

Base Shelf Prospectus

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland and Labrador but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

This short form prospectus has been filed under legislation in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Newfoundland and Labrador that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any state of the United States of America and may not be offered or sold within the United States of America or to U.S. persons (as defined in Regulation S under the 1933 Act), except in accordance with an exemption from the registration requirements of the 1933 Act and applicable state securities laws.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Immunovaccine Inc. at 1344 Summer Street, Suite 412, Halifax, Nova Scotia, Canada, B3H 0A8 (telephone (902) 492-1819), and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

October 24, 2014



Immunovaccine Inc.

\$50,000,000

Preferred Shares

Common Shares

Subscription Receipts

Warrants

Units

Under this short form base shelf prospectus (the "**Prospectus**"), Immunovaccine Inc. ("**Immunovaccine**" or the "**Corporation**") may, from time to time during the 25-month period that this Prospectus, including any amendments, remains valid, offer and issue preferred shares (the "**Preferred Shares**") or common shares (the "**Common Shares**") of its share capital, or subscription receipts (the "**Subscription Receipts**"), warrants or options to purchase Common Shares (collectively, the "**Warrants**") or units comprised of one or more of the other securities described in this Prospectus in any combination (the "**Units**" and together with the Common Shares, Subscription Receipts and Warrants, the "**Securities**") in one or more offerings of up to \$50,000,000 (or the equivalent in foreign currencies). The Securities may be offered separately or together, in amounts, at prices and on terms based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement (a "**Prospectus Supplement**"). The Corporation may sell the Preferred Shares, the Subscription Receipts and the Warrants in one or more series.

The specific variable terms of any offering of Securities will be set forth in a Prospectus Supplement and may include, where applicable:

- in the case of Preferred Shares, the number of Preferred Shares offered, the offering price and any other specific terms;
- in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms;
- in the case of Subscription Receipts, the number of Subscription Receipts offered, the issue price, the terms and procedures for the exchange of the Subscription Receipts and any other specific terms;
- in the case of Warrants, the number of Warrants offered, the offering price, the designation, number and terms of the securities that may be purchased upon exercise of each Warrant and any other specific terms; and
- in the case of Units, the designation, number and terms of any other Securities comprising, in any combination, the Units.

A Prospectus Supplement may include specific variable terms pertaining to the Securities that are not within the alternatives and parameters set forth in this Prospectus.

All shelf information permitted under securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains. This Prospectus and any applicable Prospectus Supplement should be read carefully before investing in Securities. This Prospectus may not be used to offer any of the Securities unless accompanied by a Prospectus Supplement.

Immunovaccine is a clinical stage biopharmaceutical corporation that discovers and develops activators of the immune system to treat cancer and infectious diseases. The principal place of business and head and registered office of Immunovaccine Inc. is located at 1344 Summer Street, Suite 412, Halifax, Nova Scotia, B3H 0A8.

The Common Shares are listed and posted for trading on the TSX Venture Exchange Inc. (the “**TSX-V**”) under the symbol “IMV”. On October 23, 2014, the last trading day on the TSX-V prior to the date of filing of this Prospectus, the closing price of the Common Shares on the TSX-V was \$0.78. Unless otherwise specified in an applicable Prospectus Supplement, the Preferred Shares, the Subscription Receipts, the Warrants and the Units will not be listed on any securities or stock exchange or on any automated dealer quotation system.

The Corporation may offer and sell Securities to or through underwriters, dealers, placement agents or other intermediaries and the Corporation may also offer and sell its securities directly to one or more purchasers, or through agents designated from time to time at amounts and prices and other terms determined by the Corporation. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer, placement agent, intermediary or agent engaged in connection with the offering and sale of Securities and will set forth the plan of distribution for such Securities, including the proceeds to the Corporation and any fees, discounts, concessions or other compensation payable to the underwriters, dealers or agents, and any other material terms of the plan of distribution. See “PLAN OF DISTRIBUTION”.

In connection with any underwritten offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters, dealers, placement agents, other intermediaries or agents may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “PLAN OF DISTRIBUTION”.

Albert Scardino and Wayne Pisano, members of the Board of Directors of the Corporation, both reside outside of Canada and have appointed Immunovaccine Inc., 1344 Summer Street, Suite 412, Halifax, Nova Scotia, Canada, BH3 0A8, as agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Investing in the Securities involves risks, including those that are described in the “Risk Factors” section of this Prospectus. The Corporation will apply to list the Common Shares distributed under this Prospectus including the Common Shares underlying the Preferred Shares, Units, Warrants and Subscription Receipts, if any. However, unless specified in the applicable Prospectus Supplement, there is no market through which the Preferred Shares, Units, Warrants and Subscriptions Receipts may be sold and purchasers may not be able to resell the Preferred Shares, Units, Warrants and Subscription Receipts purchased under this Prospectus and the Prospectus Supplements. This may affect the pricing of the Preferred Shares, Units, Warrants and Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Preferred Shares, Units, Warrants and Subscription Receipts and the extent of issuer regulation. See “RISK FACTORS”.

No underwriter, dealer, placement agent, other intermediary or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

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GENERAL MATTERS

Purchasers of Securities should rely only on the information contained or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. The Corporation has not authorized anyone to provide purchasers with different or additional information. If anyone provides purchasers with different or additional information, purchasers should not rely on it. The Corporation is not making an offer to sell or seeking an offer to buy these Securities in any jurisdiction where the offer or sale is not permitted. Purchasers should assume that the information contained in this Prospectus or any applicable Prospectus Supplement is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this Prospectus or any applicable Prospectus Supplement or of any sale of the Securities. The Corporation's business, financial condition, results of operations and prospects may have changed since those dates.

"IMV Immunovaccine", "DepoVax", "VacciMax" and "Spayvac" are trademarks of the Corporation. This Prospectus also includes references to trade names and trademarks of other companies, which trade names and trademarks are the properties of their respective owners.

The corporate website of the Corporation is www.imvaccine.com. The information on the Corporation's website is not intended to be included or incorporated by reference into this Prospectus and prospective purchasers should not rely on such information when deciding whether or not to invest in the Securities.

