Immunovaccine Inc.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2009

April 12, 2010

CONTENTS

I. INTRODUCTION AND FORWARD LOOKING STATEMENTS

The information contained in this Annual Information Form is stated as at December 31, 2009, unless otherwise indicated. Unless otherwise indicated or the context otherwise requires, "Immunovaccine", "the Corporation", "we", "us" and "our" refer collectively to Immunovaccine Inc., 1819 Granville Street, Suite 303, Halifax, Nova Scotia, Canada, B3J 3R1 and to its subsidiary, ImmunoVaccine Technologies Inc. ("**IVT**").

On September 30, 2009, ImmunoVaccine Technologies Inc. and Rhino Resources Inc. ("Rhino") completed a share exchange transaction whereby Rhino acquired all of the issued and outstanding common shares of IVT in exchange for Rhino common shares (the "Rhino Transaction"). Prior to closing, the Rhino shares were consolidated on a five-to-one basis, after which each existing share of IVT was exchanged for one new common share (the "Common Shares") of Rhino. As the former shareholders of IVT owned approximately 95% of Rhino following the exchange of the shares, the transaction was accounted for as a reverse take-over ("RTO") of Rhino by IVT. Following the Rhino Transaction, Rhino changed its name to Immunovaccine Inc. and both the Corporation and IVT decided to change their year end date to December 31. The nine month period ended December 31, 2009, was the transition year-end ("New Fiscal Year-End December 31, 2009").

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "$" are to Canadian dollars. Certain statements in this Annual Information Form may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this Annual Information Form, such statements reflect current expectations regarding future events and operating performance and speak only as of the date of this Annual Information Form. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risk Factors and Uncertainties". Although the forward-looking statements contained in this Annual Information Form are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements and should not be unduly relied upon by investors. These forward-looking statements are made as of the date of this Annual Information Form.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Annual Information Form. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: (i) general business and economic conditions; (ii) the Corporation's ability to successfully develop new products; (iii) positive results of pre-clinical and clinical tests; (iv) the availability of financing on reasonable terms; (v) the Corporation's ability to attract and retain skilled staff; (vi) the products and technology offered by the Corporation's competitors; (vii) the Corporation's ability to protect patents and proprietary rights; and (viii) the Corporation's ability to manufacture its products and to meet demand.

Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Forward-looking statements include, among others, statements with respect to research and development of new technologies, proprietary rights, skilled staff and future financings. Readers are cautioned that the foregoing list of factors is not

exhaustive. Each of the forward-looking statements contained in this Annual Information Form are expressly qualified by these cautionary statements.

II. CORPORATE STRUCTURE

The Corporation is incorporated under the laws of the *Canada Business Corporation Act*. The Corporation's head and registered office is located at 1819 Granville Street, Suite 303, Halifax, Nova Scotia, B3J 3R1.

The Corporation was incorporated on May 18, 2007 under the name "Rhino Resources Inc.". On September 28, 2009, prior to the Rhino Transaction, the Corporation filed articles of amendments to: (i) change its name to Immunovaccine Inc.; (ii) proceed with the consolidation of the common shares in its share capital on a five-to-one basis; (iii) provide the directors with the ability to appoint additional directors between annual meetings of shareholders; and, (iv) remove certain redemptions and retraction provisions in connection with its common shares.

The Corporation has one wholly-owned subsidiary, ImmunoVaccine Technologies Inc. which was incorporated under the laws of Nova Scotia on March 28, 2000.

III. GENERAL DEVELOPMENT OF THE BUSINESS

Development

The Corporation commenced operations in March 2000, based on animal health research pioneered at Dalhousie University in Halifax, Nova Scotia, when it was contracted by the Department of Fisheries and Oceans to develop a contraceptive vaccine to control the seal population. The Corporation was able to develop a vaccine delivery system that was so effective that 90% of seals, 10 years after vaccination, were still contracepted after a single dose.

The Corporation continued its research and developed a lipid depot-based vaccine delivery and enhancement technology called the DepoVax™ platform, an improvement on the Corporation's original VacciMax® platform. The patented DepoVax™ platform is a combination of antigens and immune enhancers formulated in liposomes, and then in oil. The DepoVax™ platform creates a "depot effect" that prolongs the immune system's exposure to the vaccine, resulting in rapid, potent and long-lasting cellular and/or humoral immune responses which allows for the creation of effective, single-dose vaccines.

The platform is easy to use, chemically stable, scalable and has broad applications. The Corporation has tested the platform with several commercial vaccines and other vaccines currently under development such as H5N1 pandemic influenza, Hepatitis B and Acellular pertussis (Whooping Cough). In all cases, the preclinical studies demonstrated significantly higher immune responses after a single dose with the DepoVax™ platform when compared to two or three doses of other commercially available vaccines.

Business model and Strategy

As an early stage biotech company, the Corporation intends to primarily focus its limited resources on research and development activities up to and including Phase II clinical trials of potential vaccine candidates. The Corporation then intends to partner with other companies to manufacture, commercialize, market and sell the Corporation's vaccine candidates.

Central to the Corporation's strategy is the ability to leverage its patented DepoVax™ platform across multiple business models and markets at the same time. Therefore, unlike many early stage biotechnology companies, the Corporation is not reliant on one product for its success. The Corporation has identified and is pursuing a far more robust and diverse strategy across a number of markets, which effectively provides it with the ability to pursue many product opportunities concurrently.

While the Corporation's initial activities were directed towards animal health vaccines; acknowledging the larger potential of the human pharmaceutical market, the Corporation has made a strategic decision to focus on the broader human health market and is now focused on developing new DepoVax™ vaccines to protect and promote human health. While the Corporation's technology may be early stage in humans, it has certain characteristics normally associated with being later stage. Use of the DepoVax™ delivery platform for human health applications has been evaluated in not just one, but a wide variety of preclinical therapeutic cancer and infectious disease indications.

The Corporation has therefore adopted a three pronged business strategy that builds upon the strength of the Corporation's patented DepoVax™ technology, while reducing risk through partnering and out-licensing:

- Use revenues from animal health to drive human health research and development;
- Partner out the DepoVax™ vaccine platform to other companies to improve their vaccines; and
- Develop Corporation controlled vaccine products.

Animal Health

The Corporation intends to out-license its vaccine delivery technology for additional animal health vaccines. Out-licensing provides early revenues which support the development of the human health programs and provides further validation of the DepoVax™ platform. The Corporation's initial research was focused on animal health and strong scientific results caught the attention of Pfizer Animal Health ("Pfizer"). In 2008, Pfizer licensed the Corporation's patented delivery technology to develop vaccines for two indications with an option for a third to prevent infectious diseases in livestock. The licenses validate the Corporation's technology and provided first revenues for the Corporation in January 2008. The Corporation will continue to pursue additional licensing and revenue opportunities within the animal health market to help fund the Corporation's research and development of human health vaccine candidates.

Vaccine Improvement

The Corporation intends to license the DepoVax™ technology to a variety of human health companies for certain indications. Use of the Corporation's delivery technology for human health applications has been evaluated in not just one, but a wide variety of preclinical therapeutic cancer and prophylactic infectious disease animal models. The Corporation endeavors to both partner and license out the delivery technology to large healthcare institutions and companies, and has already successfully negotiated and signed a number of agreements including: advancing seasonal and pandemic influenza; anti-anthrax vaccines; DNA vaccines; therapeutic cancer vaccines; and vaccines for HIV and malaria.

Development of Corporation controlled Vaccines

The Corporation is committed to developing a vaccine pipeline of therapeutic cancer and infectious disease products, and advancing a therapeutic cancer vaccine and an infectious disease vaccine into a Phase I clinical trial. To maximize value, where justified with Phase I data, the Corporation intends to follow with Phase II trials. Today, the Corporation chooses to do this sequentially, taking its therapeutic cancer vaccine DPX-0907 into a Phase I clinical trial in order to demonstrate safety, while also advancing the Corporation's preclinical research in developing a Pseudomonas aeruginosa ("Pseudomonas") vaccine. Pseudomonas is a hospital-acquired infection and there are no vaccines to treat or prevent Pseudomonas on the market today.

After completion of the Phase I clinical program, DPX-0907 will need to receive approval to permit the Corporation to conduct and complete a Phase II and Phase III trial in order to file an NDA (New Drug Application), and its equivalents in other markets before the product can be sold commercially. The Phase II clinical program can take from 2-5 years depending on the complexity of the trial and cost $10,000,000 to $25,000,000. Phase III programs can be significantly longer depending on the indication, the number of patients required, cost an average of $80,000,000 and can be more than $300,000,000. The Corporation plans to partner the product before Phase III and does not intend to conduct this stage of clinical development internally.

The successful initiation and completion of Phase I, II and III clinical trials for DPX-0907, as well as approval from global regulatory bodies all represent uncertain events that will have significant impact on the Corporation's business, financial results and financial market performance.

Overview of the Last 3 Years

Over the past three years, the following events significantly influenced the general development of the business of the Corporation.

Year ended December 31, 2009

During the year ended December 31, 2009, the Corporation announced:

- receiving clearance from the U.S. Food and Drug Administration (the "FDA") to proceed with Phase I clinical trials for its therapeutic cancer vaccine DPX-0907 in December 2009. Patient recruitment for the Phase I clinical trial had commenced by the end of the first quarter of 2010;

- filing an Investigational New Drug Application ("IND") which was cleared by the FDA in December 2009;

- entering into a third License Agreement with Pfizer in November 2009, for the use of the Corporation's platform technology in cattle vaccines;

- entering into a Master Services Agreement with Cato Research Canada Inc., a contract research organization, in November 2009 to assist the Corporation in managing the Phase I clinical trial for DPX-0907;

- entering into a Collaborative Agreement with the National Cancer Institute ("NCI") in Maryland, U.S. in November 2009. The research collaboration involves formulating NCI's

cancer vaccine antigens in DepoVax™, the Corporation's vaccine enhancement system. This research has been initiated and is on-going;

- successfully completing its public listing through its reverse take-over transaction with Rhino (the "Rhino Transaction"). The Rhino Transaction was completed on September 30, 2009, in the form of a share exchange whereby Rhino acquired all of the issued and outstanding common shares of IVT in consideration for common shares of Rhino. Prior to closing, the Rhino shares were consolidated on the basis of one new share for each existing five Rhino shares, and then each existing share of IVT was exchanged for one new common share of Rhino. As the former shareholders of IVT owned approximately 95% of Rhino following the exchange of shares, the transaction was accounted for as a reverse take-over of Rhino by IVT;

- successfully closing private placements towards the top end of the Corporation's funding goal, raising gross proceeds of almost $8.3 million through the issuance of 6,230,399 shares of IVT as part of a brokered private placement at a price of $0.70 per share for gross proceeds of $4,361,279 and the issuance of 5,582,614 shares of IVT as part of a non-brokered private placement at a price of $0.70 per share for gross proceeds of $3,907,830 (collectively, the "Private Placements");

- appointing a new Chief Financial Officer to manage the financial aspects of the Corporation's growth;

- entering into an agreement with Public University Corporation Yokohama City University (YCU) to review a Pseudomonas aeruginosa vaccine, with an exclusive option to license the technology. The goal is to develop a vaccine that generates a stronger immune response to prevent systemic and local Pseudomonas infections. According to the Center for Disease Control, Pseudomonas infects immunocompromised patients and accounts for 10% of all hospital-acquired infections;

- entering into an agreement to exclusively license seven cancer antigens from Immunotope Inc., an antigen discovery company. These proprietary antigens specifically target breast, ovarian and prostate cancers. The Corporation will combine the proprietary antigens with its DepoVax™ delivery platform to develop DPX-0907, a therapeutic cancer vaccine. Under the license agreement, Immunovaccine agreed to an up-front payment, as well as future milestone payments and royalties to Immunotope for use of the antigens;

- signing an agreement with UK-based Scancell Ltd., the operating company of Scancell Holdings Plc (SCLP.PL), which is developing therapeutic cancer and infectious disease vaccines. This research agreement will explore the potential of using Immunovaccine's DepoVax™ delivery system for Scancell's novel ImmunoBody® DNA vaccines;

- it will be receiving non-repayable contributions from July 2009 until February 2011 of up to $260,000 in total from the National Research Council of Canada Industrial Research Assistance Program (NRC-IRAP). The funding, in addition to both technical and business-oriented advisory services, will support the Corporation's development of a pipeline of proprietary therapeutic cancer and infectious disease vaccines;

- entering into a Collaboration Agreement with the National Research Council Institute for Biodiagnostics Atlantic in May 2009. This collaboration will develop new 3-D MRI technology to track the effect of the Corporation's DepoVax™ technology on reducing tumor growth. Initial studies have shown that tumors established in mice and visible by MRI can be eliminated following vaccination with a DepoVax™-based vaccine. This research is ongoing;

- entering into a research partnership with FIT Biotech, a Finland-based clinical stage company that develops DNA vaccines in May 2009. The purpose of the research is to formulate FIT Biotech's GTU® MultiHIV DNA plasmid with the Corporation's DepoVax™ vaccine delivery system to advance a therapeutic HIV vaccine. The Corporation has since found that the ability to raise immune responses against genetic vaccines can vary from plasmid to plasmid. The Corporation continues to optimize and test DepoVax™ formulations for this specific application; and

- entering into a 3-year Research Agreement with Defence Research and Development Canada in April 2009. The research collaboration involves the applicability of the Corporation's DepoVax™ technology for anthrax antigens to reduce the number of doses required to raise strong immune responses against anthrax. Preliminary animal studies revealed that the Corporation's DepoVax™ technology can reduce the number of immunizations required to induce antibodies against this deadly biological threat. The research agreement was expanded in October 2009 to include another priority bioterrorism agent, Glanders. Research in both areas is ongoing.

