

March 17, 2014



Immunovaccine Announces 2013 Year-End Results

HALIFAX, NOVA SCOTIA -- (Marketwired) -- 03/17/14 -- Immunovaccine Inc. (TSX VENTURE:IMV), a clinical stage vaccine company, today announced its financial and operational results for the year ended December 31, 2013.

"During 2013, scientists provided compelling evidence that the human immune system could be trained to destroy cancer cells," said Dr Marc Mansour, chief operating officer. "These findings support the idea that immunotherapies have the potential to shift cancer from a life threatening disease to a chronic and manageable condition.

"Several large pharmaceutical companies also announced during the year that vaccines will play an important role in the development of their cancer therapy programs. These industry trends parallel our own approach to the development of therapeutic cancer vaccines. With our planned trials in ovarian cancer, glioblastoma and breast cancer expected to begin this year, IMV is well placed to participate in this rapidly evolving industry."

Highlights of 2013 and First Quarter of 2014

- ***DPX-Survivac*** - Positive data from Immunovaccine's completed Phase I study were presented at multiple venues throughout the year, including the 2013 ASCO annual meeting. We believe that these findings represent some of the strongest immune responses against a cancer target seen to date.

Based on these promising data, Canada's NCIC Clinical Trials Group (NCIC) agreed to sponsor and conduct a randomized Phase II study of DPX-Survivac in patients with advanced ovarian cancer. We expect this study to be initiated in 2014 with results available in 2017. Immunovaccine also signed an agreement with the University of Rome for a multicenter Phase II study of DPX-Survivac in glioblastoma patients. The study is expected to begin in 2014 and its costs will be assumed by this University.

- ***DPX-0907*** - Immunovaccine agreed to allow use of DPX-0907 in a Phase I/II study of breast and ovarian cancer patients at the Busto Arsizio Hospital in Italy. The study, which will be funded by Busto Arsizio, is expected to be initiated in 2014.

- ***Infectious Diseases*** - Positive data from multiple studies of DepoVax™-based anthrax vaccines were presented in 2013. An immunogenicity study conducted as part of an ongoing bio-defense research program with the National Institutes of Health in the U.S. suggested a more rapid and long lasting immune response for the DepoVax vaccine as compared to BioThrax™, the licensed anthrax vaccine that is currently in use. Additionally, studies in rabbits and non-human primates showed that a vaccine containing recombinant protective antigen (PA) formulated in DepoVax protected the animals against a lethal anthrax challenge.

Immunovaccine was also provided funding from the Canadian government's Industrial Research Assistance Program (IRAP) to develop a vaccine for respiratory syncytial virus (RSV), a lung disease in children, the elderly and patients with a compromised immune system.

- **Leadership** - Immunovaccine implemented changes to its management team and board of directors designed to strengthen the leadership of the Company. Albert Scardino was appointed as Executive Chairman and Marc Mansour, Ph.D., was named Chief Operating Officer. Dr. Mansour was also appointed to the board of Directors. He was joined on the Board by Dr. Llew Keltner, in early 2014.

- **Financial Prudence** - Consistent with the Company's long-time corporate strategy of capital efficiency, Immunovaccine relied on various funding sources in 2013 to support its operations and ongoing clinical development programs. These included a \$5 million loan from the Province of Nova Scotia announced in August 2013 and private placements raising gross proceeds of \$5.8 million.

Annual Financial Results

The Company prepares its audited annual consolidated financial statements in accordance with Canadian generally accepted accounting principles as established in the Handbook of the Canadian Institute of Chartered Accountants - Part I ("CICA Handbook"), which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The net loss and comprehensive loss of \$4,681,000 for the year ended December 31, 2013 was \$1,719,000 lower than the net loss and comprehensive loss during the year ended December 31, 2012. This relates mainly to the \$792,000 decrease in research and development (R&D) costs, a \$470,000 decrease in accreted interest, an increase in income tax recovery of \$205,000, a decrease of \$160,000 in general and administration (G&A) expenses, and a decrease of \$92,000 in business development (BD) costs.

At December 31, 2013, the Company had cash and cash equivalents of \$3,536,000 and working capital of \$3,317,000, compared to \$2,002,000 and \$2,064,000, respectively at December 31, 2012. For the year ended December 31, 2013, the Company's quarterly "cash burn rate" (defined as net loss for the period adjusted for non-cash transactions including amortization, depreciation, accretion of long-term debt, stock-based compensation and income tax recovery) was approximately \$1.4 million. The Company forecasts the cash burn rate to be between \$1.3 million to \$1.4 million per quarter over the next twelve months.

As of March 14, 2014, the number of issued and outstanding common shares of the Company was 79,258,923. As of March 14, 2014, the number of outstanding stock options was 5,242,185 and the number of outstanding warrants was 50,925.

The Company's audited annual consolidated financial statements for 2013, filed in accordance with IFRS, and the management discussion and analysis (MD&A), are available at www.sedar.com.

About Immunovaccine

Immunovaccine Inc. develops cancer immunotherapies and infectious disease vaccines based on the Company's DepoVax™ platform, a patented formulation that provides controlled and prolonged exposure of antigens and adjuvants to the immune system. Immunovaccine has advanced two T cell activation therapies for cancer through Phase I human clinical trials. Lead cancer vaccine therapy, DPX-Survivac, is expected to enter Phase II clinical studies in 2014, in ovarian cancer and glioblastoma (brain cancer). The Company is also advancing an infectious disease pipeline including innovative vaccines for respiratory syncytial virus (RSV) and anthrax.

Connect at 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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Immunovaccine Inc.
Kimberly Stephens
(902) 492-1819
kstephens@imvaccine.com
www.imvaccine.com
Vida Strategic Partners (media)
Tim Brons
(415) 675-7402
tbrons@vidasp.com

Source: Immunovaccine Inc.