Statistical information and other data relating to the pharmaceutical and biotechnology industry included in this Prospectus are derived from recognized industry reports published by industry analysts, industry associations and/or independent consulting and data compilation organizations. Market data and industry forecasts used throughout this Prospectus were obtained from various publicly available sources. Although the Corporation believes that these independent sources are generally reliable, the accuracy and completeness of the information from such sources are not guaranteed and have not been independently verified.

In this Prospectus, unless otherwise noted, all dollar amounts are expressed in Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Prospectus and the documents incorporated by reference in this Prospectus may constitute "forward-looking" statements and forward-looking information (collectively, "**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 Prospectus, such statements reflect current expectations regarding future events and operating performance and speak only as of the date of this Prospectus. Forward-looking statements may use such words as "will", "may", "could", "intends", "potential", "plans", "believes", "expects", "projects", "estimates", "anticipates", "continue", "potential", "predicts" or "should" and other similar terminology.

This Prospectus may contain forward-looking statements within the meaning of Canadian securities laws. Such statements include, but are not limited to, statements relating to:

- the sufficiency of the Corporation's financial resources to support its activities;
- potential sources of funding;
- the Corporation's ability to obtain necessary funding on favorable terms or at all;
- the Corporation's expected expenditures and accumulated deficit level;
- the Corporation's expected outcomes from ongoing research and research collaborations;
- the Corporation's business strategy;

- the Corporation’s exploration of opportunities to maximize shareholder value as part of the ordinary course of its business through collaborations, strategic partnerships and other transactions with third parties, which may or may not include plans for merger and acquisitions activities;
- the Corporation’s plans for the research and development of certain product candidates;
- the Corporation’s strategy for protecting its intellectual property;
- the Corporation’s ability to identify licensable products or research suitable for licensing and commercialization;
- the Corporation’s ability to obtain licences on commercially reasonable terms;
- the Corporation’s plans for generating revenue; and
- the Corporation’s plans for future clinical trials.

The forward-looking statements reflect the Corporation’s current views with respect to future events, are subject to risks and uncertainties, and are based upon a number of estimates and assumptions that, while considered reasonable by the Corporation, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- obtaining additional funding on reasonable terms when necessary;
- positive results of pre-clinical and clinical tests;
- the Corporation’s ability to successfully develop existing and new products;
- the Corporation’s ability to attract and retain skilled staff;
- the products and technology offered by the Corporation’s competitors;
- general business and economic conditions;
- the Corporation’s ability to protect patents and proprietary rights;
- the Corporation’s ability to manufacture its products and to meet demand; and
- regulatory approvals.

Should one or more of these risks or uncertainties materialize, or should the assumptions set out in the section entitled “RISK FACTORS” underlying those forward-looking statements prove incorrect, actual results may vary materially from those described herein. These forward-looking statements are made as of the date of this Prospectus or, in the case of documents incorporated by reference in this Prospectus, as of the date of such documents, and we do not intend, and do not assume any obligation, to update these forward-looking statements, except as required by law. There is no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Purchasers are cautioned that forward-looking statements are not guarantees of future performance and accordingly purchasers are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. New factors emerge from time to time, and it is not possible for management of the Corporation to predict all of these factors or to assess in advance the impact of each such factor on the Corporation’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements and are made as of the date of this Prospectus. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, except as required by applicable securities laws. Purchasers should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Securities.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in the Prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request, without charge, from the Secretary of the Corporation at 1344 Summer Street, Suite 412, Halifax, Nova Scotia, Canada, B3H 0A8 (telephone (902) 492-1819), and are also available electronically at www.sedar.com.

The following documents filed with the securities commissions or similar authorities in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland and Labrador are specifically incorporated by reference in and form an integral part of this Prospectus:

- (i) the annual information form of the Corporation dated March 14, 2014 for the year ended December 31, 2013;
- (ii) the audited annual consolidated financial statements of the Corporation and the notes thereto for the years ended December 31, 2013 and 2012, together with the auditor's report thereon;
- (iii) the management's report on financial position and operating results of the Corporation for the year ended December 31, 2013;
- (iv) the unaudited interim condensed consolidated financial statements of the Corporation and the notes thereto for the six months ended June 30, 2014 and 2013;
- (v) the management's report on financial position and operating results of the Corporation for the six months ended June 30, 2014;
- (vi) the management information circular dated March 27, 2014 relating to the annual meeting of shareholders of the Corporation held on April 23, 2014; and
- (vii) the material change report dated September 12, 2014 relating to the closing of a public offering of units of the Corporation (the "**2014 Public Offering**") and concurrent non-brokered private placement (the "**2014 Private Placement**").

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus including any material change reports (excluding any confidential material change reports), comparative interim financial statements, comparative annual financial statements and the auditor's report thereon, information circulars, annual information forms and business acquisition reports filed by the Corporation with a securities commission or similar regulatory authority in Canada on or after the date of this Prospectus and prior to the termination of the distribution under this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

Upon a new renewal annual information form and the related annual financial statements and management's discussion and analysis of financial condition and results of operations being filed by Immunovaccine with, and, where required, accepted by the applicable securities regulatory authorities during the currency of the Prospectus, the previous annual information form, the previous annual financial statements and all quarterly financial statements, material change reports and information circulars filed prior to the commencement of the Corporation's financial year in which the new renewal annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offerings of Securities under the Prospectus.

Any statement contained in the Prospectus or in a document incorporated or deemed to be incorporated by reference in the Prospectus shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in the Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Only the modifying or superseding statement shall be deemed to constitute a part of this Prospectus.

THE CORPORATION

The Corporation was incorporated on May 18, 2007 under the name of Rhino Resources Inc. pursuant to the *Canada Business Corporations Act*. On September 28, 2009, the Corporation changed its name to Immunovaccine Inc. and consolidated its outstanding share capital on a 5 to 1 basis.

The Corporation has one wholly-owned subsidiary, ImmunoVaccine Technologies Inc., which is incorporated under the laws of Nova Scotia.

The Corporation's head and registered office is located at 1344 Summer Street, Suite 412, Halifax, Nova Scotia, Canada, B3H 0A8.