Year ended March 31, 2009

During the year ended March 31, 2009, the Corporation announced:

- entering into a Collaborative Research Agreement with the National Institute of Allergy and Infectious Diseases at the National Institute of Health of Maryland, U.S., to explore vaccines for HIV and Malaria in February 2009. The research collaboration involves formulating their antigens in the DepoVax™ technology and exploring potential vaccines for HIV and malaria. This research is active and ongoing;

- entering into a Collaborative Research Agreement with La Jolla Institute for Allergy and Immunology to test the application of the DepoVax™ technology to battle influenza and Arena viruses in February 2009. Preliminary studies were completed and the Corporation is exploring the extension of this Agreement to continue the research;

- it was awarded $245,625 in repayable funding from the Atlantic Canada Opportunities Agency ("ACOA") Business Development Program in November 2008. This project is aimed at assisting the Corporation in strategically positioning itself to attract potential partners or investors and involves the creation of a new position, Director of Business Development;

- it had filed additional patent applications for DepoVax™ formulations in October 2008;

- it was selected as one of the winners of Canada's Top 10 Life Sciences Companies in September 2008, chosen by an independent expert panel of Canadian and US venture capitalists;

- it was awarded up to $3 million from ACOA under the Atlantic Innovation Fund (AIF) in September 2008 which will enable the Corporation to undertake a $6 million project to develop new potent immune enhancement systems. The funds will further the Corporation's research collaborations and commercialization opportunities with pharmaceutical companies worldwide;

- it had entered into a first amendment to the third License Agreement with PAH in June 2008; and

- it had entered into a Collaborative Research Agreement with Bioject to test the efficacy of the Corporation's pandemic influenza vaccine formulation delivered using Bioject's flagship Bioject B2000 device in June 2008. The research compared the onset, magnitude and duration of the anti-influenza response using the Bioject B2000 device against the same responses using standard needle-injection procedures. Preliminary studies were successfully completed. The two companies have not entered into a Joint Commercialization Agreement for the delivery of the Corporation's vaccine products using Bioject's needle-free injection device because it is not justified at the present time. There are no ongoing studies involving Bioject's needle-free delivery device.

Year ended March 31, 2008

During the year ended March 31, 2008, the Corporation announced:

- the appointment of the Honourable Michael Kirby, former Senator, as the new Chairman of the Board of Directors, in February 2008;

- it had met with Health Canada's regulatory affairs division, the Biologics and Genetic Therapies Directorate, to discuss Phase I clinical trial application in January 2008;

- it had entered into a second License Agreement with PAH in December 2007;

- it had entered into a first License Agreement with PAH in December 2007;

- it had successfully completed its manufacturing scale-up in November 2007;

- the appointment of Dr. Neil Berinstein, international oncology expert, to the Scientific Advisory Board in September 2007; and

- the appointments of Dr. Michel Klein and Dr. Walter Storkus, international experts in immunology, to the Scientific Advisory Board in May 2007.

IV. DESCRIPTION OF THE BUSINESS

General

Summary of products

The Corporation is focusing its research and development on developing an early stage human health vaccine pipeline consisting of infectious disease and therapeutic cancer products. The Corporation's most advanced vaccine candidate is DPX-0907, a multivalent therapeutic cancer vaccine targeting ovarian, breast and prostate cancers. DPX-0907 received FDA approval to commence with Phase I clinical trials, which have commenced during the first quarter of 2010.

The Corporation also has proof of concept and is working towards identifying appropriate partners for a pre-clinical package to support single-dose DepoVax™ platform-based Pandemic Influenza and Hepatitis B vaccines. Single-dose products for either of these indications do not exist today but would be beneficial. The Corporation also anticipates continuing the proof of concept studies for its other potential vaccine products: Pseudomonas aeruginosa, pandemic influenza and Hepatitis B.

DepoVax™ Vaccine Enhancement Platform

Central across our entire product pipeline is the Corporation's DepoVax™ delivery technology.

The Corporation has developed a lipid depot-based vaccine delivery and enhancement technology called the DepoVax™ platform, an improvement on the Corporation's original VacciMax® platform. The DepoVax™ platform is easy to use, chemically stable, flexible, and forms the basis of the Corporation's therapeutic cancer and infectious disease vaccines. The DepoVax™ platform is a combination of antigens, immune enhancers formulated in liposomes and then in oil. This patented combination has shown to raise strong and long-lasting cellular or humoral immune responses which would allow the Corporation to create effective, single dose vaccines.

The DepoVax™ technology is an improvement on the Corporation's original discovery that a combination of antigens and adjuvants formulated in liposomes and then in oil carrier results in enhanced immune responses. Due to its ability to retain the active components in the oil phase, the original formulation called the VacciMax® platform created a long-lasting "depot effect" that slowly released antigens and elicited a potent humoral and/or cellular immunity even with a single dose. The DepoVax™ platform is an optimized version of the original VacciMax® technology with the added benefits of a dry storage formulation. The DepoVax™ platform is versatile and can accommodate a variety of antigens, including recombinant proteins, synthetic peptides and nucleic acids, and a wide range of adjuvants, which provides the flexibility to develop many different vaccine products using a single platform. The Corporation has evaluated the VacciMax® and DepoVax™ platforms in a number of experimental systems including therapeutic cancer and prophylactic infectious disease pre-clinical models. Independent cancer and infectious disease researchers have acknowledged that the Corporation's technologies stimulate immune responses that had not before been observed in vaccine research. The DepoVax™ platform has also shown potential for years of stability and ease of use in the clinic.

Benefits of the DepoVax™ platform include, in the Corporation's opinion:

- efficacious and flexible depot vaccine formulation;

- reduction in the number of doses required for efficacy from two or three to a single dose and earlier onset of protection;
- multi-year antibody production and long-lasting cellular responses;
- strong and rapid immune response to a wide range of antigens;
- ability to prevent the growth of tumors in pre-clinical models with a single dose;
- ability to destroy cancer cells in pre-clinical models with a single dose;
- effectiveness with synthetic peptide antigens that represent the next generation of therapeutic and prophylactic vaccines;
- flexible format suitable for any type of antigen, including peptides, proteins and nucleic acids;
- dry storage formulation for enhanced stability of antigens; and
- easy to reconstitute and administer.

The multi-year protection that may be provided by the vaccine technology has been indirectly illustrated with the SpayVac® vaccine, an immunocontraceptive animal fertility control vaccine. A single immunization with the SpayVac® vaccine elicits a multi-year contraceptive immune response in a variety of animal species. For example, in three species of marine mammals, protection from a single dose of SpayVac® vaccine lasts as long as 10 years. Multi-year contraception has also been achieved in macaque monkeys with a single-dose vaccine. In contrast, other animal birth control vaccines in development typically require follow-up boosters to provide lasting contraception.

The Corporation is aware of other platform technologies designed to facilitate vaccine product development. All of these platforms carry their own advantages and disadvantages. The following is a summary of a competitive analysis comparing the Corporation's platform technology to other existing technologies:

TECHNOLOGY	TECHNOLOGY PROS	TECHNOLOGY CONS
DepoVax™ vaccine enhancement platform	• Strong antibody and cellular responses • Long term responses from a single dose • Both therapeutic and prophylactic • Scalable production • Broad range of applications • Established preclinical safety with DPX-0907	• Technology is new and has not yet been tested extensively in humans
Other liposome delivery systems	• Scalable • Clinical safety data available	• Limited success in generating strong immune responses • Limited duration of immune responses without booster immunizations

Dendritic cell-based systems	• Individual vaccine therapy (specific for each patient) • Very close to market approval	• Limited applications, therapeutic only • Not scalable • Requires significant upfront investment in manufacturing capacity • High cost of production when marketed
Attenuated virus delivery system	• Wide range of prophylactic applications • Scalable • Well known technology, currently used in a number of marketed vaccines	• Some safety concerns (example: may not be safe for immunocompromised individuals) • Re-immunization with same platform may not be possible
Virus Like Particle delivery systems (VLPs)	• Good safety profile (no virus involvement) • Scalable • Potential for a number of applications • Enhances immunogenicity of antigen	• Multiple immunizations required

DPX-0907: Therapeutic Ovarian/Breast/Prostate cancer vaccine – Entering Phase I clinical trials

DPX-0907 combines the Corporation's DepoVax™ delivery technology with seven HLA-A2-restricted cancer specific antigens licensed from Immunotope. The combination of the delivery technology and validated antigens is expected to reduce the risk and to greatly enhance the Corporation's probability of developing a successful therapeutic cancer vaccine. The vaccine is designed with specificity to antigens believed to be involved in critical tumor cell processes, and is expected to kill tumor cells without injury to normal, healthy cells. The immunogenicity and tumor specificity of the seven cancer antigens have been confirmed. The seven peptide antigens in DPX-0907 are believed to be present on the surface of breast, ovarian and prostate cancer cells. In pre-clinical studies, the seven antigens could not be found on the surface of normal cells.

The Corporation has optimized the formulation of DPX-0907 and has demonstrated its efficacy and safety in pre-clinical animal models.

Several product development steps were completed and all required information was collected and submitted to the FDA as part of the IND application that was submitted in November 2009. These included:

- the purchase of large scale clinical grade ingredients and implementation of the manufacturing process for DPX-0907 in a Good Manufacturing Practices ("**GMP**") environment;

- performance of toxicology studies in the relevant animal species as suggested by the regulatory agencies;

- the preparation of required pre-clinical toxicology studies on safety and efficacy data (produced in HLA-A2 transgenic mice model as suggested by the FDA) to support the use of DPX-0907 in human clinical trials; and

- the development and successful testing of the manufacturing process for DPX-0907 in a GMP environment at two contract facilities. The ability to analyze the clinical product and examine its chemical stability was demonstrated.

The Corporation's IND application was cleared by the FDA on December 9, 2009 in order to proceed to a Phase I clinical trial in the U.S. The Corporation commenced patient recruitment for Phase I human clinical trials in March 2010.

The clinical trial that will be conducted in five clinical sites across the U.S. is an open label Phase I study designed to sequentially evaluate the safety of two DPX-0907 dosing regimens. The trial will enroll up to 24 patients with breast, ovarian or prostate cancer. According to the protocol, DPX-0907 will be administered to patients with stable breast cancer or ovarian cancer, or those with minimal biochemical or metastatic prostate cancer. The primary objectives of the study are to determine the safety of DPX-0907, maximum tolerated dose (MTD), dose limiting toxicity (DLT) and safety profile of the DepoVax™ delivery platform. The secondary objective will determine levels of cell mediated immunity (CMI) to the seven cancer antigens that will help establish a recommended dose for Phase II studies.

A clinical batch of the vaccine was successfully produced at the manufacturing contract facilities in accordance with GMP. The vaccine candidate product was subjected to quality analysis and is ready to be transferred to the clinical research sites participating in this study. The vaccine candidate product has been transferred to one clinical site that has received Institutional Review Board ("**IRB**") approval and is now actively recruiting patients for the Phase I trial of DPX-0907. Additional IRB approvals are expected in the second quarter of 2010.

The secondary endpoint is an assessment of the immune response in vaccinated patients. The further clinical development of DPX-0907 into Phase II clinical trials will be evaluated based on these endpoints. The Phase I study is now open and actively recruiting patients. Interim safety results are expected in during the fourth quarter of 2010, and the Corporation anticipates completing the Phase I clinical trial of DPX-0907 by the second quarter of 2011.

Single Dose Pandemic Influenza – pre-clinical

While certain strains of influenza may be effectively controlled through the administration of a single dose vaccine, more difficult strains such as the H5N1 bird flu currently require multiple doses over a period of time to provide the intended immune response.

The Corporation's objective is to have its DepoVax™ technology to allow for the development of a single-dose pandemic influenza vaccine. The Corporation was invited to attend a World Health Organization ("**WHO**") meeting on pandemic influenza held in Geneva in early December 2007. A single-dose vaccine will be required to deal effectively with a pandemic and experts agree that immune enhancement should be a component of a pandemic vaccine.

The Corporation is encouraged by its recent proof of concept studies, in which the Corporation formulated available HA antigen (corresponding to H5 from H5N1/Vietnam/2004) in the DepoVax™ platform and showed single-dose potential. The Corporation was able to produce significant antibody levels in mice older than 14 months, suggesting that the vaccine technology has the potential to boost vaccine responses in the elderly. In contrast, two doses of control vaccine delivered to aging mice failed to produce the same level of antibodies produced with a single dose of DepoVax™-based vaccine.

