August 24, 2011

Immunovaccine Announces 2011 Second Quarter Results

HALIFAX, NOVA SCOTIA -- (MARKET WIRE) -- 08/24/11 -- Immunovaccine Inc. (TSX VENTURE: IMV), a clinical stage vaccine development company, released today its financial and operational results for the second quarter ended June 30, 2011 ("Q2 2011"). The Company's unaudited condensed interim consolidated financial statements for Q2 2011, filed in accordance with International Financial Reporting Standards ("IFRS"), and the management discussion and analysis (MD&A), are available at www.sedar.com.

"During this quarter, we received Phase I results indicating our first DepoVax™-based therapeutic cancer vaccine, DPX-0907, is well tolerated and can induce a vaccine specific immune response," said Dr. Marc Mansour, Chief Operating Officer and Chief Science Officer of Immunovaccine Inc. "We leveraged these results to support a Phase I/II investigational new drug application for DPX-Survivac and announced that it was cleared by the FDA on June 20, 2011. We anticipate initiating the Phase I clinical trial for DPX-Survivac in the fourth quarter of this year."

Highlights:

DPX-Survivac

- DPX-Survivac, a therapeutic vaccine applicable to multiple cancers, received FDA clearance to enter a Phase I/II multicenter clinical trial treating patients with advanced ovarian cancer. DPX-Survivac uses survivin-based antigens (EMD 640744 licensed from Merck KGaA) formulated in the DepoVax delivery platform.
- In preparation for human trials with DPX-Survivac, Immunovaccine was able to show that its DepoVax platform raises a significantly higher immune response in animals compared to a control formulation previously used in clinical trials.
- Phase I data for the EMD 640744 vaccine was presented at American Society of Clinical Oncology (ASCO) as abstract #2515 titled: First-in-human trial focusing on the immunologic effects of the survivin-derived multiepitope vaccine EMD 640744.

DPX-0907

- During the quarter, Immunovaccine completed all vaccinations for its Phase I, open-label, dose-escalating clinical trial of DPX-0907, a therapeutic cancer vaccine, in patients with breast, ovarian and prostate cancers. The Phase I trial was designed to evaluate the vaccine's safety and tolerability. Secondarily, the trial examined whether DPX-0907 could generate an immune response to cancer antigens contained in the vaccine.
- The clinical trial delivered positive interim safety results showing

that the DPX-0907 vaccine is well tolerated at both 0.25mL and 1mL dose levels with no dose limiting toxicities (DLTs) reported. The study also showed that in the first 15 patients enrolled, DPX-0907 caused an antigen specific immune response, most predominantly in ovarian and breast cancer patients.

-- Overall, the complete analysis of this first-in-human trial demonstrates that DPX-0907 is well tolerated and considered safe. Both dose levels also produced an immune response specific to the cancer antigens in vaccinated patients. The detailed analysis of patients' blood samples showed cell mediated immunity (CMI) to vaccine targets in all 3 breast cancer patients, 5 of 6 ovarian cancer patients and 3 of 9 prostate cancer patients.
-- The Company was invited to present Phase I interim results at the American Association for Cancer Research (AACR) 102nd annual meeting and to present the final Phase I results at the BioFinance Conference.
-- The Company's science team attended the annual meeting of the American Society of Clinical Oncology (ASCO) with electronic abstract #e13050 titled: A phase I study of the safety and immunogenicity of a therapeutic vaccine, DPX-0907 in patients with advanced-stage ovarian, breast, or prostate cancer.

Corporate

-- During the quarter, Immunovaccine presented at the World Vaccine Congress and submitted a white paper titled "Delivery of peptide antigens using DepoVax, a vaccine enhancement platform".
-- Dr. Marc Mansour was also invited to The Biopharmaceutical Conference in Europe to participate on an expert panel.
-- Immunovaccine announced the resignation of Dr. Randal Chase from the Board of Directors and as President and Chief Executive Officer. Dr. Chase remained as President and Chief Executive Officer until July 13, 2011. A search firm was appointed to recruit his replacement.
-- The 2011 Board members were elected at the annual general meeting, including newly appointed Brad Thompson, Ph.D, Co-founder and Chief Executive Officer of Oncolytics Biotech Inc. and Kimberly Stephens, C.A., Chief Financial Officer of Immunovaccine Inc. In conjunction with this appointment, Dr. Thompson will be granted 50,000 stock options under Immunovaccine's Stock Option Plan, exercisable at $0.55 per common share. The options have a term of five years and vest over a period of 18 months.

Financial Results

As a result of decreased revenue and increased expenses in research and development (R&D) relating to DPX-Survivac pre-clinical research and manufacturing the clinical batch of DPX-Survivac, the Company's net loss increased from $1,638,000 during the three month period ended June 30, 2010 to a loss of $2,044,000 in Q2 2011. These increases were offset by a $235,000 decrease in expenses associated with the Phase I clinical trial of DPX-0907, a $170,000 decrease in business development (BD) costs, and a decrease in general and administration (G&A) expenses of $189,000.

For Q2 2011, the Company reported total R&D expenses of $1,488,000 (less investment tax credits of $36,000 and government assistance of $34,000), total BD expenses of $194,000, and total G&A expenses of $404,000, compared to total R&D expenses of $1,065,000 (less investment tax credits of $33,000 and government assistance of $365,000), total BD

expenses of $364,000 and total G&A expenses of $593,000 for the three months ended June 30, 2010.

At June 30, 2011, the Company had cash resources of $7.5 million and identified additional potential cash resources of $3.7 million. The Company's "cash burn rate" (defined as net loss for the period adjusted for non-cash transactions) was approximately $1.8 million for Q2 2011. Management is of the belief that the Company has sufficient funds to execute its existing strategy, including advancing the Phase I clinical trial of DPX-Survivac, and has adequate working capital until the third quarter of 2012.

As at August 24, 2011, the number of issued and outstanding common shares is 53,987,084 with 3,440,650 stock options outstanding. The number of outstanding warrants on June 30, 2011 is 4,137,556.

Outlook

Immunovaccine continues to advance its business strategy into 2011, maximizing the broad potential of DepoVax™ vaccine delivery platform. The Company is focusing on advancing the vaccine candidates that show the most compelling technical results combined with identified commercial opportunities.

Achieving positive Phase I clinical results for DPX-0907 has generated important safety and immunogenicity data that will aid in the rational design of future DPX-0907 cancer vaccine trials and support the future use of DepoVax for delivering multi-peptide based vaccines. These clinical trial results also helped Immunovaccine receive FDA clearance, within the minimum review period, to take DPX-Survivac into human clinical trials.

The second half of 2011 will see the continued development of DPX-Survivac with the start of Phase I clinical trial in the U.S., as well as publishing the Phase I final results for the DPX-0907 therapeutic cancer vaccine.

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

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

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