Business of the Corporation

Immunovaccine is a clinical stage biopharmaceutical company that discovers and develops activators of the immune system to treat cancer and infectious diseases. Immunovaccine has built a proprietary product platform that is used to create highly immunogenic vaccines. The Corporation's proprietary DepoVax™ adjuvanting/delivery platform is believed to produce a strong, high-quality immune response that has a specific and sustained immune effect, and enables the Corporation to pursue vaccine candidates in cancer, infectious diseases and potentially other vaccine applications. The DepoVax™ platform is being used in multiple vaccine candidates, including two cancer vaccine candidates that are in or have completed Phase I clinical trials. The Corporation has research collaborations with research organizations, including the National Institutes of Health (“**NIH**”) in the United States. The Corporation has licensed the delivery technology to Zoetis, formerly the animal health division of Pfizer, Inc., for the development of vaccines for livestock.

Business Model

Operating Strategy

The DepoVax™ vaccine delivery platform drives the operating strategy for the Corporation. All of the Corporation's vaccines utilize this adjuvanting platform to improve their effectiveness against their intended target such as cancer and infectious diseases.

The Corporation currently has two cancer vaccine candidates in human trials: DPX-Survivac and DPX-0907. Immunovaccine believes the principles behind a successful therapeutic cancer vaccine should include a targeted antigen and an effective adjuvanting vaccine delivery technology, combined with a complementary therapeutic strategy. Antigens used in both DPX-Survivac and DPX-0907 are believed to specifically target tumor cells without harming normal, healthy cells. These antigens are combined with the Corporation's DepoVax™ platform to optimize the presentation of these antigens to the immune system, resulting in an enhanced immune response. To be successful against cancer, the vaccine must be administered appropriately in the treatment cycle, which the Corporation believes to be soon after a tumor has been identified and removed. Immunovaccine also believes that the effect of the vaccine may be enhanced if an immune modulator is used simultaneously to prevent a patient's immune system from overriding the positive response to the vaccine.

Using the same DepoVax™ adjuvanting platform and working with partners in North America and Europe, the Corporation is also developing vaccines for infectious diseases, including vaccine candidate for Ebola and a bio-defense vaccine candidate that will protect against anthrax. Another vaccine being tested targets respiratory syncytial virus (“**RSV**”), the cause of respiratory complications in infants and the elderly. Pre-clinical studies have indicated that the platform may allow the development of single-dose vaccines for a wide range of infectious diseases by generating a stronger immune response more quickly than is possible with existing vaccine technologies. The Corporation's goal will be to advance at least one of these collaborations into human clinical trials in the next two years.

Financing and Partnering Strategy

Immunovaccine relies on equity financing and non-dilutive private and public partnerships to fund its development programs. Applying this strategy, the Corporation has obtained more than \$15 million in government funding, including interest-free loans and government grants. Most recently, the Corporation completed the 2014 Public Offering, raising gross proceeds of \$9.5 million, the 2014 Private Placement, raising gross proceeds of \$1.7 million, a \$4.2 million equity private placement in November 2013 and obtained a \$5 million secured loan from the Province of Nova Scotia in August 2013, available in four equal installments based on the Corporation meeting certain milestones, three of which have been met to date. The Corporation received the first installment on August 9, 2013, the second installment on June 9, 2014 and the third installment on August 8, 2014.

While having used its own resources to initially bring its two cancer vaccines to human clinical trials, the Corporation is involved in various partnerships and collaborations to accelerate the development of its DepoVax™-based products. The Corporation announced the collaboration with Canada's NCIC Clinical Trials Group ("NCIC CTG"), an organization supported by the Canadian Cancer Society, in which NCIC CTG will sponsor and conduct a Phase II study of the Corporation's lead cancer vaccine, DPX-Survivac. The Corporation is currently in discussions with potential partners and may seek a co-development partnership arrangement to fund the balance of NCIC CTG-sponsored clinical trial costs. DPX-Survivac will also be tested in an investigator-initiated Phase II study in glioblastoma patients in Italy and a potential trial is being explored in an investigator-initiated study in ovarian cancer patients in Canada. Other programs include a clinical research collaboration with the Canadian Centre for Vaccinology (CCfV) for a Phase I clinical trial of RSV vaccine funded by the Canadian Institutes of Health Research (CIHR), a research partnership with the NIH for vaccines against bio-terrorism threats, as well as other collaborations. The goal of these types of partnerships is to produce pre-clinical and clinical data that will lead to licensing agreements, either to allow the use of the Corporation's DepoVax™ platform by others or to acquire antigens for use in new vaccines using DepoVax™. Immunovaccine has also developed a commercial relationship with Zoetis, formerly the animal health division of Pfizer, Inc., which has licensed the Corporation's delivery technology platform to develop vaccines for livestock.

The Corporation intends to be opportunistic in the development of its products by exploring a variety of possible avenues, including co-development through potential collaborations, strategic partnerships or other transactions with third parties, and merger and acquisition opportunities. The Corporation intends to continue to seek additional equity and non-dilutive funding and partnerships to advance the development of the vaccine candidates.

Corporation's Product Pipeline

DPX-Survivac: Therapeutic Cancer Vaccine

DPX-Survivac uses survivin-based antigens licensed from Merck KGaA, on a world-wide exclusive basis, and formulated in the DepoVax™ vaccine delivery platform. Survivin is a major tumor-associated antigen over-expressed in several cancers including ovarian cancer cells, making it a viable target for immunotherapy. DepoVax™ delivers the survivin-based antigens in a lipid depot-based format designed to generate a strong and prolonged immune response.

Survivin is essential for the survival of cancer cells and is an inhibitor of cancer cell death, known as apoptosis. The presence of survivin in cancer cells is believed to make them susceptible to a survivin-specific vaccine. The Corporation's survivin-based vaccine candidate, DPX-Survivac, aims to train the immune system to recognize and kill survivin-containing cancer cells, with the intent to provide a clinical benefit to patients in the form of delaying cancer progression and/or increasing overall survival. The National Cancer Institute in the USA has recognized survivin as a promising antigen for cancer treatment based on its specificity, over-expression in cancer cells and immunogenicity potential.

The Corporation believes DPX-Survivac could have broad commercial potential as a therapeutic cancer vaccine because it may be applicable for the treatment of multiple solid tumors and hematological cancers, including ovarian, glioblastoma, prostate, breast, pancreatic, multiple myeloma, B-cell lymphoma, and melanoma, among other cancers. The Corporation intends to proceed with pre-clinical testing of DPX-Survivac in a broader range of cancer indications to evaluate additional opportunities.