The Corporation is preparing for the possibility that the pandemic influenza strain will not be H5N1. The Corporation continues to evaluate different antigen and adjuvant combinations for a single-dose vaccine with the potential to protect against many types of influenza strains. The Corporation continues to explore licensing and partnering opportunities for this vaccine candidate.

Single Dose Hepatitis B vaccine – pre-clinical

Today Hepatitis B vaccines are administered using a three-dose regimen. A single-dose product would be of value, especially for developing countries because of early onset of protection (within one month), improved compliance and an associated healthcare cost reduction due to the reduction in the number of staff required to administer the vaccine, reduction in the number of hospital visits and a reduction in the amount of supplies required for vaccination. The Corporation has demonstrated the single-dose potential of its Hepatitis B vaccines.

The Corporation has performed proof-of-concept studies for a single-dose Hepatitis B vaccine based on a well-known Hepatitis B surface antigen, available in the public domain, with its patented DepoVax™ technology. Further studies will need to be conducted to optimize the formulation and test the animal model selection and reliability of read-out for the product followed by pre-clinical development, which would include a scale manufacturing of the final formulation, dosing studies and optimization of analytical procedures to test stability of the product. Once the appropriate funding for this project is in place and a credible partner is identified, studies to enable a regulatory filing including, but not limited to, a GLP (good laboratory practices) toxicology study will be undertaken to support a regulatory submission for the initiation of a Phase I clinical trial. The Corporation continues to explore licensing and partnering opportunities for this vaccine candidate.

Pseudomonas Aeruginosa Vaccine – pre-clinical

The Corporation is evaluating the efficacy of a Pseudomonas antigen to be formulated by using a combination of the DepoVax™ delivery technology with a mutated Pseudomonas aeruginosa flagellin antigen. The Corporation has entered into an agreement with YCU to review a Pseudomonas aeruginosa antigen, with an exclusive option to license the technology.

The antigen being evaluated as an in-licensing opportunity has the potential to induce cross-protective immune responses. By combining the DepoVax™ delivery technology and a good antigen, the Corporation hopes to develop a vaccine which will be able to stimulate a stronger immune response than previously observed with a flagellin-based vaccine and have the potential to protect the patient from heterologous Pseudomonas strains. This product will have the potential to prevent and treat Pseudomonas aeruginosa infections. The Corporation is currently evaluating the validity of the Pseudomonas antigen candidate. The evaluation of the antigen and its ability to provide cross-protection is ongoing.

Animal health

The Corporation's initial research was focused on animal health and our strong scientific results caught the attention of Pfizer. In 2008, Pfizer licensed the Corporation's patented delivery system to develop vaccines for two indications to prevent infectious diseases in livestock. The licenses both validate the Corporation's technology and provided its first revenues in January 2008. In November 2009, Pfizer then signed an additional license agreement for the use of the Corporation's delivery technology in cattle vaccines. Most recently in March 2010, Pfizer exercised a licensing option on the Corporation's delivery platform to develop a third livestock vaccine. The Corporation will continue to pursue additional

licensing and revenue opportunities within the animal health market to help fund the Corporation's research and development of human health vaccine candidates.

Our markets and competition

The Corporation's market for its products is worldwide. Vaccines are one of the fastest growing segments of the pharmaceutical industry. According to industry sources, the global market has been growing, with revenues reaching US$11 billion in 2006. Global industry revenues are expected to grow by 10.5% per year to reach US$20 billion by 2012. Therapeutic cancer vaccines, along with development of new infectious diseases vaccines, are expected to drive the growth of the vaccine industry in the early 21st century.

The Corporation is in competition with other vaccine developers working on novel approaches for therapeutic cancer vaccines and vaccines to treat infectious diseases.

Pharmaceutical companies, biotechnology companies, universities, government agencies, and research institutions all compete with the Corporation in the area of vaccine development. While it is estimated that there are over two hundred companies in the vaccine industry, the majority of those companies are small biotechs, developing early-stage innovative products which have potential that is difficult or impossible to assess.

Currently, there are five manufacturers that dominate revenue generation in the human vaccine market: Merck, GlaxoSmithKline ("GSK"), Novartis, Sanofi Pasteur ("Sanofi") and Pfizer, through its acquisition of Wyeth. The increased revenue potential for vaccines is in part due to the improved pricing for vaccine products. For example, the Gardasil vaccine is currently selling for $160 per dose for three doses. This represents an improvement of what used to be a fundamental economics problem within the vaccine industry.

Any product candidate developed by the Corporation would compete with existing drugs and therapies. The majority of vaccines on the market are still made by older methods and do not incorporate the technological and scientific advances in the field. Therefore, the Corporation and other innovative companies are also competing with well-established companies having a track record in the vaccine field. This type of competition involves educating the regulatory authorities about the benefits and safety of novel vaccines and vaccine delivery technologies. There is, in our opinion, a clear need in the marketplace for vaccines and for innovative technologies.

Vaccines are not easily replaced by generic substitutes and are therefore more likely to assure a long-term income stream. Vaccines also have the potential to reduce hospital stays and drug costs, and are positively viewed by governments and health care providers. New technologies, such as those being developed by the Corporation are enabling the development of vaccines not previously possible. These new vaccine products are being priced at a premium to reflect the value of the technology.

To date, the Corporation's technology has been validated by pre-clinical studies, by external reviewers (peer reviewed publications and expert opinions), as well as by a commercial partner in the animal health sector. The future success of the Corporation depends on its ability to demonstrate and maintain a competitive advantage with respect to the design, development and commercialization of its vaccine product candidates. The Corporation believes any product candidate that it develops will successfully compete with existing, market-leading products, as well as with products under development.

Therapeutic Cancer Vaccines

Although many treatments for cancer are currently available, cancer vaccines have become a promising and plausible component of an overall treatment strategy that includes surgery, chemotherapy and radiation treatments. Therapeutic cancer vaccines hold the greatest promise when tumor burden is low after surgery and chemotherapy has been performed to remove tumor bulk. The vaccine is then used to eradicate residual cancer cells following first-line treatments. Cancer vaccines therefore could hold a lot of promise for effective cancer treatment as well as potential profit generation. The Corporation is of the belief that in the next three to five years cancer vaccines will take their place in the multi-target approach to treatment of cancer.

There are many companies developing different cancer vaccine products, all using different approaches. Cancer vaccines are a unique market segment in the vaccine industry because they have the highest theoretical revenue potential as cancer therapies. According to industry sources, the theoretical global market potential for therapeutic cancer vaccines totals over $4.7 billion across the seven major markets of the U.S., Japan, France, Germany, Italy, Spain and the U.K. However, the high risk and uncertain rewards of the therapeutic cancer vaccine segment have limited larger companies' involvement in therapeutic cancer vaccines. Of the larger companies, GSK and Merck have made the greatest commitment to date.

It is very difficult, if not impossible, to compare the competitive advantages and potential effectiveness of all of these different approaches and technologies. Of the few vaccines in late-phase development, vaccine therapies like Provenge by Dendreon and MAGE-A3 ASCI by GSK have shown the highest clinical and commercial potential to date. Provenge is in pre-registration in the U.S. and will likely be the first therapeutic cancer vaccine to market, having shown a statistically significant overall survival advantage in prostate cancer.

The prospect of the first therapeutic vaccine approval in the U.S. could stimulate renewed interest in this therapy class from further key players. However, there are many limitations to this first generation of personalized vaccines. Being patient-specific means that each vaccine has to be produced individually, requiring high upfront investment in manufacturing capability. These products are very difficult to scale-up when demand increases and will be costly because they require high upfront investment in manufacturing.

The wide range of antigen specific cancer vaccines being developed by many small biotechnology companies is much further from the market. Since no antigen-specific vaccine therapies have yet been approved, it is not possible to judge the merits of each approach. It is known in the industry that novel vaccines for cancer have been largely disappointing in the clinic. It is believed that major reasons for past failures have been poor selection of antigens, including using only a single target, poor delivery technologies as well as the involvement of the poorly understood mechanism of tolerance in eliminating the cancer responses.

The Corporation's DPX-0907 product has a number of attributes which directly answer these past challenges and the Corporation believes it will contribute to its success where others have failed to date. DPX-0907 employs a vaccine enhancement and delivery platform with unique characteristics, DepoVax™ and seven of the most immunogenic, cancer-specific pre-clinically and partially clinically validated cancer antigens. This combination has been shown to both raise a strong and specific immune response as well as reduce the amount of regulatory T-cell induced immune suppression.

Pseudomonas aeruginosa

Pseudomonas aeruginosa is a hospital acquired infection that can be fatal. Pseudomonal endocarditis may cause brain abscess and congestive heart failure, while Pseudomonal bacteremia can cause septic shock and death. Patients predisposed to pseudomonal infections include immunosuppressed diabetics, cancer patients and burn victims, as well as individuals with cystic fibrosis, Chronic Obstructive Pulmonary Disorder ("**COPD**") and neonates. Pseudomonal infections are complicated and can be life threatening. According to the Centers for Disease Control and Prevention ("**CDC**"), the overall prevalence of Pseudomonas infections in U.S. hospitals is approximately 4 per 1000 discharges (0.4%).

Pseudomonas infections are currently treated with antibiotics but are prone to antibiotic resistance. With an increasing incidence and severity of pseudomonal infections, often resulting in high treatment costs and patient reimbursement costs, there is a rising interest for healthcare stakeholders to invest in preventive strategies such as vaccination.

Antimicrobials are the mainstay of Pseudomonas therapy. Two-drug combination therapy, such as an antipseudomonal beta-lactam with an aminoglycoside, can be used. Vaccines for the prevention of infection are in development but an independent study looking at some current trial outcomes for patients with cystic fibrosis does not recommend the use of any vaccine currently in development due to severe side effects.

There is therefore a need to develop both a preventative and therapeutic Pseudomonas aeruginosa vaccine. The Corporation is of the opinion it has the potential to develop an effective vaccine against P. aeruginosa using a combination of the DepoVax™ technology and a mutated Pseudomonas aeruginosa flagellin antigen. The Corporation is in the early pre-clinical stage of evaluating the flagellin-based antigen vaccine.

Hepatitis B/C

Hepatitis has developed into a global concern, particularly in many areas of Asia. Industry sources suggested that the Hepatitis B market will double in size to reach US$1 billion by the year 2013. Approximately 300,000,000 patients globally are already infected, with approximately 1,000,000 people per year dying from primary liver cancer caused by Hepatitis B. Once a person is infected, there is no cure for chronic Hepatitis B Virus ("HBV") or Hepatitis C Virus ("HCV") infections. There is a need for Hepatitis B prevention in most countries but specifically in the developing economies like India and China, where millions of people are infected every year.

The current vaccination schedule uses vaccines produced by GSK, Merck and Crucell N.V, and requires three doses to develop full protection. This creates compliance issues, a window for infection, and a high cost of administration for the vaccination program.

A one-dose Hepatitis B vaccine, if developed and approved, would reduce or eliminate these concerns and would help ensure the likelihood of maximum vaccination coverage in developing countries.

Currently approved drugs for chronic hepatitis treatment include gamma-interferon and several antiviral small molecule drugs, all of which suppress but do not kill the virus. A therapeutic HBV/HCV vaccine would be, in the opinion of the Corporation, an attractive product for companies that already market prophylactic vaccines to complement their existing products.

The Corporation has developed internally significant pre-clinical animal models, formulation and analytical experience; however the Corporation would not take a Hepatitis B product into late stage clinical trials or to the market alone but only with a strategic partner with appropriate funding to complete a development program to take its single dose Hepatitis B product forward into clinical development.

Pandemic Influenza Vaccine Market

There are many seasonal influenza vaccines currently approved and marketed, and competition in the sale of these seasonal influenza vaccines is intense with a market size of US$2.8 billion. Sanofi-Aventis, GSK, Novartis, Merck and MedImmune are the principal vaccine developers providing vaccines for seasonal influenza. A number of smaller players are developing novel methodologies to grow the virus and adjuvant the vaccine. The Corporation does not plan to compete in the seasonal influenza market.

With events like H1N1 Swineflu, H5N1 Avian Flu and the SARS outbreak, the pandemic influenza market is growing. Governments around the world have initiated preparedness and stockpiling programs for pandemic vaccine and these programs represent a billion dollar market. All of the vaccine products approved or close to approval today require multiple doses in order to be effective.

A single-dose vaccine, which raises a strong and rapid immune response, will be beneficial in the event of a pandemic as it will not only increase the potential to save lives but also reduce the cost of stockpiling and administration of the vaccine. Therefore, a company that can offer a single-dose product will have the opportunity to capture a large portion of the stockpiling world market.

The Corporation has demonstrated the single-dose capability of its DepoVax™ technology in proof-of-concept studies. The Corporation's lyophilized (freeze-dried) pandemic influenza vaccine was able to achieve significant antibody titers in as little as two weeks with a single dose. This technology could therefore be an attractive candidate for an emergency stockpile product that is aimed at tougher viruses.

