November 24, 2010

Immunovaccine Announces 2010 Third Quarter Results

HALIFAX, NOVA SCOTIA -- (MARKET WIRE) -- 11/24/10 -- Immunovaccine Inc. (TSX VENTURE: IMV), a clinical stage vaccine company, today announced its operational and financial results for the third quarter ended September 30, 2010 ("Q3 Fiscal 2010").

"There were two significant events that occurred during the third quarter," said Dr. Randal Chase, Immunovaccine's President and CEO. "In July, we signed an in-license agreement with Merck KGaA to acquire DPX-Survivac, a survivin-based vaccine. In September, we closed a $7.465 million public offering which puts Immunovaccine in a very strong position to fund its clinical strategy and business development programs. Looking ahead, our DPX-0907 Phase I clinical trial is on target to be completed by mid 2011 and we will continue to advance DPX-Survivac at a pace that reflects its considerable value proposition and market opportunity, benefiting both patients and our shareholders."

Financial Results for three months ended September 30, 2010

- Reported a consolidated net loss of $1,499,000 in Q3 Fiscal 2010 compared to a net loss of $404,000 during the three month period ended September 30, 2009. Of this increase, approximately $383,000 related to the increased expenses associated with the Phase I clinical trial, $443,000 related to decreased revenues, $14,000 related to increased business development expenditures and $144,000 related to an increase in non-cash stock-based compensation. The remaining increase of $111,000 is a result of increased administrative and regulatory costs associated with being a reporting issuer of $205,000, offset by an increase in refundable investment tax credits of $94,000.

- Reported revenues in Q3 Fiscal 2010 of $6,000 compared to revenues of $449,000 in the three month period ended September 30, 2009, as a result of an upfront signing fee of $449,000 for a new license agreement. These revenues were generated through the Company's animal health activities.

- Completed a public offering, on September 16, 2010, of 7,465,100 units at a price of $1.00 per unit for aggregate gross proceeds of $7,465,100. The proceeds from this offering will be used to develop vaccine product candidates, including DPX-Survivac, using its DepoVax vaccine platform and for general corporate purposes.

- Ended September 30, 2010 with cash and equivalents of approximately $11.7 million.

Results from operations

Overall operating expenses increased by $652,000 (76%) during Q3 Fiscal 2010 compared to the three month period ended September 30, 2009. During the nine month period ended September 30, 2010, total operating expenses increased by $2,096,000 (76%) compared to

the nine month period ended September 30, 2009. The higher operating expenses are mainly a result of the Company's research and development expenses associated with the DPX-0907 Phase I clinical trial, business development activities, and expenses associated with now being a publicly traded company.

Total research and development (R&D) expenses of $857,000 for Q3 Fiscal 2010 represented a (111%) increase over the three month period ended September 30, 2009. Total R&D expenses of $2,479,000 incurred during the nine month period ended September 30, 2010 represented an increase of $829,000 (50%) over the nine month period ended September 30, 2009. The largest component of R&D expenses, totaling $1,015,000, was directly associated with the continuation of the Phase I clinical trial for the Company's therapeutic cancer vaccine, DPX-0907.

General and administrative (G&A) expenses of $422,000 represented 28% of total expenses for Q3 Fiscal 2010 compared to $286,000 (34% of total expenses) for the three month period ended September 30, 2009. G&A expenses of $1,311,000 represented 27% of total expenses for the nine month period ended September 30, 2010 compared to $883,000 (32% of total expenses) for the nine month period ended September 30, 2009. Overall, increased G&A expenses are due primarily to increased salaries and benefits, costs associated with maintaining and expanding its patent portfolio, professional services, consulting fees, and regulatory expenses associated with being a reporting issuer.

The Company continued to expand its business development (BD) activities with Q3 Fiscal 2010 total BD expenses of $227,000. This represented an increase of $14,000 compared to the three month period ended September 30, 2009. Total BD expenses for the nine month period ended September 30, 2010 were $749,000 and represented an increase of $342,000, compared to the nine month period ended September 30, 2009. During Q3 Fiscal 2010, the Company attended a greater number of trade conferences and investor awareness road shows. Also included in this increase were $170,000 in legal fees and $137,000 in consulting fees which includes investor relations, public relations, business development and other technical consultants directly related to expanding the Company's vaccine pipeline and leading to the recent completion of agreements with Merck KGaA, Oncothyreon, and others.

During the nine month period ended September 30, 2010, the Company recorded $224,000 in refundable investment tax credits compared to approximately $235,000 during the nine month period ended September 30, 2009.

Non-cash stock-based compensation increased by $486,000 to $555,000 during the nine month period ended September 30, 2010 compared to the nine month period ended September 30, 2009. The increase was due primarily to the increased number of presently vesting options compared to the nine month period ended September 30, 2009, when there were a smaller number of unvested options outstanding.

As of November 24, 2010, the issued and outstanding common shares are 53,585,406, with 3,150,433 stock options. The outstanding stock options have a weighted average exercise price of $0.89 per share, and a weighted average remaining term of 4.1 years. The number of outstanding warrants on November 24, 2010 is 4,137,556. The outstanding warrants have a weighted average exercise price of $1.27 per share and a weighted average remaining term of 2.7 years.

Cash and cash equivalents

At September 30, 2010, the Company had cash and cash equivalents of $11,657,000, as compared to cash and cash equivalents of $7,777,000 at December 31, 2009. At September 30, 2010, the Company had working capital of $12,240,000, as compared to working capital of $8,326,000 at December 31, 2009.