Immunovaccine has completed a Phase I clinical trial of DPX-Survivac, conducted at six clinical sites in the United States and Canada. In addition, the Corporation has received clearance for both the Phase I clinical trial and a randomized Phase II trial by both the United States Food and Drug Administration (“FDA”) and Health Canada. The Phase I trial was an open-label clinical trial designed to evaluate sequentially the safety of two DPX-Survivac dosing regimens in 18 patients. This Phase I clinical trial was to establish the safety and immunogenicity of DPX-Survivac in patients with advanced ovarian cancer.

The Corporation released interim results in October 2012, January 2013 and further detailed positive results in June 2013 on the Phase I clinical trial. The analysis, which now includes all 18 patients enrolled in the study, confirmed previously reported results and uncovered new findings. 12 of the 18 patients who received the DPX-Survivac combination therapy demonstrated antigen-specific immune responses and they were measured by at least one of the study’s three immune monitoring assays (ELISpot, tetramer analysis and multiparametric intracellular cell staining). In 11 of 12 patients, the immune responses were confirmed by two assays (five patients) or three assays (six patients) performed. These immune responses were established with one or two vaccinations and further increased or maintained with follow-up booster vaccinations. Importantly, polyfunctional CD8 responses were reported, indicating the activation of high quality CD8 T cells, and the responses were maintained with booster vaccinations. The activation and maintenance of these specific immune cells is of particular interest in immunotherapy since CD8 T cells are implicated in identifying cancer cells, infiltrating tumors and killing cancer targets.

In the Phase I clinical trial, DPX-Survivac was deemed well-tolerated with no significant systemic adverse events reported in any patients recruited in this study. Reported adverse events were primarily related to grade 1-2 injection site reactions, which were experienced by the majority of patients after repeated vaccinations. Those patients presenting the strongest immune responses were more likely to exhibit more pronounced injection site reactions. Grade 3 injection site ulcerations, which were an expected adverse event with this vaccine, were experienced by three patients during the trial. Upon a six month follow-up for the majority of patients, a trend of delayed progression was observed in patients who had strong immune responses to DPX-Survivac. The trend of delayed cancer progression, which was not statistically significant, may be attributed to the therapy or may be attributed to other unrelated factors.

The Corporation announced in August 2013, that Canada’s NCIC CTG, an organization supported by the Canadian Cancer Society, will sponsor and conduct a randomized Phase II study of Immunovaccine’s cancer vaccine, DPX-Survivac, in patients with advanced ovarian cancer. The NCIC CTG is a Canadian-based academic clinical trials cooperative group conducting large multi-center clinical trials across Canada and internationally. The study is designed to assess whether Immunovaccine’s vaccine therapy can delay or prevent cancer recurrence. Preparation of the material for the regulatory filing for this trial is underway.

The Phase II trial will be a randomized, blinded, placebo-controlled study with DPX-Survivac in combination with low dose oral cyclophosphamide as an immune modulator. The study is expected to enroll approximately 250 patients with ovarian cancer at an estimated 20 clinical centers.

Patients in the trial will have undergone surgery and standard post-operative chemotherapy. Patients will be randomized to two groups, one receiving the combination vaccine therapy and another receiving a placebo vaccine and cyclophosphamide. Immune responses and disease-related biomarkers including CA125 (as defined below) will be measured for correlative analyses. The results may guide further development of DPX-Survivac.

The agreement between NCIC CTG and Immunovaccine will provide a framework for the NCIC CTG to sponsor the randomized Phase II trial and assume responsibility for conducting the trial in accordance with good clinical practice, in a significantly more capital efficient manner than if the trial was conducted by the Corporation as a sponsor. The Corporation is currently in discussions with potential partners and may seek a co-development partnership arrangement to fund the balance of NCIC CTG-sponsored clinical trial costs and other co-development opportunities for DPX-Survivac.

A Phase Ib trial is currently underway to optimize and confirm the dose and schedule of vaccinations that will be employed in the randomized Phase II trial to be sponsored by the NCIC CTG. A patient enrolled in the Phase Ib with stable disease and rising blood levels of the cancer biomarker CA-125, experienced a 43% reduction in the size

of her tumor within five months. This patient, who remains under observation, continued to experience this clinical response for at least eight months, without repeat treatment. The partial response (PR), defined as a shrinking of tumor size by at least 30%, using Response Evaluation Criteria In Solid Tumors (RECIST 1.1), was accompanied by reduction in levels of a commonly used ovarian cancer biomarker (“CA125”) and a significant increase in vaccine-induced immune responses in this patient. The durable clinical response observed highlights the therapeutic potential of DPX-Survivac for ovarian cancer patients.

The Corporation also announced in May 2013 that it has signed an agreement with Professor Marianna Nuti, Ph.D., Department of Experimental Medicine at the University of Rome, to conduct an investigator-led trial on DPX-Survivac in patients with glioblastoma. This multicenter study based in Rome will be conducted in collaboration with neurosurgeons and oncologists coordinated by Professor Maurizio Salvati, M.D. The randomized, placebo-controlled study is expected to enroll up to 50 patients with newly diagnosed brain tumors that have been maximally resected. Testing DPX-Survivac in glioblastoma patients is expected to be initiated in 2014, pending regulatory clearance from the Italian Medicines Agency (“AIFA”).

Immunovaccine recently highlighted results demonstrating 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. Tumors exposed to the combination therapy specifically exhibited an increase in T cell activation markers, suggesting increased immune-mediated anti-tumor activity at the tumor site with the vaccine/mCPA therapy and further supporting the use of the combination therapy in clinical trials. This work has recently been accepted for publication in the peer reviewed scientific journal

Oncoimmunology

The Corporation is pursuing opportunities for additional trials, including combination therapies with DPX-Survivac and other compounds such as anti-PD1 in a variety of indications. Specifically, the Corporation is exploring a trial with lymphoma patients to be conducted in Canada.

DPX-0907: Therapeutic Breast/Ovarian/Prostate Cancer Vaccine

DPX-0907 combines the Corporation’s DepoVax™ delivery technology with seven HLA-A2-restricted cancer-specific antigens licensed from Immunotope. The vaccine is designed to stimulate an immune response specific to cancer antigens that are believed to be involved in critical tumor cell processes. 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, and therefore, DPX-0907 is expected to kill tumor cells without harming normal, healthy cells.