Animal Health Market

According to industry sources, the world animal health market, defined as a sector spanning veterinary pharmaceuticals, biologicals and medicated feed additives is approximately US$17.4 billionD. The U.S. is the dominant market in the sector, generating 36% of the entire global total. No other national market is responsible for a share of more than 7%. Looking forward, industry sources suggest the U.S. will be responsible for 40% of global market growth, and will reach US$8 billion by 2010. The animal vaccine market, subdivided into livestock, companion animal and others smaller segments including equine, poultry and aquatic, made up approximately 20% of the total animal health market (approximately $3.4 billion).

The worldwide livestock vaccine market is comprised of primarily cattle vaccines, along with to a lesser extent, vaccines for sheep, and other food animals. Of this market, industry sources suggest the worldwide cattle vaccine market is estimated to be approximately $1 billion. The companion animal vaccine market therefore represents the majority of the remaining market, or $2.4 billion. There are only a few players in the animal vaccine market including Pfizer, Boehringer Ingelheim, Merial, Intervet/Schering-Plough Animal Health, Novartis and AgriLabs. While the livestock vaccine market is based on high volumes and lower pricing, the companion animal market is less sensitive to price and is focused on safety of the products. The majority of today's vaccines for both market segments require booster administrations, which increases the handling costs for the livestock market and has the potential to decrease safety in the companion animal market. Therefore, a vaccine which requires fewer doses (one

dose, in some cases) for efficacy could be a significant innovation and have the potential to replace existing products in both segments.

Summary of Revenues for the past three years:

Revenue	9 months ending December 31, 2009	Fiscal year ending March 31, 2009	Fiscal year ending March 31, 2008
License fees	$ 1,420,412	$ 105,830	$ 244,815

Safety Profile

Though neither the DepoVax™ nor VacciMax® vaccine compositions have been tested in humans, the Corporation has a number of reasons to believe that the liposomal/oil formulations would be safe. The Corporation's contraceptive vaccine has been used in at least 8 large mammal species for almost 10 years. For example, three-year trials with macaque monkeys in Hong Kong demonstrate the efficacy and safety of the Corporation's technology in a non-human primate. The Corporation has conducted a progressive series of safety studies in-house using some of the most common animal models including mice, rabbits, rats and ferrets. Extensive evaluation of the platform in these animal models and comparisons with other commonly used delivery technologies such as a combination of Granulocyte–Macrophase Colony Stimulating Factor and mineral oil suggests a good safety profile for the Corporation's technology. Extensive safety testing for DPX-0907 was conducted in preparation for Phase I human clinical trials. DPX-0907, which uses the DepoVax™ technology, was considered well tolerated by animals. The results of the safety studies were submitted to the FDA as part of the IND submission to support the safety of the clinical use of the vaccine candidate product in humans.

Regulatory Process

The FDA and Health Canada share similar processes by which new products are approved. In both cases, development and approval can be a long process, in some cases over 5 to 10 years. The FDA approves products for the U.S. market and Health Canada does so for the Canadian market. Though the processes are similar, each regulatory body has its own unique requirements for a product. In order to sell a product in each market, it has to be approved by the appropriate governing body. In most cases, early studies conducted in one jurisdiction will be accepted in the other; however, further and somewhat modified studies may be required in order to have a product approved in another jurisdiction.

All products have to go through at least the following steps in order to be approved:

1. discovery: early laboratory work to show that a compound can have unique chemical medicinal properties;

2. pre-clinical proof-of-concept studies: studies usually conducted in laboratory animals (mice, etc.) to show that a compound is active in a living creature and retains its medicinal properties;

3. Phase I clinical trial: a small study in human subjects which looks mainly at safety of the compound in humans. In order to be eligible to do a Phase I study, an application (called an IND in the U.S. or Clinical Trial Application ("CTA") in Canada) must be filed and approved by the regulatory body. This application must contain information about the safety and efficacy of the compound in laboratory animals, any manufacturing information and chemical analysis. This is a lengthy process, requiring much involved research, conferences with the regulatory authorities, clinicians, etc. At the conclusion of a successful Phase I clinical trial, a compound is shown safe in humans and further studies are warranted to show its efficacy to treat an illness;

4. Phase II clinical trial: in a Phase II clinical trial, a larger population is used in order to establish appropriate dosing for the compound. This and any other clinical studies also need to be approved by the regulatory agencies. At the end of a successful Phase II study, the compound is shown to be active in the correct population and a relevant dose is chosen to continue with the development;

5. Phase III clinical trial: a large and sometimes multi-level trial, involving a statistically significant sample of the population for which the compound is designed. This trial looks at the efficacy of the compound and allows the regulatory agencies to look at the risk/benefit for the compound, as well as identify if any safety issues will surface in the general population. A successful Phase III trial confirms the correct target population and shows efficacy without too many adverse reactions;

6. Phase IV/registration trial: another large trial is sometimes required for registration of the product;

7. registration application (NDA): a new drug application has to be filed with the regulatory body describing all of the clinical trials conducted to date, the relevant population, safety data, the label which will be placed on the pharmaceutical, the sales/marketing information, etc. The regulatory body looks at the package and decides whether approval should be granted; and

8. approval: once received, the pharmaceutical may be sold for the target population; however, clinical studies may continue for the pharmaceutical to be approved for a different population (e.g. children vs. adults).

Research, Development and Production

As an early stage biotechnology company, the Corporation intends to primarily focus its limited resources on research and development activities up to and including Phase II clinical trials of potential vaccine candidates. The Corporation will then partner with other companies to manufacture, commercialize, market and sell the Corporation's vaccine candidates.

The Corporation is committed to advancing an infectious disease and a therapeutic cancer vaccine into a Phase I clinical trial and plans to follow with Phase II trials if justified by data collected during the Phase I clinical trial. At this date, the Corporation plans to do this sequentially, and will take only one product into a Phase I clinical trial in order to demonstrate safety and early efficacy of the DepoVax™ platform. The other products will follow at the appropriate time.

The Corporation has completed scale-up and manufacturing method development for the DepoVax™ platform which will be applicable to all of the Corporation's subsequent human health vaccines. The scale-up methods have been transferred to, and manufacturing has been contracted out to a reputable

contract GMP development and manufacturing facility which has an establishment license from Health Canada to manufacture sterile products for clinical and commercial purposes. The Corporation has purchased dedicated and corporation owned equipment which has been installed at the site. The Corporation has manufactured commercial scale vaccine batches, including 50 liters (200,000 doses) of a Hepatitis B vaccine at the contract manufacturing facility. This accomplishment is important because historically, large-scale production of liposomes has been a challenge. The Corporation has confirmed both the stability and that the biological activity of the batch is equivalent to the Corporation's laboratory batches. The Corporation has developed the lyophilization process for the vaccine, the final step in manufacture of the product. The lyophilization parameters have been established and transferred to a GMP filling and lyophilization facility.

The product specific manufacturing process for DPX-0907 was successfully implemented at the formulation facility and the fill/lyophilization facility. The Corporation has successfully produced a clinical batch for DPX-0907. The Corporation is ready to develop and implement manufacturing processes for other DepoVax™-based vaccine products.

The Corporation's laboratory is located at the BioScience Enterprise Centre, 1721 Lower Water Street, Halifax, Nova Scotia where the Corporation is currently renting premises of 3,200 s.f. The Corporation believes that those facilities are satisfactory given its current state of development.

Specialized Skill and Knowledge

The Corporation has an experienced scientific and management team and has established several research collaborations with academic and commercial entities as detailed in the "Overview of the Last 3 Years" Section.

The business of the Corporation requires personnel with specialized skills and knowledge in the fields of basic and applied immunology. Researchers must be able to design and implement studies to assess the efficacy of DepoVax™ in generating humoral and cellular responses. Specialized knowledge and skills relating to chemistry and formulation process development are also needed. Such knowledge and skills are needed to develop product specific analytical methods and formulation processes. The Corporation has trained scientists with broad experience in these two fields.

Clinical and regulatory expertise and knowledge is currently accessed by the Corporation through arrangements with well-respected consultants with experience in regulatory affairs or clinical research relating specifically to vaccines.

The Corporation will subcontract out a majority of the work to conduct the clinical program for a Phase I trial. However, the Corporation will also utilize the services of consultants and internal resources, such as a clinical manager, to ensure proper and timely completion of the required activities. The Corporation will also continue to conduct internal discovery and proof-of-concept work for the other potential vaccine indications. Some of this work is anticipated to be done with a partner organization.

Scientific Advisory Board

The Corporation has retained experienced scientific advisors to assist its management in dealing with industry-related issues and how these issues may affect the Corporation's scientific research and product development.

The Scientific Advisory Board consists of the following members:

W. Martin Kast, PhD, Chairman of the Scientific Advisory Board: Dr. Kast hold a number of prestigious positions including Walter A. Richter Cancer Research Chair, Professor of Molecular Microbiology & Immunology, Director Beckman Center for Immune Monitoring and Co-Leader Tumour-Micro-Environment Program, Norris Comprehensive Cancer Center, USC, Los Angeles, California.

Neil Berinstein, MD: Dr. Berinstein obtained his Medical Doctoral Degree at the University of Manitoba and completed training programs at the University of Toronto in Internal Medicine and Medical Oncology and at Stanford University in the area of Immunotherapy for cancer. Dr. Berinstein was a founding director of the Advanced Therapeutics Program at the Toronto-Sunnybrook Regional Cancer Centre with a long track record in fundamental research and a significant publication record in the area of normal and malignant B cell biology. Dr. Berinstein became the Program Head of Sanofi Pasteur's cancer vaccine program in 1998. He is a Full Professor in the Department of Medicine at the University of Toronto and has recently been nominated as vice-president of the Sabin Institute Cancer vaccine consortium.

Michel Klein, PhD: Dr. Klein currently is the Deputy CEO at Etna Biotech s.r.l. and serves as an expert consultant to the EU as a member of the Partnership Board for European and Developing Countries Clinical Trials Partnership (EDCTP). Past experience includes Vice President Biotechnology Research – Pasteur Mérieux Connaught Canada, Professor of Immunology – University of Toronto, Corporate Vice President, Science and Technology – Pasteur Mérieux Connaught, Vice President, Science and Technology – Aventis Pasteur Group and Chief Executive Officer, CANVAC – Canadian Network for Vaccines and Immunotherapeutics.

Walter Storkus, PhD: Dr. Storkus currently is a Professor (Tenure) with Departments of Dermatology & Immunology at the University of Pittsburgh. Past positions include Head of Research – Division of Surgical Oncology, Department of Surgery and Professor (Tenure) for Departments of Surgery & Pathology, as well as Departments of Surgery, Dermatology and Immunology at the University of Pittsburgh. Dr. Storkus has memberships in professional and societies throughout the United States.

Regulatory Affairs Advisor

Irene Clement, Regulatory Consultant BSc, MLT: Mrs. Clement is a founding partner of Clement Strategies Inc., a regulatory and bio-business consulting company. She is an accomplished Senior Regulatory Professional with 27 years experience in the Biologics industry, 22 in Regulatory Affairs. She has a proven track record in dealing with regulatory authorities worldwide, including Health Canada, US FDA, European and WHO agencies. Mrs. Clement's previous positions include Vice President Regulatory Affairs for ID Biomedical (subsequently became GSK), Vice President of Regulatory Affairs at Shire Biologics and Director Regulatory Affairs at Aventis Pasteur Ltd. Mrs. Clement has been responsible for global license maintenance activities for approximately 30 products in over 70 countries. She has also obtained numerous license approvals in Canada, the US, EU, Japan, Australia and other countries.

Equipment and components required to conduct activities

Standard raw materials, component parts and products required by the Corporation in pursuing its research and development activities are supplied from reputable supply companies in the biotechnology industry. Pricing is predictable as there are many alternatives of such supplies that are readily available. In the event where a custom product is required, such materials are obtained from custom synthesis and/or purification manufacturers which operate in accordance with their respective regulations (ISO). These manufacturers are reputable and have been supplying such materials for the biotechnology/

pharmaceutical industry for a long time. There may be a lead time of weeks/months for such custom materials which are known and anticipated.

Intellectual Property

The Corporation strives to protect its intellectual property in established as well as emerging markets around the world as warranted. The Corporation's intellectual property portfolio for its vaccine platform technology includes 18 granted patents and applications in Canada, U.S., Europe, Australia, Japan, China and India. U.S. Patent 6,793,923 (issued in 2004) contains claims to the Corporation's platform, covering "any antigen, any adjuvant in any liposome and any oil". The platform name is protected by trademarks in the U.S. and Europe.

Additional patents filed included:

- Europe Patent 1,333,858, Patent granted February 8th, 2006;
- Japan Patent 2002-540757, Patent granted August 1, 2008;
- Australia Patent, 202214861, Patent granted January 11th, 2007;
- Since 2008, the Corporation filed three PCT applications relating to the VacciMax® and DepoVax™ technologies; and
- Recently, two PCT applications were filed in several countries including Canada, the U.S., Europe, Japan, Australia, China, India and Brazil.

