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Immunovaccine Announces 2011 First Quarter Results

HALIFAX, NOVA SCOTIA -- (MARKET WIRE) -- 06/22/11 -- Immunovaccine Inc. (TSX VENTURE: IMV), a clinical stage vaccine company, released today its financial and operational results for the three months ended March 31, 2011 ("Q1 2011"). The Company's unaudited condensed interim consolidated financial statements for Q1 2011, which represent the Company's first filing in accordance with International Financial Reporting Standards ("IFRS"), along with the Management Discussion and Analysis, are available at www.sedar.com.

"The most significant financial highlight of Q1 2011 was receiving $2.9 million in non-dilutive funding from the Atlantic Canada Opportunities Agency (ACOA), under the Atlantic Innovation Fund (AIF)," said Kimberly Stephens, C.A., Chief Financial Officer. "This loan will fund research to help identify specific subsets of cancer patient populations that would benefit most from receiving DepoVax™-based vaccine therapies."

In the first half of 2011, the Company reported positive results for the Phase I clinical trial of DPX-0907, a therapeutic cancer vaccine. These results establish a safety profile for DepoVax-based vaccines in humans. The clinical results also supported the filing of an Investigational New Drug (IND) application with the FDA for DPX-Survivac. On June 20, 2011, Immunovaccine received FDA clearance to begin a Phase I/II clinical trial to test DPX-Survivac in patients with ovarian cancer.

Research and development (R&D) expenses associated with IND-enabling, pre-clinical studies for DPX-Survivac and the expenses required under the clinical trial timelines for DPX-0907 led to an increased net loss of $1,878,000 for Q1 2011, compared to a net loss of $1,109,000 during the three months ended March 31, 2010. This increase was offset by a reduction of general and administrative costs of $145,000 to $342,000 for Q1 2011, compared to $483,000 during the three months ended March 31, 2010. The Company reported business development expenses of $261,000 for Q1 2011 compared to $216,000 during the three months ended March 31, 2010.

At March 31, 2011, the Company had cash resources of $9.3 million and identified additional potential cash resources of $4.1 million. The Company's "cash burn rate" (defined as net loss for the period adjusted for non-cash transactions) was approximately $1.6 million for Q1 2011. Management is of the belief that the Company has sufficient funds to execute its existing strategy, including completing the Phase I clinical trial of DPX-0907 and funding the Phase I clinical trial of DPX-Survivac, and has adequate working capital until the third quarter of 2012.

Corporate Highlights

-- Completed enrollment of patients for the Phase I clinical trial of DPX-

0907, the Company's therapeutic cancer vaccine treating patients with breast, ovarian and prostate cancers.

-- Achieved positive pre-clinical results for DPX-Survivac demonstrating that DepoVax™ gives the vaccine candidate an advantage by raising a significantly higher immune response compared to a control formulation previously used in clinical trials. DPX-Survivac, a therapeutic cancer vaccine, contains survivin antigens, in-licensed from Merck KGaA.

-- Announced the allowance of a new U.S. Patent for the seven therapeutic cancer vaccine antigens in DPX-0907.

-- Presented at the American Association for Cancer Research (AACR) 102nd annual meeting, the 2011 World Vaccine Congress, 2011 BioFinance Conference, the Biopharmaceutical Conference in Europe, and attended the annual meeting of the American Society of Clinical Oncology (ASCO) with abstracts #e13050 relating to DPX-0907 and #2515 relating to Survivac posted to www.asco.org.

-- Signed a research agreement with Cuban-based CIMAB S.A. In the agreement, the CIMAvax-EGF peptide antigen will be formulated in Immunovaccine's DepoVax™ delivery system to potentially enhance the immunogenicity of their novel therapeutic cancer vaccine candidate.

-- Announced the resignation of Dr. Randal Chase from the Board of Directors effective immediately and his three month notice to terminate his contract as President and Chief Executive Officer. Dr. Chase remains as President and Chief Executive Officer until July 13, 2011, while the Board completes an executive search for his replacement.

-- Completed a detailed analysis of immune responses from patients enrolled in the Phase I clinical trial DPX-0907, a therapeutic cancer vaccine. The analysis showed that the DPX-0907 vaccine was safe and elicited a targeted antigen specific immune response in all 3 breast cancer patients, 5 of 6 ovarian cancer patients and 3 of 9 prostate cancer patients.

Outlook

Immunovaccine continues to execute its business strategy into 2011, announcing positive Phase I clinical results for DPX-0907 and receiving FDA clearance to take DPX-Survivac into human clinical trials. The Company is focusing on advancing the vaccine candidates that show the most compelling technical results combined with identified commercial opportunities. Looking ahead, Immunovaccine is also pursuing additional collaborations and licensing deals within both the human health and animal health markets.

Upcoming milestones include:

-- Manufacturing the clinical batch of DPX-Survivac to good manufacturing practices (GMP) standard required by the FDA;
-- Patient recruitment and initiation of a Phase I clinical trial for DPX-Survivac vaccine;
-- Potential research and license agreements with biopharmaceutical companies;
-- Publishing Phase I final results for the DPX-0907 therapeutic cancer vaccine.

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.

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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