The Corporation has completed a Phase I clinical trial of DPX-0907 and the results of the trial were released in June 2011, with more detailed results published in the Journal of Translational Medicine in August 2012. The Phase I trial was conducted at five centers in the United States. In this open-label, dose-escalating trial, patients received three injections (0.25 mL or 1 mL doses) of the active immune therapy DPX-0907, three weeks apart.

The Phase I trial met the primary objective of safety with overall results demonstrating that DPX-0907 is generally well-tolerated by all patients and is considered safe at both dose levels. There were no vaccine-related serious adverse events reported. Final safety was assessed in 11 patients in the 0.25 mL dose group and 11 patients in the 1.0 mL dose group.

The secondary objective was to assess whether administration of DPX-0907 could generate an immune response specific to the seven cancer antigens. Immunovaccine performed a detailed analysis of patients’ blood samples that showed cell-mediated immunity (CMI) to vaccine targets in all three breast cancer patients, 5 of 6 ovarian cancer patients, and 3 of 9 prostate cancer patients. Both dose levels produced a targeted immune response in vaccinated patients. The immunogenicity results were based on an analysis of 9 evaluable patients in the 0.25 mL dose group and 9 evaluable patients in the 1 mL dose group.

This study also demonstrated a key association between the achievement of immune responses during the study and the patients' level of disease. The breast and ovarian cancer patients who responded well to prior therapies responded favorably, with the majority of these patients (8 out of 9) producing the desired immunity. In contrast, the majority of prostate cancer patients who had more advanced disease and were less responsive to prior therapies exhibited a lower immune response rate.

The Corporation signed an Investigator-Initiated Study Agreement for the ongoing evaluation of its DPX-0907 cancer vaccine at the Busto Arsizio Hospital in Milan, Italy. Marco Bregni, M.D., head of the Oncology Unit of the Hospital of Busto Arsizio, will serve as the principal investigator for the Phase I/II DPX-0907 clinical trial in patients with breast and ovarian cancer. Immunovaccine expects the study to be initiated once regulatory clearance from the AIFA is granted.

The Corporation is also exploring other opportunities for commercialization of DPX-0907 and is considering investigator funded trials, as announced, or partnership opportunities at various stages of clinical development, including at the Phase I and Phase II clinical trial stages.

Recent Developments

On August 25, 2014, the Corporation announced positive results with its DepoVax™ vaccine technology in an Ebola virus challenge study performed by the National Institute of Allergy and Infectious Diseases (“**NIADD**”) of NIH preclinical testing services. In a preliminary study using cynomolgus macaques, which are particularly sensitive to the Ebola virus, all non-human primate subjects vaccinated with an Ebola vaccine formulated in DepoVax™ were protected when exposed to a lethal dose of the wild type Zaire strain of the virus.

In this study, four cynomolgus macaque subjects were vaccinated with an Ebola vaccine formulated in DepoVax™. The subjects received two doses of vaccine, one at study initiation and a second on Day 56, then challenged on day 70 with a lethal dose of the wild type Zaire strain of the Ebola virus. The Zaire strain is believed to be the most lethal among Ebola viruses and is responsible for the current Ebola virus outbreak. More than two weeks following exposure to the virus, all vaccinated subjects were alive with no disease symptoms while control animals had all succumbed to the infection within seven days.

Purchasers are cautioned that the development of vaccines by the Corporation, including the development of an Ebola vaccine candidate, is subject to a number of risks and uncertainties namely those described under the heading “Risk Factors - Risks Related to the Development and Commercialization of the Corporation’s Product Candidates”.

On September 4, 2014, the Corporation completed the 2014 Public Offering, raising gross proceeds of \$9,514,543. Pursuant to the 2014 Public Offering, Immunovaccine issued a total of 10,002,796 units (the “**2014 Units**”) at a price of \$0.95 per 2014 Unit, and 191,750 Over-Allotment Warrants (as defined below) pursuant to the partial exercise of the over-allotment option granted to the underwriters under the 2014 Public Offering to purchase, up to 30 days after the closing of the 2014 Public Offering, additional 2014 Units, additional Common Share purchase warrants (the “**Over-Allotment Warrants**”) or any combination of additional 2014 Units and Over-Allotment Warrants. Each 2014 Unit was comprised of one Common Share and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “**2014 Warrant**”). Each whole 2014 Warrant entitles its holder to purchase one Common Share at a price of \$1.24 until March 4, 2016.

Concurrently with the closing of the 2014 Public Offering, Immunovaccine completed the Private Placement, raising a total of \$1,716,816. Pursuant to the 2014 Private Placement, a total of 1,907,574 Common Shares were issued at a price of \$0.90 per share.

On September 26, 2014, the Corporation announced the appointment of Wade Dawe and Alfred Smithers to its Board of Directors. Immunovaccine also announced that Stephanie Léouzon and Llew Keltner, M.D., Ph., D. were stepping down from their positions on the Board of Directors. Dr. Keltner continues to serve as a consultant to the Corporation in the area of business development.

On October 1, 2014, the Corporation announced its plans for a Phase II clinical trial of DPX-Survivac in patients with recurrent lymphoma. Following the presentation of positive Phase I/II clinical trial data at the American Society of Clinical Oncology (ASCO) 2014 Annual Meeting earlier this year, the Corporation plans to advance DPX-Survivac into a Phase II clinical study in diffuse large B cell lymphoma (“DLBCL”) later this year. The trial will evaluate DPX-Survivac in combination with oral cyclophosphamide, an immune modulating agent, in patients with recurrent DLBCL. This combination therapy trial design fits with Immunovaccine’s clinical development strategy of maximizing therapeutic impact through concurrent treatment with various classes of promising immunotherapies.

On October 6, 2014, the Corporation announced that its Board of Directors has approved a modification to the Corporation’s stock option plan. Under this amendment, the Corporation increased the number of common shares of the Corporation reserved for issuance under its stock option plan from 6,750,000 to 9,100,000.

