-looking statements in this press release.

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Contacts:
Immunovaccine Inc.
Gary Dodge
CFO
(902) 492-1819
info@imvaccine.com

Immunovaccine Inc.
Jennifer Ayotte
Director Communications
(902) 492-1819
jayotte@imvaccine.com
www.imvaccine.com