April 21, 2011

Immunovaccine Reports 2010 Year End Results

HALIFAX, NOVA SCOTIA -- (MARKET WIRE) -- 04/21/11 -- Immunovaccine Inc. (TSX VENTURE: IMV) ("Immunovaccine" or the "Company"), a clinical stage vaccine developer, announced today its financial results and operational highlights for the year ended December 31, 2010.

Dr. Randal Chase, Immunovaccine's President & Chief Executive Officer, said, "The positive results of our Phase I clinical trial, made 2010 a significant year for Immunovaccine. Having demonstrated that our vaccine delivery platform is safe in humans provides support for our business development strategy. As evidence of the potential of our vaccine delivery platform, we signed eight new research partnerships in 2010 and negotiated an additional commercial license with Pfizer Animal Health. In July 2010, we also signed a notable deal with Merck KGaA, for which we acquired an important clinical stage vaccine candidate, DPX-Survivac. Looking ahead, our team is confident that both clinical vaccine candidates are on track and anticipate completing the final analysis of the DPX-0907 Phase I clinical trial and the necessary pre-clinical testing for DPX-Survivac to support an FDA regulatory filing by Q3 2011."

Ms. Kimberly Stephens, Immunovaccine's Chief Financial Officer said, "During the fiscal period we raised an additional $7.4 million in an equity financing. By strengthening our balance sheet and controlling our cash burn, we have sufficient capital to advance our clinical vaccine pipeline and Immunovaccine is well positioned to pursue new partnership and licensing opportunities."

As previously announced, on April 14, 2011, Dr. Randal Chase resigned for personal reasons as President and Chief Executive Officer. The Board of Directors has undertaken a formal executive search for his replacement.

Today, Immunovaccine is also pleased to announce that Dr. Marc Mansour has been appointed as Chief Operating Officer and Chief Science Officer, effective April 20, 2011. In this expanded role, Dr. Mansour will oversee the development of the Company's operational strategy and will head all clinical research and development activities. Since joining Immunovaccine, in 2000, Dr. Mansour has advanced the Company's research and led the development of the DepoVax™ vaccine delivery platform, as well as the Company's two clinical products, DPX-0907 and DPX-Survivac.

Financial Results for the year ended December 31, 2010

Financial highlights

-- Reported net loss of $6.5 million for the year ended December 31, 2010, primarily due to increased research and development costs associated

with the DPX-0907 Phase I clinical trial.

-- Reported $76,000 in revenues from animal health, a decrease of $1,344,000 from the nine month period ended December 31, 2009.

-- Ended December 31, 2010 with cash and equivalents of $10.4 million.

-- Completed a public offering of 7,465,100 units at a price of $1.00 per unit for aggregate gross proceeds of $7,465,100. The proceeds from this equity offering will be used to develop vaccine product candidates, including DPX-Survivac, using its DepoVax™ vaccine platform and for general corporate purposes.

-- Implemented internal control procedures and accounting systems required for the adoption of International Financial Reporting Standards ("IFRS") compliance for the years beginning on or after January 1, 2011.

Results from operations

This review of the consolidated results of operations, financial condition and cash flows compares results for the 12 month period ended December 31, 2010 to the nine month period ended December 31, 2009, reflecting the change in the fiscal year end to coincide with the calendar year ending on December 31st.

The Company incurred operating expenses for the year ended December 31, 2010 of $6,579,000, compared to $3,084,000 during the nine month period ended December 31, 2009. Explanations of the nature of costs incurred, along with explanations of changes in those costs are discussed below.

The net loss and comprehensive loss increased to $6,503,000 for the year ended December 31, 2010, from a loss of $1,664,000 during the nine month period ended December 31, 2009 as a result of a $1,344,000 decrease in revenues and increased research and development expenses primarily related to the Phase I clinical trial of DPX-0907, business development expenses and changes in operating expenses.

The total amount of research and development (R&D) expenses for the year ended December 31, 2010 of $3,780,000 represented an increase of $1,927,000 over the nine month period ended December 31, 2009. The largest component of R&D expense was direct expenses associated with the DPX-0907 Phase I clinical trial and the preclinical development for DPX-Survivac.

General and administrative (G&A) expenses of $1,614,000 represented 23% of total expenses for the year ended December 31, 2010 compared to $938,000 (28% of total expenses) for the nine month period ended December 31, 2009. The G&A expenses were due primarily to salaries and benefits, professional fees that include maintenance and expansion of the Company's patent portfolio, and directors' fees.

The Company expanded its business development (BD) activities during the year ended December 31, 2010. Total BD expenses for the year ended December 31, 2010 were $967,000 compared to $365,000 incurred in the nine month period ended December 31, 2009. Included in this increase were business development, investor relations, and public relations consulting fees, as well as legal fees directly related to expanding the Company's

vaccine pipeline, leading to the completion of the Merck KGaA, Oncothyreon and other agreements during the year ended December 31, 2010.

Non-cash stock-based compensation increased to $732,000 during the year ended December 31, 2010 compared to $155,000 in the nine month period ended December 31, 2009. The increase was due primarily to the increased number of presently vesting options compared to the nine month period ended December 31, 2009.

During the year ended December 31, 2010, the Company recorded $340,000 in refundable investment tax credits compared to approximately $180,000 during the nine month period ended December 31, 2009. This increase is due to additional 2010 R&D costs, as well as receiving a favourable tax ruling from the Canada Revenue Agency related to two previously filed Notices of Objection concerning the Company's 2007 and 2008 refundable investment tax credits.