The Licensing Agreement between the Corporation and Immunotope for the seven antigens included in DPX-0907 stipulates that the Corporation will assume the cost of prosecuting and maintaining the fees associated with patent applications and issued patents relating to the peptide antigens under license. These antigens are protected by an issued patent in the U.S. and pending patent applications in the U.S. and Europe. A European patent application was recently refused by the European Patent Office. An appeal is possible and the outcome for this particular application in Europe remains uncertain. The product DPX-0907 remains protected by granted patents and patent applications (Canada, U.S., Europe, Japan, Australia, China, India) relating to the core vaccine delivery platform as well as the granted patent in the U.S. (7,083,789) and patent applications in the U.S. and Europe relating to the seven peptide antigens.

Environmental Protection

The Corporation's discovery and development processes involve the controlled use of hazardous and radioactive materials and, accordingly, the Corporation is subject to federal, provincial and local laws and regulations governing the use, manufacture, storage, handling and disposal of such materials and certain waste products. To the knowledge of the Corporation, compliance with such environmental laws and regulations does not and will not have any significant on its capital spending, profits or competitive position within the normal course of its operating activities. There can be no assurance, however, that the Corporation will not be required to incur significant costs to comply with environmental laws and regulations in the future or that its operations, business or assets will not be materially adversely affected by current or future environmental laws or regulations.

Employees

As at December 31, 2009, the Corporation had 20 full-time and 4 part-time employees including 3 employees holding PhD degrees, and a number of other employees holding MSc or MBA degrees. The Corporation's employees are not governed by a collective bargaining agreement. The Corporation depends on certain key members of its management and scientific staff and the loss of services of one or more said person could adversely affect the Corporation. See "Risk Factors and Uncertainties" for more details.

Risk Factors and Uncertainties

Investing in the Corporation's securities involves a high degree of risk. Prospective investors should carefully consider the risks described below, together with all of the other information included or referred to in this Annual Information Form. There are numerous and varied risks, known and unknown, that may prevent the Corporation from achieving its goals. The risks described below are not the only ones the Corporation will face. If any of these risks actually occurs, the Corporation's business, financial condition or results of operations may be materially adversely affected. In that case, the trading price of the Corporation's securities could decline and investors in our securities could lose all or part of their investment.

Limited Business and Revenue History; Future Capital Needs; Uncertainty of Additional Funding

The Corporation has only a limited history upon which one can evaluate its business and prospects as its technologies are still at an early stage of development and thus the Corporation has limited experience and has not yet demonstrated an ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the biopharmaceutical area. The Corporation has not begun to market or generate revenues from the commercialization of any products related to human health. The likelihood of the success of the Corporation must be considered in light of the risks inherent in, and the difficulties, costs and complications associated with the early growth stages of a business enterprise, as well as with the development and marketing of new products.

The Corporation may not be able to fully implement and execute its business strategy without additional financing. There can be no assurance that such additional financing will be available, and if available, there can be no assurance that the cost of obtaining such financing will be on favorable or reasonable commercial terms or that it will not result in substantial dilution to its shareholders. If additional funds are raised through the issuance of equity or equity-linked debt securities, the percentage ownership in the Corporation of its current shareholders will be reduced, and such securities may have rights, preferences, or privileges senior to or equal to those of the Common Shares held by the current shareholders of the Corporation, or any other securities outstanding on the date hereof.

If adequate funds are not available to satisfy ongoing capital requirements, the Corporation may be required to curtail its operations significantly or to obtain funds, if available, through arrangements with strategic partners or others that may require the Corporation to relinquish material rights to certain technologies or potential markets. There is no certainty that financing will be available in amounts required or on acceptable terms, if at all.

Any failure to raise additional funds on favorable terms could have a material adverse effect on the Corporation's liquidity and financial condition.

Recent and Anticipated Future Losses

The Corporation is a vaccine development company and, due to the nature of its operations, the Corporation expects to incur losses from operations for the near future, which in turn may impact future operating performance which may, in turn, cause the market value of the Common Shares to decline.

The Corporation's products are in the pre-commercialization or development stage and, accordingly, its business operations are subject to all the risks inherent in the establishment and maintenance of a developing enterprise.

There is no assurance that the Corporation will earn profits in the future, or that profitability will be sustained. The pharmaceutical drug development industry requires significant financial resources, and there is no assurance that future revenues will be sufficient to generate the funds required to continue the Corporation's business development and marketing activities. If the Corporation does not have sufficient capital to fund its operations, it may be required to reduce its product development efforts or forego certain business opportunities.

Results of Clinical Trials

The Corporation must demonstrate its products' safety and efficacy in humans through extensive clinical testing. The Corporation's research and development programs are at an early stage of development. The Corporation may experience numerous unforeseen events during, or as a result of, the testing process that could delay or prevent commercialization of its products, including the following:

- the results of preclinical studies may be inconclusive, or they may not be indicative of results that will be obtained in human clinical trials;
- safety and efficacy results attained in early human clinical trials may not be indicative of results that are obtained in later clinical trials;
- after reviewing test results, the Corporation's collaborators or the Corporation may abandon projects that it might previously have believed to be promising;
- the Corporation, its collaborators or regulators, may suspend or terminate clinical trials if the participating subjects or patients are being exposed to unacceptable health risks; and
- the Corporation's potential products may not have the desired effects or may include undesirable side effects or other characteristics that preclude regulatory approval or limit their commercial use if approved.

Clinical testing is very expensive, can take many years, and the outcome is uncertain. The data collected from clinical trials may not be sufficient to support approval by the regulatory authorities of the Corporation's product candidates. The clinical trials of the Corporation's products under development may not be completed on schedule and the regulatory authorities may not ultimately approve any of the Corporation's product candidates for commercial sale. If the Corporation fails to adequately demonstrate the safety and efficacy of a product under development, this would delay or prevent regulatory approval of the product candidate, which could prevent it from achieving profitability.

The results of these studies or trials, when published, may have a significant effect on the market for the pharmaceutical product that is the subject of the study. The publication of negative results of studies or

clinical trials related to the Corporation's products, an active ingredient in the Corporation's products the Corporation's vaccine delivery products, or the therapeutic areas in which the Corporation's products compete could adversely affect the Corporation's sales, the prescription trends for the Corporation's products and the reputation of the Corporation's products. In the event of the publication of negative results of studies the Corporation's vaccine delivery products or clinical trials related to the Corporation's products, an active ingredient in the Corporation's products, or the therapeutic areas in which the Corporation's products compete, the Corporation's business and financial results could be materially adversely affected.

Development Goals and Time Frames

The Corporation will set goals for and make public statements regarding timing of the accomplishment of objectives material to its success, such as the commencement and completion of clinical trials, anticipated regulatory approval dates, and the timing of product launches. The actual timing of these events can vary dramatically due to factors such as delays or failures in clinical trials, the uncertainties inherent in the regulatory approval process, and delays in achieving product development, manufacturing or marketing milestones necessary to commercialize its products. There can be no assurance that the Corporation's clinical trials will be completed, that it will make regulatory submissions or receive regulatory approvals as planned, or that it will be able to adhere to its current schedule for the scale-up of manufacturing and launch of any of its products. If the Corporation fails to achieve one or more of these milestones as planned, it could have a material adverse effect on the business carried on by the Corporation.

Although for planning purposes the Corporation projects the commencement, continuation and completion of clinical trials, a number of factors, including scheduling conflicts with participating clinicians and clinical institutions, and difficulties in identifying and enrolling patients who meet trial eligibility criteria, may cause significant delays. The Corporation may not commence or complete clinical trials involving any of its products as projected or may not conduct them successfully.

The Corporation will rely on academic institutions or clinical research organizations to conduct, supervise or monitor some or all aspects of clinical trials involving its products, as a result it will have less control over the timing and other aspects of these clinical trials than if it conducted them entirely on its own. If the Corporation fails to commence or complete, or experiences delays in, any of its planned clinical trials, its stock price and its ability to conduct business as currently planned could be materially adversely affected.

Approval of Product Pipeline

The Corporation has several vaccine products for cancer and infectious diseases under development. Each of these products will have to undergo the expensive regulatory process in the jurisdiction where they will be commercialized. The Corporation is currently developing four (4) products for clinical testing, with DPX-0907, a cancer therapeutic vaccine being the furthest developed and the first product of the Corporation to enter human clinical development Phase I in 2010. The other vaccine products in development are in the pre-clinical stage (Pandemic influenza, Hepatitis B) or the early development stage (Pseudomonas). FDA approval at each stage of the regulatory process (Phase I, Phase II, Phase III, licensing) may not be granted in a timely manner or at all for some of these products, which would have a material adverse effect on the Corporation's business. Approvals may be refused or delayed for a number of reasons, including the requirement for additional pre-clinical or clinical studies. Challenges of notices of infringement by patent holders may also adversely affect projected timelines for any or all products under development.

Applicability of Patents and Proprietary Technology

Competitors may have filed patent applications, or hold issued patents, relating to products or processes competitive with those of the Corporation. The Corporation's patent applications for a product may not be approved or approved as desired. The patents of the Corporation's competitors may impair its ability to do business in a particular area. Others may independently develop similar products or duplicate any of the Corporation's unpatented products. The Corporation's success will depend, in part, on its ability in the future to obtain patents, protect trade secrets and other proprietary information and operate without infringing the proprietary rights of others. Patent protection is uncertain and involves many complex legal, scientific and technical questions. The degree of legal protection afforded under patents is unclear. As a result, the scope of patents issued to the Corporation or its partners may not successfully prevent third parties from developing similar or competitive products.

The Corporation will enter into Confidentiality Agreements with its employees, suppliers and vendors. However, these Confidentiality Agreements may be breached, and the Corporation may not have adequate remedies for such breaches. Others may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology belonging to the Corporation. Third parties may otherwise gain access to the Corporation's proprietary information and adopt it in a competitive manner.

In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued. Also, the Corporation faces the following intellectual property risks: (i) some or all patent applications may not result in the issuance of a patent; (ii) patents issued may not provide the Corporation with any competitive advantages; (iii) patents could be challenged by third parties; (iv) the patents of others could impede the Corporation's ability to do business; (v) competitors may find ways to design around the Corporation's patented products; and (vi) competitors could independently develop products which duplicate the Corporation's products.

Patent Litigation

A number of industry competitors and institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to or affect the Corporation's business. Claims by these companies that the Corporation infringes their proprietary technology may result in liability for damages or may delay the development and commercialization efforts for the Corporation's products. Such conflict could limit the scope of the patents, if any, that the Corporation may be able to obtain or result in the denial of its patent applications. In addition, if patents that cover the Corporation's activities are issued to other companies, there can be no assurance that the Corporation would be able to obtain licenses to these patents at a reasonable cost or be able to develop or obtain alternative technology. If the Corporation does not obtain such licenses, it could encounter delays in the introduction of products, or could find that the development, manufacture or sale of products requiring such licenses could be prohibited. In the pharmaceutical industry, it is not uncommon for competitors to advance such claims for strategic purposes. Furthermore, there can be no assurance that patent or other litigation will not arise in connection with any of the Corporation's products, future products or product candidates. Currently, there is no ongoing litigation against the Corporation. Patent litigation, with or without merit, is time-consuming and costly and may significantly impact the Corporation's financial condition and results of operations, even if the Corporation prevails.

In addition, the Corporation could incur substantial costs in defending suits brought against it on patents the Corporation might infringe upon or in filing suits against others to have such patents declared invalid.

Regulatory Process

A serious risk assumed by all early stage biotechnology companies, including the Corporation, rests in the regulatory process imposed by the FDA or Health Canada on any new therapy targeted for human use. Novel therapies have to pass very rigorous safety and efficacy assessments. The Corporation cannot offer any guarantees that all or any of its products will meet all regulatory requirements within a reasonable period of time, if at all. Data obtained from pre-clinical or clinical testing is susceptible to varying interpretations which can delay, limit, or prevent regulatory approval. The approval of new pharmaceutical products is expensive and can be a multi-year process in which success is predicated on demonstrating that the candidate drug is safe and effective.

To obtain marketing approval, U.S. and Canadian laws require:

- controlled research and product testing;
- establishment of the safety and efficacy of the product for each use sought;
- government review and approval of a submission containing manufacturing, preclinical and clinical data;
- adherence to Good Manufacturing Practice Regulations during production and storage; and
- control of marketing activities, including advertising and labeling.

The products the Corporation currently has under development will require significant development, preclinical and clinical testing and investment of significant funds before their commercialization. Some products will require the completion of post-market studies. There can be no assurance that such products will be developed or commercialized. The process of completing clinical testing and obtaining required approvals is likely to take a number of years and require the use of substantial resources. If the Corporation fails to obtain regulatory approvals, its operations will be materially adversely affected. Further, there can be no assurance that future products will be shown to be safe and effective in clinical trials or receive applicable regulatory approvals.

If regulatory approval to sell any of the Corporation's products is received, regulatory agencies may, nevertheless, limit the categories of patients who can use them. In addition, regulatory agencies subject a marketed product, its manufacture and the manufacturer's facilities to continual review and periodic inspection. If previously unknown problems with a product candidate or manufacturing and laboratory facility are discovered or the Corporation fails to comply with applicable regulatory approval requirements, a regulatory agency may impose restrictions on that product or on the Corporation. The agency may require the withdrawal of the product from the market, closure of the facility or enforcement of substantial fines.