On October 21, 2014, the Corporation announced positive results from anthrax challenge studies in non-human primates using an anthrax vaccine formulated with the Corporation’s DepoVax™ delivery system. The studies, performed by the NIAID of the NIH, showed that subject given a single dose of the DepoVax™-based vaccine were protected against a lethal anthrax challenge. The DepoVax™ formulated anthrax vaccine was tested as a single dose in monkeys to determine how quickly neutralizing antibodies can be produced by the vaccine and to test its ability to protect against a lethal dose of the anthrax causing bacterial spores. A group of six animals vaccinated with a single dose of the vaccine was protected from anthrax infection. Further studies will be conducted to evaluate the potential of DepoVax™-based vaccines as single dose, rapid protection against anthrax.

CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Corporation’s capitalization as at the date of this Prospectus since June 30, 2014, being the date of the most recently filed unaudited interim condensed consolidated financial statements of the Corporation.

Description	Outstanding as at June 30, 2014 (Unaudited)	Outstanding as at October 23, 2014 (Unaudited)
Common Shares	79,550,642	91,472,667
Common Share Purchase Warrants	31,325	5,808,770
Stock Options	4,945,716	5,384,050
Total Share Capital (fully diluted)	84,527,683	102,665,487
Long Term Debt	\$2,190,084	\$3,054,392

DESCRIPTION OF SHARE CAPITAL

Immunovaccine’s authorized share capital consists of an unlimited number of Common Shares and Preferred Shares issuable in series, all without par value. As of the date hereof, a total of 91,472,667 Common Shares and no Preferred Shares are issued and outstanding.

Common Shares

The Common Shares of the Corporation rank junior to the Preferred Shares with respect to the payment of dividends, return of capital and distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation. Subject to the prior rights of the holders of Preferred Shares, the holders of Common Shares are entitled to receive dividends as and when declared by the Board of Directors of the Corporation. In the event of liquidation, dissolution or winding-up of the Corporation, subject to the prior rights of the holders of Preferred Shares, the holders of Common Shares are entitled to receive all the remaining property and assets of the Corporation. The holders of Common Shares are entitled to receive notice of and to attend and to vote at all

meetings of the shareholders of the Corporation and each Common Share, when represented at any meeting of the shareholders of the Corporation, carries the right to one vote.

Preferred Shares

The Preferred Shares of the Corporation are issuable from time to time in one or more series as determined by the Board of Directors of the Corporation. The Board of Directors of the Corporation may determine, before issuance, the designation, rights, privileges and restrictions attached to each series of Preferred Shares including the rate of preferential dividends, the dates of payment thereof, the redemption price and the terms of redemption, voting rights and conversion rights (if any), the whole subject to the filing of articles of amendment setting forth the designation, rights, privileges, restrictions, conditions and limitations attaching to the Preferred Shares of such series and the issuance of a certificate of amendment in respect thereof. If any cumulative dividends or amounts payable on return of capital in respect of a series of Preferred Shares are not paid in full, the Preferred Shares of all series shall participate rateably in respect of accumulated dividends and return of capital. The holders of Preferred Shares are entitled to priority over holders of any Common Shares of the Corporation with respect to the payment of dividends or the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation. Except as required by law or in accordance with any voting rights which may from time to time be attached to any series of Preferred Shares, the holders of the Preferred Shares as a class shall not be entitled to receive notice of, to attend or to vote at any meetings of the shareholders of the Corporation.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following description of the terms of Subscription Receipts sets forth certain general terms and provisions of Subscription Receipts in respect of which a Prospectus Supplement may be filed. The particular terms and provisions of Subscription Receipts offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the Prospectus Supplement filed in respect of such Subscription Receipts.

Subscription Receipts may be offered separately or in combination with one or more other Securities. The Subscription Receipts will be issued under a subscription receipt agreement. A copy of the subscription receipt agreement will be filed by the Corporation with the applicable securities commission or similar regulatory authorities after it has been entered into by Immunovaccine and will be available electronically at www.sedar.com. Pursuant to the subscription receipt agreement, original purchasers of Subscription Receipts will have a contractual right of rescission against the Corporation, following the issuance of the underlying Common Shares or other securities to such purchasers upon the surrender or deemed surrender of the Subscription Receipts, to receive the amount paid for the Subscription Receipts in the event that this Prospectus and any amendment thereto contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days from the closing date of the offering of Subscription Receipts.

The description of general terms and provisions of Subscription Receipts described in any Prospectus Supplement will include, where applicable:

- the number of Subscription Receipts offered;
- the price at which the Subscription Receipts will be offered;
- if other than Canadian dollars, the currency or currency unit in which the Subscription Receipts are denominated;
- the procedures for the exchange of the Subscription Receipts into Common Shares or other securities;
- the number of Common Shares or other securities that may be obtained upon exchange of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;

- the terms applicable to the gross proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- the material tax consequences of owning the Subscription Receipts; and
- any other material terms, conditions and rights (or limitations on such rights) of the Subscription Receipts.

The Corporation reserves the right to set forth in a Prospectus Supplement specific terms of the Subscription Receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Subscription Receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Subscription Receipts.

DESCRIPTION OF WARRANTS

The following description, together with the additional information the Corporation may include in any applicable Prospectus Supplement, summarizes the material terms and provisions of the Warrants that the Corporation may offer under this Prospectus in one or more series. While the terms the Corporation has summarized below will apply generally to any Warrants that it may offer under this Prospectus, the Corporation will describe the particular terms of any series of Warrants that it may offer in more detail in the applicable Prospectus Supplement.

Unless the applicable Prospectus Supplement otherwise indicates, Warrants will be issued under and governed by the terms of one or more warrant indentures (each a “**Warrant Indenture**”) between the Corporation and a warrant trustee that the Corporation will name in the relevant Prospectus Supplements. Each warrant trustee will be a financial institution organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee.

This summary of some of the provisions of the Warrants is not complete. The statements made in this Prospectus relating to any Warrant Indenture and Warrants to be issued under this Prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Warrant Indenture or Prospectus Supplement. Prospective purchasers should refer to the Prospectus Supplement and Warrant Indenture, if applicable, relating to the specific Warrants being offered for the complete terms of the Warrants. A copy of any Warrant Indenture relating to an offering of Warrants will be filed by the Corporation with the applicable securities regulatory authorities in Canada after the Corporation has entered into it and will be available electronically at www.sedar.com.

The applicable Prospectus Supplements relating to any Warrants offered by the Corporation will describe the particular terms of those Warrants and include specific terms relating to the offering.

