August 15, 2014

Immunovaccine Announces Financial Results for Quarter Ended June 30, 2014

HALIFAX, NOVA SCOTIA -- (Marketwired) -- 08/15/14 -- Immunovaccine Inc. ("Immunovaccine" or "IMV") (TSX VENTURE:IMV), a clinical stage vaccine company, today released its financial and operational results for the quarter ended June 30, 2014.

"During the second quarter, Immunovaccine presented data at the annual ASCO conference that demonstrated DPX-Survivac's mechanism of action in cancer patients, while highlighting tumor shrinkage and stabilization in an ovarian cancer patient with measurable disease," said Dr. Marc Mansour, chief executive officer of Immunovaccine. "Importantly, this first association of DPX-Survivac with a clinical benefit has generated interest from key opinion leaders from around the world, who have expressed a desire to collaborate with Immunovaccine on future clinical trials."

"Momentum with our cancer vaccine programs extends beyond the data presented at ASCO. The Dana-Farber Cancer Institute elected to use DepoVax™ as the underlying enhancement technology for a new HPV-related cervical and head and neck cancer vaccine. This vaccine will be the focus of a clinical study, expected to start in 2015, that will be funded by a grant from Stand Up To Cancer (SU2C) and the Farrah Fawcett Foundation," Dr. Mansour continued.

"We also continue to make steady progress with our infectious disease programs with an infectious disease vaccine against RSV expected to enter a Phase I study in 2014, and an ongoing collaboration with the NIH for a rapid response anthrax vaccine which may lead to the testing of DepoVax to combat other important diseases for which there are no vaccine today."

Highlights of the Second Quarter 2014 and Subsequent to Quarter End:

• ***First Ever Evidence of Clinical Benefit with DPX-Survivac*** - Positive results from a Phase I/Ib clinical study of the Company's lead cancer vaccine candidate, DPX-Survivac, were presented at the American Society of Clinical Oncology (ASCO) 2014 Annual Meeting. In a poster presentation at the conference, Immunovaccine highlighted promising early evidence of clinical activity for DPX-Survivac in ovarian cancer patients. One patient, who experienced a 43% reduction in tumor size, was classified as a partial response (PR) as measured by Response Evaluation Criteria In Solid Tumors (RECIST 1.1). The PR, which persisted following discontinuation of treatment, was accompanied by reduction in levels of a commonly used ovarian cancer biomarker (CA125) and a significant increase in vaccine-induced immune responses. The patient's tumor and CA125 levels remain stable eight months following initiation of the DPX-Survivac therapy demonstrating a potentially durable effect of the therapy.

• ***Positive Study Data Supports Combination Therapies Featuring DPX-Survivac*** -

Positive data from clinical and preclinical vaccine studies, including DPX-Survivac, were presented at the American Association for Cancer Research (AACR) 2014 Annual Meeting. Results demonstrated that metronomic cyclophosphamide (mCPA), an immune modulating agent, enhanced the immunogenicity of DepoVax™-based vaccines in preclinical cancer models consistent with previously reported Phase I data showing a similar enhancement of DPX-Survivac in patients. Importantly, the animal studies demonstrated the combination therapy's ability to eliminate advanced tumors that could not be treated with vaccine or mCPA alone. The addition of anti-PD-1 checkpoint inhibitor to the DepoVax vaccine/mCPA combination resulted in further enhanced anti-tumor activity, which allowed the treatment of more advanced tumors. The effective tumor regressions that were observed could not be achieved without the use of vaccine and the use of anti-PD-1.

• ***Dana-Farber to Study DepoVax™-Based Cancer Vaccine*** - DepoVax™ was selected by the Dana-Farber Cancer Institute as the underlying adjuvanting technology for a new cancer vaccine that will be evaluated in a study in patients with cervical and head and neck cancer. Dana-Farber has been awarded a three-year, $1.2 million research grant from Stand Up To Cancer (SU2C) and the Farrah Fawcett Foundation to fund a Phase I clinical trial of the group's peptide cancer antigen formulated in DepoVax in patients with HPV-related cervical and head and neck cancers.

• ***DepoVax-Based Vaccine Protects Against Lethal Anthrax Challenge***- Immunovaccine announced positive results from anthrax challenge studies showing that rabbits administered a vaccine containing mutant recombinant Protective Antigen (mrPA) formulated in DepoVax were protected against a lethal anthrax challenge at a range of antigen doses. All animals vaccinated with a single dose of mrPA - DepoVax™ containing as little as one third of a microgram of antigen were protected from anthrax infection. Four out of five animals vaccinated with mrPA - DepoVax™ containing one tenth of a microgram of antigen were also protected. These findings indicated that DepoVax™ can rapidly produce protection against anthrax with single doses of very little antigen.

• ***New Chief Executive Officer Named*** - Immunovaccine appointed Dr. Marc Mansour as chief executive officer. Dr. Mansour has previously served as the Company's chief operating officer and chief science officer and is a member of its board of directors.

Q2 2014 Financial Results

The Company prepares its unaudited interim condensed consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out 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 Company's net loss and comprehensive loss of $1,330,000 for Q2 Fiscal 2014 was $365,000 higher than the net loss and comprehensive loss for Q2 Fiscal 2013. This relates mainly to the $275,000 increase in research and development costs, an increase of $22,000 in business development expenses, and a $441,000 increase to accreted interest and adjustments, offset by a decrease of $373,000 in general and administrative expenses.

For the quarter ended June 30, 2014, the Company reported total R&D expenses of $980,000, less government loans and assistance of $55,000 and investment tax credits of $63,000. This represented a $238,000 increase of net R&D expenses over the three months ended June 30, 2013. G&A expenses of $188,000 were reported for Q2 Fiscal 2014 compared to $561,000 for the three months ended June 30, 2013, an overall decrease of $373,000. Total business development expenses of $214,000 in Q2 Fiscal 2014 represented an increase of $22,000 compared to the three months ended June 30, 2013.

At June 30, 2014, Immunovaccine had cash and cash equivalents of $1.7 million and working capital of $1.7 million as compared to $3.5 million in cash and $3.3 million in working capital at December 31, 2013.

As of June 30, 2014, the number of issued and outstanding common shares was 79,550,642. On June 30, 2014, the number of stock options outstanding was 4,945,716 and the number of outstanding warrants was 31,325.

Immunovaccine's unaudited interim condensed consolidated financial statements for June 30, 2014, filed in accordance with IFRS, and the management discussion and analysis (MD&A), are available at www.sedar.com.

Pursuant to terms and conditions of the Company's stock option plan, Immunovaccine has granted 400,000 stock options to the chief executive officer. The options were granted on August 14, 2014 at an exercise price of $0.71, vested immediately and are set to expire five years from the date of grant.

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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