Other markets have regulations and restrictions similar to those in the U.S. and Canada.

Dependence on Key Personnel

The Corporation's future success depends on its ability to retain key employees and attract, train, retain and successfully integrate new talent into its management team. The Corporation is dependent on the services of its senior management team. The loss of any of the members of the Corporation's senior management team could have a material adverse effect on the Corporation's results of operations,

business and prospects. The Corporation's future success also depends, to a significant extent, on its ability to attract and retain talented personnel. Recruiting and retaining talented personnel, particularly those with the expertise required for the Corporation's business is vital to the Corporation's success and may prove difficult.

Financial Costs

The cost of taking a novel pharmaceutical product through the clinical trial process may be prohibitive for small biotechnology companies; however, some companies go ahead with this process in order to develop a commercial product entirely on their own. This strategy often leads to the demise of such small biotechnology ventures as they do not have the funds necessary to pave a runway long enough to complete the trials and begin profiting from product sales. If such companies start looking for an industry partner in the later stages of the clinical trial process, they may not find one in time to recover enough costs to continue operations. There is no assurance that the Corporation will be successful in the clinical trial process.

Dependence on Third Parties

Due to the complexity of the process of developing biopharmaceutical products, the Corporation's business will depend on arrangements with pharmaceutical companies, corporate and academic collaborators, licensors, licensees and others for the research, development, clinical testing, technology rights, manufacturing, marketing and commercialization of its products. The Corporation's license agreements could obligate it to diligently bring potential products to market, make milestone payments and royalties that, in some instances, could be substantial, and incur the costs of filing and prosecuting patent applications. There can be no assurance that the Corporation will be able to establish or maintain collaborations that are important to its business on favorable terms, or at all.

A number of risks arise from the Corporation's dependence on Collaborative Agreements with third parties. Product development and commercialization efforts could be adversely affected if any collaborative partner terminates or suspends its agreement with the Corporation, causes delays, fails to on a timely basis develop or manufacture in adequate quantities a substance needed in order to conduct clinical trials, fails to adequately perform clinical trials, determines not to develop, manufacture or commercialize a product to which it has rights, or otherwise fails to meet its contractual obligations. The Corporation's collaborative partners could pursue other technologies or develop alternative products that could compete with the products the Corporation is developing.

Competition

Competition within the biotechnology and pharmaceutical industry is intense and is expected to increase in the future. The Corporation's principal competitors have longer operating histories and greater financial, technical and marketing resources than the Corporation. The introduction of new products similar to those being developed by the Corporation by such competitors could materially adversely affect the Corporation's business, financial results and financial market performance. There can be no assurance that the Corporation will be able to respond effectively, or in a timely manner, to the various competitive factors affecting its industry. See "Competition" under the "Description of Business" heading for more details.

Changes in Technology and Industry Standards

The pharmaceutical drug development industry is susceptible to technological advances and the introduction of new technologies. Further, this industry is also subject to changing industry standards, market trends and customer preferences and to competitive pressures which can, among other things, necessitate revisions in pricing strategies, price reductions and reduced profit margins. The success of the Corporation will depend, in part, on its ability to secure technological superiority in its products and operations and maintain such superiority in the face of new technologies. No assurance can be given that further modification of product offerings of the Corporation will not be required in order to meet demands or to make changes necessitated by developments made by competitors that might render services and operations of the Corporation less competitive. The future success of the Corporation will be influenced by its ability to continue to adapt its products. Although the Corporation has committed resources to research and develop its products, there can be no assurance that these efforts will be successful.

Product Liability, Recall and Insurance

Drug development involves the testing of approved and experimental drugs on human subjects. Such studies create a risk of liability for personal injury or death to participants as a result of an unexpected adverse reaction to the tested drug or as a result of negligence or misconduct. Furthermore, the administration of drugs to humans after marketing clearance is obtained can result in product liability claims. If any of the Corporation's products prove defective, the Corporation may be required to recall such products. A product recall may cause the Corporation to incur significant expenses, disrupt sales and adversely affect the reputation for the Corporation and its products, which could adversely impact its revenue, operating results and profitability. Although the Corporation intends to carry insurance that it believes is adequate for the types of clinical studies it conducts, there can be no assurance that insurance will be adequate or will be available or continue to be available on terms acceptable to the Corporation. Any liability claim may not be covered by adequate insurance. Insurance will generally not protect the Corporation against certain of its own actions such as negligence.

Market Acceptance

The product candidates that the Corporation will try to develop will compete with a number of drugs and therapies currently on the market, as well as products currently under development. The rate and degree of market acceptance of our products will depend on a number of factors, including the establishment and demonstration in the medical community of the clinical efficacy and safety of the Corporation’s products and their potential advantage over alternative treatments. There is no assurance that physicians, patients or the medical community in general will accept and utilize any products that the Corporation may be developing.

Product Costs to End Users

The Corporation’s ability to successfully commercialize human therapeutic products may depend in part on reimbursement for the cost of such products and related treatments from government health administration authorities, private health coverage insurers and other organizations. Third-party payers are increasingly challenging the price of medical products and services. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products and adequate third-party coverage may not be available to establish price levels sufficient for the Corporation to realize an appropriate return on its investment in product development.

Liquidity and Volatility of Share Price

No assurance can be given regarding the liquidity of the public market for the Common Shares. The market price of the Common Shares could be subject to wide fluctuations in response to variations in operating results of the Corporation, its ability to execute its business plan, competition and other events or factors outside of the Corporation's control.

Stress in the Global Economy

Reduction of available credit, combined with reduced economic activity and the fluctuations in the U.S. dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Corporation is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Corporation's business, operating results, and financial condition.

Current Global Financial Condition

Current global financial conditions have been subject to increased volatility. Access to financing has been negatively impacted by both sub-prime mortgages in the U.S. and elsewhere and the liquidity crisis affecting the asset-backed commercial paper market. As such, the Corporation is subject to counterparty risk and liquidity risk. The Corporation is exposed to various counterparty risks including, but not limited to: (i) through financial institutions that hold the Corporation's cash; (ii) through companies that have payables to the Corporation; and (iii) through the Corporation's insurance providers. The Corporation is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Corporation to obtain loans and other credit facilities in the future and, if obtained, on terms favorable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation's operations could be materially adversely affected and the trading price of the Common Shares could be materially adversely affected.

V. DIVIDENDS

The Corporation has not declared or paid any dividends on its Common Shares to date. The payment of dividends in the future will be dependent on the Corporation's earnings, financial condition and such other factors as the Corporation's Board of Directors considers appropriate. However, the Corporation's current policy is to reinvest future earnings in order to finance its growth and the development of its business. As a result, the Corporation does not intend to pay dividends in the foreseeable future.

VI. DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares, without nominal or par value of which, as at April 12, 2010, 45,393,145 are issued and outstanding as fully paid and non-assessable Common Shares. The holders of Common Shares are entitled to receive notice of, to attend and to vote at any meeting of the shareholders of the Corporation and each one Common Share shall carry the right to one vote. Subject to the prior rights of the holders of Preferred Shares (as defined hereinafter), the holders of Common Shares are entitled to received dividends as and when declared by the Board of Directors of the Corporation. The holders of Common Shares have the right, subject to the rights,

privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution, liquidation or winding-up thereof.

The Corporation is also authorized to issue an unlimited number of preferred shares (the "**Preferred Shares**") without nominal or per value in one or more series of which, as of the date hereof, none are issued and outstanding. The Board of Directors of the Corporation may determine, before issuance, the designation, rights, privileges and restrictions attached to each series of Preferred Shares provided that the Preferred Shares shall rank senior to the Common Shares.

In addition, 3,518,687 Common Shares are reserved for issuance under the Stock Option Plan of the Corporation. As of December 31, 2009, a number of 455,573 common share purchase warrants (the "**Warrants**") were outstanding; each Warrant entitles its holder to acquire one Common Share at an exercise price of $0.70 per Common Share and expires on September 30, 2010.

VII. MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX-V and are traded under the symbol "IMV".

The following table sets forth the reported high and low sales prices in Canadian dollars and the cumulative volume of trading of the Common Shares for the periods indicated below:

	Price Range[(1)]		Average Trading Volumes[(1)]	Total Cumulative Volume
	High ($)	Low ($)		
January 2009 – RHI.P	-	-	-	-
February 2009 – RHI.P	-	-	-	-
March 2009 – RHI.P	-	-	-	-
April 2009 – RHI.P	-	-	-	-
May 2009 – RHI.P	-	-	-	-
June 2009 – RHI.P	-	-	-	-
July 2009 – RHI.P	-	-	-	-
August 2009 – RHI.P	-	-	-	-
September 2009 – RHI.P	-	-	-	-
October 2009 - IMV	$1.15	$0.71	58,000	2,204,030
November 2009 - IMV	$1.25	$0.79	34,724	1,458,444
December 2009 – IMV	$1.57	$1.25	53,311	2,239,064

[(1)]Information from January 1, 2009 to September 30, 2009 relates to Rhino (and does not take into consideration the share consolidation on a five to one basis of September 28, 2009) and information from October 1, 2009 to December 31, 2009 relates to Immunovaccine.

Prior Sales

On September 30, 2009, the Corporation completed the Private Placements. As part of the Private Placements, 6,230,399 Common Shares were issued as part of a brokered private placement at a price of $0.70 per share for gross proceeds of $4,361,279, and 5,582,614 Common Shares were issued as part of a non-brokered private placement at a price of $0.70 per share for gross proceeds of $3,907,830. The agents received an 8% cash commission and Warrants equal to 8% of the number of Common Shares sold to individuals who were not shareholders of IVT, being 455,573 Warrants with each agent warrant entitling the holder thereof to acquire one Common Share at a price of $0.70 per share until September 30, 2010. Also as part of the Private Placements, a number of 32,000 Broker Options were issued to the brokers as a replacement for previously issued Rhino options.

Stock options

During the nine month period ended December 31, 2009, the Corporation issued 1,012,000 stock options with a weighted average exercise price of $1.40 per share and an average term of 5.4 years.

VIII. ESCROWED SECURITIES

Securities held by the principals of the Corporation as at the date of the Rhino Transaction were subject to a Value Security Escrow Agreement of a Tier 1 issuer entered into on September 29, 2009 among Rhino, Computershare Investor Services Inc. and certain security holders of Rhino (the "**Escrow Agreement**") and will be released over an 18 month period in accordance with TSX-V policies. The following table sets out, as of December 31, 2009, and to the knowledge of the Corporation, the number of securities of each class of the Corporation held in escrow and the percentage that such number represents of the outstanding securities of that class.

Designation of class	Number of securities to be held in escrow	Percentage of class
Common Shares	8,626,221	19.1%
Options	657,962	18.7%

IX. DIRECTORS AND OFFICERS

Directors

As at December 31, 2009, as a group, the Corporation's directors and executive officers beneficially owned, directly or indirectly, or exercised control of over an aggregate of 5,743,304 Common Shares representing 13% of the issued and outstanding Common Shares as at such date. The information as to the number of Common Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been furnished by each director or executive officer, as the case may be, individually as of December 31, 2009.

The following table sets forth the name, province or state and country of residence of each director and executive officer of the Corporation and states the respective positions and offices held with the Corporation, their principal occupations during the last five years and the periods during which each director has served as director of the Corporation. Each director will hold office until the next annual

meeting of shareholders or until his successor is duly elected, unless prior thereto the director resigns of the director's office becomes vacant by reason of death or other cause.

Name and Municipality of Residence	Position Held with the Corporation	Principal Occupation during Past Five Years	Director Since[3]
Michael Kirby[2] (Nepean, Ontario, Canada)	Chairman of the Board of Directors and Director	Senator and Chairman of the Mental Health Commission (governmental commission)	October 1, 2009
William A. Cochrane (Calgary, Alberta, Canada) [1]	Director	President, WA Cochrane and Associates Inc. (biotech products, consulting company), Corporate Director	October 1, 2009
Wade K. Dawe[2] (Halifax, Nova Scotia, Canada)	Director	President and Chief Executive Officer of Linear Gold Corp. and Chairman of Linear Metals Corporation (mining companies)	May 17, 2007
Denis Ryan[1][2] (Halifax, Nova Scotia, Canada)	Director	Co-owner of Investment Counsel Morrison Williams Investment Management Ltd.	October 1, 2009
James W. Hall[1] (Toronto, Ontario, Canada)	Director	President and Chief Executive Officer, James Hall Advisors Inc. (financial advisory firm)	February 22, 2010
Dr. Randal Chase (Aurora, Ontario, Canada)	President and Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	October 1, 2009

(1) Member of the Audit Committee
(2) Member of the Compensation and Corporate Governance Committee
(3) Mr. Kirby, Cochrane, Ryan, Dawe and Chase were directors of IVT since February 19, 2008, July 3, 2002, February 24, 2005, November 22, 2005 and December 1, 2006, respectively.