The particular terms of each issue of Warrants will be described in the applicable Prospectus Supplements. This description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the number of securities that may be purchased upon exercise of each Warrant and the price at which and currency or currencies in which the securities may be purchased upon exercise of each Warrant;
- the designation and terms of any Securities with which the Warrants will be offered, if any, and the number of Warrants that will be offered with each Security;
- the date or dates, if any, on or after which the Warrants and the other Securities with which the Warrants will be offered will be transferable separately;
- whether the Warrants will be subject to redemption and, if so, the terms of such redemption provisions;

- whether the Corporation will issue the Warrants as global securities and, if so, the identity of the depositary of the global securities;
- whether the Warrants will be listed on any exchange;
- material United States and Canadian federal income tax consequences of owning the Warrants; and
- any other material terms or conditions of the Warrants.

The Corporation reserves the right to set forth in a Prospectus Supplement specific terms of the Warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Warrants.

DESCRIPTION OF UNITS

The Corporation may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement, if any, under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described above may apply thereto, will be described in the Prospectus Supplement filed in respect of such Units.

PRIOR SALES

The following table sets out the details of the issuance by the Corporation of Common Shares, options to purchase Common Shares, warrants to purchase Common Shares, if any, during the 12-month period before the date of this short form prospectus:

Security	Number of Securities	Price per Security or Exercise Price, as applicable	Issuance Date
Common Shares ⁽¹⁾	10,511,209	\$0.400	November 21, 2013
Common Shares ⁽²⁾	167,218	\$0.400	November 21, 2013
Options to purchase Common Shares ⁽³⁾	50,925	\$0.400	November 21, 2013
Common Shares ⁽⁴⁾	7,500	\$0.280	December 19, 2013
Options to purchase Common Shares ⁽⁵⁾	1,731,500	\$0.740	January 17, 2014
Common Shares ⁽⁴⁾	75,000	\$0.280	January 24, 2014
Common Shares ⁽⁴⁾	50,000	\$0.400	January 30, 2014
Common Shares ⁽⁴⁾	5,000	\$0.280	February 5, 2014
Common Shares ⁽⁴⁾	30,000	\$0.400	February 5, 2014
Common Shares ⁽⁴⁾	165,000	\$0.280	March 19, 2014
Common Shares ⁽⁴⁾	45,000	\$0.200	March 19, 2014
Common Shares ⁽⁴⁾	16,550	\$0.400	March 28, 2014
Common Shares ⁽⁴⁾	2,953	\$0.280	March 28, 2014
Common Shares ⁽⁴⁾	19,116	\$0.280	April 11, 2014
Common Shares ⁽⁴⁾	35,000	\$0.400	April 11, 2014
Common Shares ⁽⁴⁾	8,050	\$0.400	April 28, 2014
Options to purchase Common Shares ⁽⁶⁾	400,000	\$0.710	August 14, 2014
Common Shares ⁽⁷⁾	10,002,795	\$0.919	September 4, 2014
Common Share purchase warrants ⁽⁸⁾	5,193,147	\$1.240	September 4, 2014

Security	Number of Securities	Price per Security or Exercise Price, as applicable	Issuance Date
Common Shares ⁽⁹⁾	1,907,574	\$0.900	September 4, 2014
Options to purchase Common Shares ⁽¹⁰⁾	584,298	\$0.950	September 4, 2014
Common Shares ⁽⁴⁾	11,666	\$0.280	September 8, 2014
Options to purchase Common Shares ⁽¹¹⁾	50,000	\$0.790	September 26, 2014

- (1) Common Shares issued as part of a private placement of Common Shares completed on November 21, 2013 (the “**2013 Private Placement**”).
- (2) Common Shares issued in payment of finders’ fees in relation to the 2013 Private Placement.
- (3) Options to purchase Common Shares at a price of \$0.40 per Common Share until May 21, 2015 issued in payment of finders’ fees in relation to the 2013 Private Placement.
- (4) Common Shares issued upon exercise of stock options.
- (5) Grant of options to purchase Common Shares under the Corporation’s stock option plan at a price of \$0.74 per Common Share until January 17, 2019.
- (6) Grant of options to purchase Common Shares under the Corporation’s stock option plan at a price of \$0.71 per Common Share until August 14, 2019.
- (7) Common Shares being part of the 2014 Units issued pursuant to the 2014 Public Offering, each 2014 Unit being comprised of one Common Share and one-half of one 2014 Warrant. The price indicated is the portion of the \$0.95 offering price of the 2014 Units allocated by the Corporation to the Common Share component of the 2014 Units.
- (8) 5,001,397 2014 Warrants being part of 2014 Units issued pursuant to the 2014 Public Offering and 191,750 Over-Allotment Warrants issued upon partial exercise of the over-allotment option granted to the underwriters under the 2014 Public Offering. Each 2014 Warrant and Over-Allotment Warrant entitles its holder to purchase one Common Share at a price of \$1.24 until March 4, 2016.
- (9) Common Shares issued as part of a private placement of Common Shares completed on September 4, 2014.
- (10) Options to purchase Common Shares at a price of \$0.95 per Common Share until March 4, 2016 issued in payment of part of the commission in relation to the 2014 Public Offering.
- (11) Grant of options to purchase Common Shares under the Corporation’s stock option plan at a price of \$0.79 per Common Share until September 26, 2019.

USE OF PROCEEDS

The aggregate proceeds of distributions of Securities under this Prospectus shall not exceed \$50,000,000. The net proceeds to be received by the Corporation from the distribution from time to time of Securities under this Prospectus will be the gross proceeds of such issue less any commissions and expenses paid in connection therewith.

Unless otherwise specified in a Prospectus Supplement, the net proceeds received by the Corporation from the sale of the Securities will be used for working capital and general corporate purposes including, but not limited to, to advance the research and development and clinical advancement of the Corporation’s cancer and infectious disease vaccine candidates. A Prospectus Supplement will contain specific information about the use of proceeds from the sale of the Securities under that Prospectus Supplement.

More detailed information regarding the use of proceeds from the sale of the Securities will be described in any applicable Prospectus Supplement. Pending the application of the net proceeds, the Corporation intends to invest the net proceeds in investment-grade, interest-bearing securities, the primary objectives of which are liquidity and capital preservation.