The "cash burn rate" of the Company (defined as net loss for the period adjusted for non-cash transactions including amortization, stock-based compensation and shares issued for professional services) is forecasted to be in the range of $1.8 million to $2.1 million per quarter over the next 12 months as the DPX-0907 Phase I clinical trial continues and the Company advances its clinical development plan for DPX-Survivac. At September 30, 2010, the Company had cash resources of approximately $11.7 million and identified additional potential cash resources of $1.6 million. Management is of the belief that this provides the Company with sufficient funds to execute the strategy of completing the Phase I clinical trial for DPX-0907 and advance towards completion of a Phase I trial for DPX-Survivac while maintaining adequate working capital through to the third quarter of 2011 and beyond. Management further believes there are discretionary expenditures within the current cash forecast which could be reduced in the event that the identified potential sources of cash are not realized or receipt is delayed. The Company continually reassesses the adequacy of its cash resources since should either positive research results be obtained from existing research projects and/or potential collaboration opportunities identified, additional funding may be required.

On September 16, 2010, the Company completed a public offering (the "Offering") of 7,465,100 units at a price of $1.00 per unit for aggregate gross proceeds of $7,465,100. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share of the Company at an exercise price of $1.30 for a period of 36 months, expiring September 16, 2013. The net proceeds of the offering were approximately $6,760,000. The Company also granted 405,006 in compensation options (the "Compensation Options") to the agents. Each Compensation Option entitles the holder to acquire one common share of the Company at an exercise price of $1.00 for a period of two years, expiring on September 14, 2012. The use of proceeds will be for general corporate purposes, to advance research and development initiatives, and to advance the clinical development of DPX-Survivac, including preclinical development, manufacturing costs, completion of a Phase I clinical trial and preclinical research to support a Phase II trial.

Recent Developments and Outlook

Immunovaccine successfully completed a public offering and continues to execute its business strategy, actively pursuing additional collaborations and licensing deals. The Company's Phase I human clinical trial for DPX-0907, a therapeutic cancer vaccine, is progressing and interim safety results from this study are expected in the next quarter. With the recent acquisition of the Survivin-based vaccine from Merck KGaA, the Company is also advancing the development of DPX-Survivac.

During Q3 Fiscal 2010, the Company also furthered its efforts to raise awareness of its technology and identify additional partnerships. Key developments and achievements include:

-- On June 9, 2010, the Company announced the appointment of Mr. Keith Abriel, CA, CFA, as Acting Chief Financial Officer. Mr. Abriel will fulfill the role of Acting Chief Financial Officer until December 31, 2010. Effective January 1, 2011, Ms. Kimberly Stephens, CA, who joined the Company on September 7, 2010, as Director of Finance, will be appointed Chief Financial Officer.

-- On July 12, 2010, Immunovaccine entered into an agreement with Merck KGaA to in-license an investigational therapeutic survivin-based cancer vaccine and further develop DPX-Survivac in its DepoVax vaccine platform. The license agreement grants the Company exclusive worldwide rights. Under the terms, the Company will pay Merck KGaA success-based milestone payments and royalties as a percentage of product sales. Merck KGaA, based in Darmstadt, Germany, is a global pharmaceutical and chemical company with total revenues of approximately EUR 7.7 billion in 2009 and approximately 33,600 employees in 64 countries, according to its public filings.

-- On September 15, 2010, Immunovaccine was invited to present at the 12th Annual Rodman & Renshaw Healthcare Conference.

-- Immunovaccine also presented a research poster entitled "Tumor Elimination by DepoVax Cancer Vaccine Platform is Accompanied by Reduced Regulatory or Suppressor Cell Infiltration" at the International Society for Biological Therapy of Cancer conference on October 4, 2010. The highlight of the study is the tumor elimination caused by the DepoVax -based therapeutic cancer vaccine in animals models.

-- On October 5, 2010, the Company announced it had entered into a research collaboration with IRX Therapeutics, Inc. to evaluate the combination of IRX's primary cell-derived biologic IRX-2 and DepoVax -based therapeutic cancer vaccines in animal models.

-- On October 13, 2010, the Company announced positive results of an efficacy study testing the formulation of a melioidosis antigen in DepoVax . The study, conducted in collaboration with Defence Research and Development Canada, demonstrated that two doses of the combination Melioidosis-DepoVax vaccine provided 100% protection against an infection model, as opposed to three doses of the control vaccine, which only provides partial protection.

-- On October 18, 2010, the Company announced it had entered into a collaborative research program with the National Research Council Canada, to evaluate the efficacy of a carbohydrate-based vaccine formulated in DepoVax , which can produce significant antibody levels specific to the carbohydrate target and capable of neutralizing meningococci.

-- On November 8, 2010, the Company announced positive results of a preclinical study testing the efficacy of combining CEL-SCI Corporation's rheumatoid arthritis ("RA") vaccine antigen CEL-2000 and DepoVax . The study demonstrated that the CEL-2000 formulated in DepoVax vaccine effectively slowed the progression of RA and induced statistically significant reduction in Arthritic Index score compared to the untreated control group.

-- On November 17, 2010, Immunovaccine announced that the Phase I/II clinical development plan for DPX-Survivac would focus on ovarian cancer. Ovarian cancer has a high mortality rate, as most cases are discovered at an advanced stage where the efficacy of current treatments is limited. This makes a therapeutic cancer vaccine an ideal first-line

treatment to be used in combination with chemotherapy. The Company has also successfully manufactured test batches of DPX-Survivac and established the analytical methods to support the release of a future clinical trial batch.

The Company's unaudited consolidated financial statements for Q3 Fiscal 2010 and the management discussion and analysis are available at www.sedar.com.

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

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

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