The Hon. Michael Kirby, Chairman of the Board of Directors and Director

Mr. Kirby is an international leader in advancing health care. His distinguished career spans academia, business, provincial and federal service. He was appointed the first Chair of the Mental Health Commission of Canada. He also serves on several boards including The Bank of Nova Scotia, Extendicare, Ontario Energy Savings Income Trust, MDC Partners and Indigo Books & Music Inc. Former Senator Kirby was past chair of the Standing Senate Committee on Social Affairs, Science and Technology. He has been a member of the Trilateral Commission, the Council of the International Institute for Applied Systems Analysis, Luxemburg, Austria, and the Club of Rome. He was also a full-time professor in the School of Business Administration and the School of Public Administration at Dalhousie University.

Dr. William A. Cochrane, Director

Dr. William Cochrane, OC, MD, FRCPC, FACP, DABP, is president of W.A. Cochrane and Associates Inc., a biotech products consulting company. Dr. Cochrane is well recognized as the founding Dean of Medicine for the Faculty of Medicine at the University of Calgary. He served as Deputy Minister of Health Services with the Government of Alberta, prior to his appointment as President and Vice Chancellor of the University of Calgary. Starting in 1978 and for the next 11 years, Dr. Cochrane was Chairman and CEO of Connaught Laboratories Ltd. Among numerous awards, Dr. Cochrane received the Order of Canada (1989), has received four honorary doctorates and was inducted into the 2010 Canadian Medical Hall of Fame. Today, Dr. Cochrane is a Director of several Canadian companies.

Wade K. Dawe, Director

Mr. Dawe has been an entrepreneur in Canadian mining and venture capital industries since 1994. He has significant experience in public markets and finance and has served on the Board of the Corporation since 2005. Mr. Dawe is the President and Chief Executive Officer of Linear Gold Corp., a Toronto Stock Exchange (TSX) listed company. He is the Chairman and a Director of Linear Metals Corporation. Mr. Dawe has a Bachelor of Commerce degree from Memorial University of Newfoundland (MUN) 1992. A native of Newfoundland and Labrador, he now resides in Halifax, Nova Scotia.

Denis Ryan, Director

Mr. Ryan is 66 years old and joined Wood Gundy as a stockbroker in Halifax from 1983 to 1990. From 1990 to 2000, he was Vice President Institutional Asset-Management with Altamira. Mr. Ryan is part-owner of Investment Counsel Morrison Williams Investment Management Ltd. He is involved with numerous community projects, most notable National Chairperson of the Fundraising Committee of the Darcy McGee Chair of Irish Studies at St. Mary's University in Halifax, former Member of the Board of Governors at St. Francis Xavier University. In 1994, he received an honorary degree, Doctor of Letters from St. Mary's University in Halifax, Nova Scotia. Mr. Ryan is a graduate from Memorial University.

James W. Hall, Director

Mr. Hall is President and Chief Executive Officer of James Hall Advisors Inc. (JHA) which provides financial advisory services to various companies. Prior to founding JHA, Mr. Hall was with Journal Register Corporation (JRC) as Chairman and Chief Executive Officer where he led the Philadelphia-based company through a complete reorganization of operations and consensual capital restructuring which ended with JRC emerging from bankruptcy in August, 2009. He served as Senior Vice President & Chief Investment Officer of Working Ventures Canadian Fund Inc. from 1990 to 2002. Mr. Hall is a director of Indigo Books & Music Inc., Global Credit Pref Corp., Adventus Intellectual Property Inc., and is a trustee of Omers Trust. A Chartered Accountant, Mr. Hall is a graduate of the Richard Ivey School of Business and is a Council member of Ivey’s Institute for Entrepreneurship.

Dr. Randal Chase, President and Chief Executive Officer

Dr. Chase's early career was at Bristol Meyers and Glaxo Pharmaceutical. He is also a former president of QLT, North American Vaccine and Aventis Pasteur Canada. Dr. Chase has been President and Chief Executive Officer of the Corporation since 2006. From 2005 to 2006, Dr. Chase was Chairman of the Board of Directors of Molecular Templates Inc. From 2001 to 2004, Dr. Chase was President of Shire Biologics Inc. From May 2001 to August 2002, Dr. Chase was Senior Vice-President, Vaccines Operations of Biochem Pharma Inc. He is a member of the board of Biotech Canada. He is a director of Bioject Medical Technologies, Inc. (NASDAQ) and was a director of Acambis PLC (London Stock Exchange, NASDAQ) until its sale in late 2008, and was a director of Conjuchem Inc. and of Conjuchem Biotechnologies Inc. (TSX) until February 2, 2009. Dr. Chase is also currently Chairman of the Board of Directors of Medicago Inc. Dr. Chase attended the Executive Program of the London Business School in the UK, holds a Bachelor of Sciences degree (biochemistry) from Bishop's University and obtained in 1974 a PhD from the University of British Columbia. Dr. Chase subsequently completed a post doctoral fellowship at the McArdle Cancer Institute of the University of Wisconsin.

Executive Officers

The following table sets forth the name, province or state and country of residence of each non-director executive officer, his or her office and principal occupation, the period of service as an executive officer of the Corporation as of the date hereof:

Name and Municipality of Residence	Position held with the Corporation	Principal Occupation during Past Five Years
Brian E. Lowe Halifax, (Nova Scotia) Canada	Vice President and Corporate Secretary	Vice President of the Corporation
Gary A. Dodge Bedford, (Nova Scotia) Canada	Chief Financial Officer	Chief Financial Officer – SolutionInc Technologies Ltd. April 2007 to September 2009
Marc Mansour Halifax, (Nova Scotia) Canada	Vice President R&D	Head Research Scientist, Director of Science, Chief Science Officer and Vice President of Research and Development for the Corporation

Brian Lowe, Vice President and Corporate Secretary

Mr. Lowe is 56 years old. As an accomplished entrepreneur and businessman with over thirty years experience, Mr. Lowe brings invaluable expertise to the Corporation, having been responsible for the incorporation and funding of several startup companies. Mr. Lowe, as co-founder of the Corporation, is recognized for the incorporation and the initial funding of the Corporation. Mr. Lowe is a co-founder and a director of the First Angel Network Association, Atlantic Canada's Association for Private Investors and is a shareholder and Director of several operating companies throughout Atlantic Canada. He is chairperson of BioNova, Nova Scotia Life Sciences Association and a director of International Science and Technology Partnership Canada (ISTP Canada), a director of the National Angel Capital Association and a director of Springboard Atlantic. Mr. Lowe is a member of the advisory board for the National Research Council (NRC) of Canada.

Gary Dodge, Chief Financial Officer

Mr. Dodge is 41 years old. With over 18 years of local and international experience in corporate finance, reporting, mergers and acquisitions, Mr. Dodge brings extensive experience to the Corporation's business planning and operations. Mr. Dodge was, most recently, Chief Financial Officer of SolutionInc Technologies Limited, a TSX-V reporting company. During his 14 years with PricewaterhouseCoopers LLP in Boston, MA, Johannesburg, South Africa, and Calgary, Alberta, Mr. Dodge was principally focused on providing mergers and acquisitions advisory, auditing, and consulting services to public and private companies across numerous industries, including biotech.

Dr. Marc Mansour, Vice President R&D

Dr. Mansour is 37 years old. Dr. Mansour's expertise lies in the fields of molecular biology, cellular biology and applied immunology. Dr. Mansour has presented in numerous international conferences and has published in peer-reviewed journals in the areas of cell biology and cancer vaccines. Since he joined the Corporation, Dr. Mansour has advanced the Corporation's research by tailoring the VacciMax® platform for a variety of infectious disease and cancer vaccines. Most recently, he led the development of the DepoVax™ platform and DPX-0907. He continues to lead the Corporation's science team in evaluating high value vaccine opportunities and tailoring the DepoVax™ platform for specific vaccine applications that are being developed in-house or in collaboration with commercial partners.

Shareholding, Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below and to the knowledge of the Corporation, none of the current executive officers or directors of the Corporation or shareholders holding a sufficient number of securities of the Corporation to affect materially the control thereof is, or within 10 years before the date hereof, has been:

a. a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

    (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or

    (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

b. a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

c. has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromises with creditors, or had a receiver, manager or trustee appointed to hold the assets of the proposed director.

For the purposes of (a) above, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

Except as disclosed below and to the knowledge of the Corporation, none of the proposed director of the Corporation has been subject to:

a. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

b. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Dr. William A. Cochrane served as chairman of the board of Q.S.V. Biologics ("**QSV**"), a private contract manufacturing company for biotech pharma products for clinical trials by the inventing biotech company. As a result of the recent economic downturn, QSV's biotech customers experienced a shortage of capital and could not fund the contracts and as a result QSV became insolvent in August 2009 and Dr. Cochrane resigned from the board of QSV in August 2009.

Mr. James W. Hall was the Chairman and Chief Executive Officer of Journal Register Company ("**JRC**") on February 21, 2009 when JRC filed a voluntary petition for relief under the U.S. Bankruptcy Code (pre-negotiated joint Chapter 11 plan of reorganization). Mr. Hall left the company in March 2009. JRC emerged from bankruptcy on August 7, 2009.

Conflicts of Interest

There are no existing or potential conflicts of interest between the Corporation or its subsidiary and any director or officer of the Corporation or its subsidiary.

X. CORPORATE GOVERNANCE

The Board is committed to developing, implementing and monitoring good corporate governance practices, and providing full and complete disclosure of its systems of corporate governance. The following describes the Corporation's approach to corporate governance.

Board of Directors

The Board is responsible for the supervision of our management and for approving our overall direction in a manner which is in the best interests of the Corporation. The Board participates fully in assessing and approving strategic plans and prospective decisions proposed by management of the Corporation. To ensure that the principal business risks that are borne by the Corporation are appropriately managed, the Board:

- receives periodic reports from management of its assessment and management of such risks;

- monitors financial and operating performance. This ongoing regular monitoring function often entails review and comment by the Board on various management reports; and

- monitors through the Audit Committee, internal accounting and control procedures and reviews detailed financial information contained in management reports and acts upon the recommendations of the Corporation's auditors.

As a practice, the Board approves significant corporate communications with shareholders. The Board currently consists of six members, five of whom will be seeking re-election at the annual meeting of shareholders to be held on May 12, 2010. Mr. Denis Ryan is not seeking re-election to the Board. The Corporation has historically endeavoured to have a diverse Board with a sufficient number of directors to encourage a variety of opinions on matters which come before the Board, while at the same time limiting its membership to a number of directors that facilitates effective and efficient decision making. While there are no specific criteria for Board membership, the Corporation seeks to attract directors with a wealth of business knowledge and a diversity of business experience.

Board Functioning

The Board adopted a corporate governance policy which, among other things, sets out those matters, in addition to those required by statute, which must be brought by the Chief Executive Officer or other senior management to the Board for approval. The Corporate Governance Policy ensures that all major strategic decisions, including any change in our strategic direction and acquisitions and/or divestitures of a material nature, will be presented by management to the Board for approval. As part of its ongoing activity, the Board regularly receives and comments upon reports of management as to the performance of the Corporation's business and management's expectations and planned actions in respect thereto.

Board Committees

The Board has an Audit Committee, and a Compensation and Corporate Governance Committee. Each committee has a formal mandate outlining its responsibilities and its obligations to report its recommendations and decisions to the Board.

The Audit Committee is currently composed of Mr. James Hall, Dr. William A. Cochrane and Mr. Denis Ryan, all of whom are financially literate and independent directors within the meaning of NI 52-100.

The education and related experience (as applicable) of each current Audit Committee member is described below.

James Hall – Mr. Hall, a Chartered Accountant, presently serves on the audit committees of Indigo Books & Music Inc., Global Credit Pref Corp. and venture-backed private company Adventus Intellectual Properties Inc. He previously served as chair of the audit committees of Terravest Income Fund and General Donlee Income Fund, and was a member of the audit committee of Journal Register Company.

William A. Cochrane – Dr. Cochrane has served as CEO of Connaught Laboratories from 1978 to 1988 and is currently a member of the Board of Directors of Oncolytics Biotech Inc. and of Resverlogix.

Denis Ryan – Mr. Ryan joined Wood Gundy as a stockbroker in Halifax from 1983 to 1990. From 1990 to 2000, he was Vice President Institutional Asset-Management with Altamira. He is involved with numerous community projects, most notable National Chairperson of the Fundraising Committee of the Darcy McGee Chair of Irish Studies at St. Mary's University in Halifax, former Member of the Board of Governors at St. Francis Xavier University. Mr. Ryan is a graduate from Memorial University.

The Audit Committee is responsible for the integrity of the Corporation's internal accounting and control systems. It receives and reviews the financial statements, annual and special meeting materials and other disclosure documents of the Corporation and makes recommendations thereon to the Board before such statements, materials and documents are approved by the Board. The Audit Committee communicates directly with the Corporation's auditors in order to discuss audit and related matters whenever appropriate. The text of the Audit Committee Mandate is set forth in Schedule "A" hereto.