In February 2008, the Canadian Accounting Standards Board announced that accounting standards in Canada are to adopt International Financial Reporting Standards ("IFRS"). Immunovaccine Inc. will begin reporting, with comparative data, under IFRS for fiscal years beginning on January 1, 2011. While IFRS is based on a conceptual framework similar to Canadian GAAP, there are significant differences with respect to recognition, measurement and disclosure.

Cash and cash equivalents

At December 31, 2010, the Company had cash and equivalents of $10.4 million and identified additional potential cash resources of $1.5 million for a total of approximately $11.9 million. Potential cash resources included amounts receivable of $1.3 million, along with remaining government grants and loans the Company has been awarded. Subsequently, on March 21, 2011, ACOA announced the Company was awarded an Atlantic Innovation Fund ("AIF") interest-free loan of $2.9 million. This non-dilutive funding will enable Immunovaccine to continue its local research and development efforts.

The "cash burn rate" of the Company averaged $1.4 million per quarter in 2010. It is forecasted to increase during 2011 and be in the range of $1.8 to $2.1 million per quarter to fund the completion of the DPX-0907 Phase I clinical trial and accelerate the clinical development program for DPX-Survivac. Management is of the belief that this provides the Company with sufficient funds to execute its existing strategy and has adequate working capital until the third quarter of 2012. The Company will reassess the adequacy of its available cash resources should either positive research results be obtained from existing research projects, or potential collaboration opportunities be identified that may require additional funding.

Research and Development Highlights:

-- On March 29, 2010, Immunovaccine began screening patients for its DPX-0907 Phase I clinical trial to evaluate the safety of two dosing regimens; 0.25ml and 1ml. Patients with breast, ovarian and prostate cancer were enrolled at five U.S. sites. On December 14, 2010 preliminary safety results revealed that DPX-0907 can be administered safely at either dose level; and

-- On July 12, 2010, the Company signed an in-licensing deal with Merck KGaA to acquire an investigational therapeutic survivin-based cancer vaccine, known as DPX-Survivac. Survivin is a tumor associated antigen over-expressed in multiple solid tumors and hematological malignancies. While the license agreement grants the Company exclusive world-wide rights, under issued patents and patent applications, to develop and commercialize DPX-Survivac for multiple cancer indications, Immunovaccine announced on November 17, 2010 that it will develop its first Phase I / II clinical plan to target ovarian cancer. The Company has manufactured test batches of DPX-Survivac and established the analytical methods to support the release of a future clinical trial batch.

Clinical monitoring and analysis of the DPX-0907 Phase I clinical trial in patients with breast, ovarian and prostate cancer continues in 2011. On April 11, 2011, the Company announced positive interim immunogenicity results showing that the DPX-0907 vaccine elicited an antigen specific immune response in the majority of ovarian cancer patients analyzed. The vaccine is considered safe at both dose levels (0.25ml and 1 ml) with no dose limiting toxicities.

On February 23, 2011, the Company and Immunotope Inc. announced that the U.S. Patent and Trademark Office had issued an official Notice of Allowance for a new U.S. patent specific to the DPX-0907 therapeutic cancer vaccine.

Also, on February 10, 2011, Immunovaccine announced that it had completed a pre-clinical study demonstrating that the DepoVax platform gives DPX-Survivac an advantage by raising a significantly higher immune response compared to a control formulation previously used in clinical trials. The Company has successfully manufactured test batches of DPX-Survivac and established the analytical methods to support the release of a future clinical trial batch. The clinical development plan for DPX-0907 is on track for completing detailed safety and immunogenicity studies to support a potential future investigational new drug (IND) regulatory filing with the FDA.

Business Development Highlights:

-- Immunovaccine signed a third license agreement with Pfizer Animal Health on March 2, 2010, for Pfizer to use the Company's vaccine delivery platform technology in their development of livestock vaccines;

-- Immunovaccine entered into eight additional research collaborations in 2010 to explore new vaccine applications for DepoVax™, the Company's vaccine delivery and enhancement platform. These collaborations included institutions like the Dana-Farber Cancer Institute, Defence Research & Development Canada, and National Research Council (NRC) Canada. The Company also signed research collaborations with the following companies Vaxil BioTherapeutics, Oncothyreon, IRX Therapeutics, CEL-SCI Corporation, OncoTherapy Science; and

-- In 2010, Immunovaccine was invited to present at several high profile investor and research conferences including the Canada - US Partners in Biomedical Defense II Conference in Washington, D.C., the Annual Rodman & Renshaw Healthcare Conference in N.Y., New York, and the International Society for Biological Therapy of Cancer conference in Washington, D.C.

In 2011, Dr. Randal Chase, President and CEO, presented in January at the Biotech Showcase, during the JP Morgan Healthcare conference, the industry's largest annual healthcare investor conference in San Francisco, CA. Then in April 2011, Dr. Marc Mansour, Vice President of R&D, presented at two major research conferences; the American Association for Cancer Research (AACR) 102nd annual meeting and the World Vaccine Congress.

Outlook

The Company will continue to execute its business strategy into 2011, with the primary objective will be to complete the Phase I clinical trial for DPX-0907. The results of DPX-0907 will benefit the clinical development of DPX-Survivac and support a potential regulatory filing to take DPX-Survivac into clinical trials.

Immunovaccine will also take action to leverage the strength of its technology and further enhance shareholder value by pursuing additional research collaborations. The Company will continue to refine these research collaborations and identify those with the most compelling technical results and commercial opportunities.

The Company's 2010 annual audited consolidated financial statements and management's discussion and analysis will be available on Tuesday, April 26, 2011 at www.sedar.com.

About Immunovaccine

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. A more detailed assessment of the risks and uncertainties that could cause actual results to materially differ from expectations is available in our MD&A and Annual Information Form. Immunovaccine Inc. assumes no responsibility to update forward-looking statements in this press release.

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