The Compensation and Corporate Governance Committee is comprised of independent directors and has been charged by the Board with the responsibility of:

- reviewing and making recommendations to the Board regarding compensation policies and practices. The Committee shall: obtain appropriate information about compensation policies and payments by Canadian companies of a comparable size to the Corporation; establish objectives, evaluate performance, recommend compensation, and develop a process for succession planning; review and approve appointments, promotions, terminations of senior management; and recommend grants of stock options subject to the Board's subsequent ratification;
- proposing to the full Board new nominees to the Board and for assessing directors on an ongoing basis. The Committee evaluates qualifications for proposed new directors. This committee performs the role which might otherwise be served by a nominating committee; and
- periodically assessing the performance, effectiveness, and compensation of the Board as a whole and its committees and is responsible for making recommendations to the Board on any proposed changes.

Committees are empowered to engage, or to request that management engage, outside advisors at the Corporation's expense. The Board would consider any such request by an individual member of the Board on its merits at the time it was made.

Orientation and Continuing Education

The Board does not have a formal orientation program for new directors, and does not have any formal continuing education for its members.

Ethical Business Conduct

The Board has not yet adopted a written code of business conduct for its directors, officers and employees. The Board intends to review whether or not to adopt such a code.

Assessment

The Board, the Board Committees and the Directors will be subject to an annual assessment. Each Director will be required to complete a self-evaluation and an evaluation of the performance of the Board, the Board Committees and their respective chairpersons. These evaluations will then be reviewed by the Compensation and Corporate Governance Committee, which will present its recommendations to the Board. The evaluation of the Compensation and Corporate Governance Committee and its Chairperson will be reviewed by the Chairman of the Board who will present his recommendations to the Board.

Compensation

The Compensation and Corporate Governance Committee is responsible for determining appropriate compensation for directors in light of the nature of activities and size of the Corporation, and making recommendations to the Board of Directors in that respect.

Pre-Approval Policies and Procedures

All Audit Committee decisions regarding the engagement of the Corporation's auditors for the provision of non-audit services are approved by the Board.

External Auditor Service Fees

The following table summarizes the Audit, Audit Related, Tax Related and Other Fees (excluding expenses and taxes) billed by the Corporation's auditor, PricewaterhouseCoopers LLP to the Corporation and its subsidiary Immunovaccine Technologies Inc. for the two most recently completed fiscal years.

Fees	**April 1st, 2009 to December 31, 2009**	**April 1st, 2008 to March 31, 2009**
Audit Fees (1)	$77,618	$37,240
Audit Related Fees (2)	$21,220	$-
Tax Fees (3)	$63,880	$65,503
All Other Fees (4)	$205	$50,001
Total Fees	$162,923	$152,744

(1) *Audit Fees* consist of the aggregate fees billed by the external auditor of the Corporation for audit services.
(2) *Audited Related Fees* consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the issuer's financial statements and are not reported under "Audit Fees" above and include the provision of comfort letters and consents, the consultation concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.
(3) *Tax Fees* include fees billed for tax compliance, tax advice and tax planning services, including the preparation of original tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.
(4) *All Other Fees* include the aggregate fees billed for products and services provided by the auditors, other than the services reported above.

XI. PROMOTERS

Wade K. Dawe and Brian MacEachen may be considered as promoters of the Corporation because of their contribution to the incorporation and initial public offering of Rhino. Brian Lowe may be considered as a promoter of the Corporation because of his contribution to the founding of IVT, the development of its business and capital raising efforts.

As at the date hereof, Mr. Dawe owns, directly or indirectly, and has control over 2,586,115 Common Shares, which represents 5.7% of the issued and outstanding Common Shares. As at the date hereof, Mr. MacEachen owns, directly or indirectly, and has control over 385,384 Common Shares, which represents 0.8% of the issued and outstanding Common Shares. As at the date hereof, Mr. Lowe owns, directly or

indirectly, and has control over 525,600 Common Shares, which represent 1.2% of the issued and outstanding Common Shares.

XII. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not a party to any legal proceeding, and its property is not and was not the subject of any material legal proceeding, during the period ended December 31, 2009. The Corporation is not aware of any legal proceeding outstanding, threatened or pending as of the date hereof by or against the Corporation.

The Corporation is not and was not subject to, during the period ended December 31, 2009: (i) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities legislation or by a Canadian securities regulatory authority; (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; and (iii) settlement agreements entered into with a court relating to Canadian securities legislation or with a Canadian securities regulatory authority.

XIII. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, senior officers, any shareholder who beneficially owns, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates of such persons, in any transaction within the last three years or in any proposed transaction which has materially affected or would materially affect the Corporation other than the Rhino transaction.

XIV. TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc., at its principal offices located at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 OR Suite 2008, Purdy's Wharf Tower II, 1969 Upper Water Street, Halifax, Nova Scotia, B3J 3R7.

XV. MATERIAL CONTRACTS

The Corporation did not enter into any material contracts, other than contracts entered in the ordinary course of business, within the most recently completed financial year (or prior to January 1, 2009 but still in effect), other than the Amended and Restated Arrangement Agreement and the Escrow Agreement which have been filed on www.sedar.com.

XVI. INTEREST OF EXPERTS

PricewaterhouseCoopers LLP, the auditor of the Corporation, is the only person, company or partnership which is named as having prepared or certified a statement, report or valuation described, included or referred to in a filing made by the Corporation during or relating to the Corporation's most recently completed financial year and whose profession gives authority to a statement, report or valuation made. The partners and associates of PricewaterhouseCoopers LLP do not hold any of the issued and outstanding Common Shares.

XVII. ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities, options and to purchase securities and interests of insiders in material transactions, if any, is contained in the Management Information Circular of the Corporation dated April 12, 2010 prepared in connection with the Corporation's most recent annual shareholders' meeting and is available on SEDAR at www.sedar.com. Additional financial information, including the Corporation's audited financial statements and management's discussion and analysis of financial condition and results of operations, is available on SEDAR at www.sedar.com. All information incorporated by reference in this Annual Information Form is or will within the prescribed delays be contained or included in one of the Corporation's continuous disclosure documents filed with the Canadian securities regulatory authorities, which may be viewed on SEDAR at www.sedar.com.

All requests for the above-mentioned documents must be addressed to the President and Chief Executive Officer of Immunovaccine, 1819 Granville Street, Suite 303, Halifax, Nova Scotia, B3J 3R1, or by fax at (902) 492-0888.

SCHEDULE A

MANDATE OF THE AUDIT COMMITTEE

1. PURPOSE

The primary function of the Audit Committee (the "Committee") is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: the financial information that will be provided to the shareholders and others; the systems of internal controls which management and the Board of Directors have established; and the Corporation's and its subsidiaries' audit and financial reporting process. The independent accountants' ultimate responsibility is to the Board of Directors and the Audit Committee, as representatives of the shareholders.

These representatives have the ultimate authority to evaluate and, where appropriate, recommend replacement of the external auditors. The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section 5 of this Mandate. The Audit Committee will, at all times, be given full access to the Corporation's management and records and to the external auditors as necessary to carry out these responsibilities.

2. INTERPRETATION

"**Board of Directors**" or "**Board**" means the Board of Directors of the Corporation.

"**Chairman**" means the Chairman of the Committee.

"**Committee**" means the Audit Committee of the Corporation.

"**Committees**" means the Audit Committee of the Corporation and the Corporate Governance Committee.

"**Corporation**" means collectively, Immunovaccine Inc. and its subsidiary, ImmunoVaccine Technologies Inc.

"**Financially Literate**" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the consolidated financial statements of the Corporation.

"**Independent Director**" means a director who has no direct or indirect relationship with the Corporation, which could be reasonably expected to interfere with the exercise of an independent judgment regarding the best interests of the Corporation. Save exceptions, is not an Independent Director the person who:

(a) is or has been within the last three years, an employee or executive officer of the Corporation;

(b) is a member of the immediate family of an individual who is or has been, within the last three years, an executive officer of the Corporation;

(c) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer, a partner or an employee of a material service provider of the Corporation (including the external auditors);

(d) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer of an entity if any of the current executive officers of the Corporation serves or served at the same time on the entity's Compensation and Corporate Governance Committee;

(e) has a relationship with the Corporation under which he or she may directly or indirectly accept any consulting, advisory or other fees from the Corporation, except for any compensation as a member of the Board of Directors or as a member of a committee of the Board of Directors of the Corporation;

(f) received (or whose immediate family member received) more than $75,000 in direct compensation from the Corporation during any 12 month period within the last three years; or

(g) is a natural person who controls the Corporation;

(h) is an affiliate of the Corporation; or

(i) is a natural person who is both a director and an employee of the Corporation

3. COMPOSITION OF COMMITTEE AND COMMITTEE MEETINGS

3.1 The Committee shall be comprised of at least three Independent Directors. All members of the Committee shall be Financially Literate.

3.2 The Committee will meet on a quarterly basis and will hold special meetings as circumstances require. The timing of the meetings shall be determined by the Audit Committee. At all Committee meetings a majority of the members shall constitute a quorum. The Board shall appoint the Chairman. If the Chairman is not present at a Committee meeting, the members present shall choose one of their number to act as Chairman for the purposes of this specific meeting.

3.3 Notice of each meeting shall be given to each Committee member and to the other directors and to the Corporation's senior management. Unless they are expressly called to the meeting, the latter only receive the notice for information purposes.

3.4 The Committee may invite the persons it considers useful to invite, including the Corporation's senior management, to attend the meetings and participate in the discussions concerning the Committee's business.

3.5 The Committee members, whenever possible, shall take all necessary steps to attend Committee meetings and to prepare themselves with respect to the matters and documents to be discussed thereat.

3.6 The Committee shall appoint a secretary. The secretary shall attend the meetings, during which he or she shall take minutes. The minutes shall be made available to the directors for consultation and are approved by the Board before being included in the Corporation's registers or records.

3.7 The Committee shall submit periodically a report to the Board on its activities, including the nature of its deliberations and the related recommendations.

3.8 The Committee, in the performance of its duties, may consult any relevant register or record of the Corporation.

3.9 The Committee members shall receive, in this capacity, the compensation that the Board establishes from time to time.

4. COMMITTEE AUTHORITY AND RELATIONSHIP WITH EXTERNAL AUDITORS

4.1 The external auditor shall report directly to the Committee.

4.2 The Committee reports to the Board of Directors and has the authority:

- to engage independent counsel and other advisors as it determines necessary to carry out its duties;
- to set and pay the compensation for any advisors employed by the audit committee; and
- to communicate directly with the internal and external auditors.

5. RESPONSIBILITIES AND DUTIES

5.1 To fulfill its responsibilities and duties, the Committee shall:

a) review the accounting principles, policies and practices followed by the Corporation and its subsidiaries in accounting for and reporting its financial results of operations;

b) review the Corporation's audited annual consolidated financial statements and the unaudited quarterly financial statements and recommend to the Board for approval prior to publicly disclosing this information. Also review and recommend to the Board for approval any accompanying related documents such as the Annual Information Form or equivalent filings and the Management's Discussion and Analysis prior to publicly disclosing this information;

c) review the annual and interim draft press releases quarterly and recommend to the Board for approval prior to publicly disclosing this information;

d) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;

e) recommend to the Board of Directors the selection of the external auditors in connection with preparing or issuing an auditor's report or with performing other audit, review or attesting services for the Corporation;

f) recommend to the Board of Directors the compensation of the external auditors;

g) oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the

Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;

h) obtain, on an annual, basis a formal written statement from the external auditors delineating the relationship between the audit firm and the Corporation, and review and discuss with the external auditors such relationship to determine the "independence" of the auditors;

i) review any management letter prepared by the external auditors concerning the Corporation's internal financial controls, record keeping and other matters and management's response thereto;

j) discuss with the external auditors their views about the quality of the implementation of Canadian Generally Accepted Accounting Principles, with a particular focus on the accounting estimates and judgments made by management and management's selection of accounting principles. Meet in private with appropriate members of management and separately with the external auditors on a regular basis to share perceptions on these with the external auditors their views on the adequacy of the Corporation's financial personnel;

k) approve the scope of the annual audit, the audit plan, the access granted to the Corporation's records and the co-operation of management in any audit and review function;

l) review the effectiveness of the independent audit effort, including approval of the fees charged in connection with, the annual audit, any quarterly reviews and any non-audit services being provided;

m) assess the effectiveness of the working relationship of the external auditors with management;

n) review the financial risk management policies followed by the Corporation in operating its business activities and the completeness and fairness of any disclosure thereof. Review the use of derivative financial instruments by the Corporation;

o) review and approve any management decision relating to any potential need for internal auditing, including whether this function should be outsourced and if such function is outsourced, approve the supplier of such service;

p) establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

q) the Committee will determine the nature of non-audit services the external auditors are prohibited from providing to the Corporation. The Committee will pre-approve all non-audit services provided by the external auditors to the Corporation;

r) review annually the mandate of the Committee for adequacy and recommend any changes to the Board;

s) report to the Board on the major items covered at each Committee meeting and make recommendations to the Board and management concerning these matters. Annually report to the Board on the effectiveness of the Committee; and

t) perform any other activities consistent with this Mandate, the Corporation's Bylaws and governing law as the Committee or the Board deems necessary or appropriate.

5.2 Pre-Approval Policies and Procedures

All Audit Committee decisions regarding the engagement of the auditor of the Corporation for the provision of non-audit services are to be ratified by the Board of Directors.

Adopted by the Board on April 6, 2010