PLAN OF DISTRIBUTION

The Corporation may offer and sell its Securities to or through underwriters, dealers, placement agents or other intermediaries and the Corporation may also offer and sell its securities directly to one or more purchasers or through agents in negotiated transactions, block trades, equity lines of credit or a combination of these methods, subject to obtaining any applicable exemption from registration requirements. The Securities offered pursuant to any Prospectus Supplement may be sold from time to time in one or more transactions at:

- a fixed price or prices, which may be changed from time to time;
- market prices prevailing at the time of sale;
- prices related to such prevailing market prices; or
- other negotiated prices.

The Corporation may only offer and sell the Securities pursuant to a Prospectus Supplement during the 25-month period that this Prospectus, including any amendments hereto, remains effective. The Prospectus Supplements for any of the Securities being offered thereby will set forth the terms of the offering of such Securities, including the type of Securities being offered, the name or names of any underwriters, dealers, placement agents, other intermediaries or agents, the purchase price of such Securities, the proceeds to the Corporation from such sale, any underwriting commissions or discounts and other items constituting compensation and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers, placement agents, other intermediaries or agents. Only underwriters, dealers, placement agents, other intermediaries or agents so named in the Prospectus Supplements are deemed to be underwriters in connection with the Securities offered thereby.

In connection with the sale of Securities, underwriters, dealers, placement agents, other intermediaries or agents may receive compensation from the Corporation or from purchasers of Securities for whom they may act as intermediary or agents in the form of discounts, concessions or commissions. Underwriters, dealers, placement agents, other intermediaries or agents that participate in the distribution of Securities may be deemed to be underwriters and any discounts or commissions received by them from the Corporation and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under applicable securities legislation.

If so indicated in the applicable Prospectus Supplements, the Corporation may authorize dealers, placement agents, other intermediaries or other persons acting as its agents to solicit offers by certain institutions to purchase the Securities directly from the Corporation pursuant to contracts providing for payment and delivery on a future date. These contracts will be subject only to the conditions set forth in the applicable Prospectus Supplements, which will also set forth the commission payable for solicitation of these contracts.

Any offering of Preferred Shares, Warrants, Units or Subscription Receipts will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplements, the Preferred Shares, Warrants, Units or Subscription Receipts will not be listed on any securities exchange. **Unless otherwise specified in the applicable Prospectus Supplements, there is no market through which the Preferred Shares, Warrants, Units or Subscription Receipts may be sold and purchasers may not be able to resell Preferred Shares, Warrants, Units or Subscription Receipts purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Preferred Shares, Warrants, Units or Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation.** Certain dealers may make a market in the Preferred Shares, Warrants, Units or Subscription Receipts.

The Prospectus Supplements will set forth the terms of the offering of Securities, including:

- the name or the names of any underwriters, dealers, placement agents, other intermediaries or agents, if any;
- the purchase price of, and form of consideration for, the Securities and the proceeds;

- any delayed delivery arrangements;
- any underwriting commissions, fees, discounts and other items constituting underwriters' compensation;
- the offering price;
- any discounts or concessions allowed or re-allowed or paid to dealers; and
- any other securities exchanges on which the Securities may be listed, if any.

Only the underwriters, dealers, placement agents, other intermediaries or agents named in a Prospectus Supplement are deemed to be underwriters in connection with the Securities offered by that Prospectus Supplement.

The Common Shares may be sold, from time to time in one or more transactions at a fixed price or prices that may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market price or at negotiated prices.

Under agreements that may be entered into by Immunovaccine, underwriters, dealers, placement agents, other intermediaries or agents who participate in the distribution of Securities may be entitled to indemnification by the Corporation against certain liabilities, including liabilities under any applicable Canadian provincial securities legislation, or to contributions with respect to payments that such underwriters, dealers or agents may be required to make in that respect.

In connection with an offering, the underwriters, dealers, placement agents, other intermediaries or agents, if any, may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time and would be subject to applicable law.

By Underwriters, Dealers, Placement Agents or Other Intermediaries

If underwriters, dealers, placement agents or other intermediaries are used in the sale, the Securities will be acquired by such underwriters, dealers, placement agents or other intermediaries for their own account, as principals, and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers, placement agents or other intermediaries may be changed from time to time. Unless otherwise set forth in the Prospectus Supplements relating thereto, the obligations of underwriters, dealers, placement agents or other intermediaries to purchase the Securities will be subject to certain conditions, but the underwriters, dealers, placement agents or other intermediaries will be obligated to purchase all of the Securities offered by the Prospectus Supplements if any of such Securities are purchased. The Corporation may agree to pay the underwriters, dealers, placement agents or other intermediaries a fee or commission for various services relating to the offering of any Securities. Any such fees or commissions will be paid out of the general corporate funds of the Corporation.

By Agents

The Securities may also be sold through agents designated by the Corporation. Any agent involved will be named, and any fees or commissions payable by the Corporation to such agent will be set forth, in the applicable Prospectus Supplements. Any such fees or commissions will be paid out of the general corporate funds of the Corporation. Unless otherwise indicated in the Prospectus Supplements, any agent will be acting on a best efforts basis for the period of its appointment.

Direct Sales

Securities may also be sold directly by the Corporation at such prices and upon such terms as agreed to by the Corporation and the purchaser. In this case, no underwriters, dealers, placement agents, other intermediaries or agents would be involved in the offering.

TRADING PRICE AND VOLUME

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 of Immunovaccine on the TSX-V for the periods indicated below:

	Price Ranges		Trading Volumes
	High (\$)	Low (\$)	
October 2013	\$0.470	\$0.350	2,207,763
November 2013	\$0.550	\$0.400	582,491
December 2013	\$0.530	\$0.350	487,599
January 2014	\$0.840	\$0.400	4,003,033
February 2014	\$1.500	\$0.800	4,547,544
March 2014	\$1.290	\$0.950	2,647,135
April 2014	\$1.050	\$0.750	1,907,324
May 2014	\$0.890	\$0.680	1,580,934
June 2014	\$0.830	\$0.550	954,926
July 2014	\$0.670	\$0.550	582,595
August 2014	\$1.400	\$0.580	7,570,479
September 2014	\$0.920	\$0.660	8,293,913
October 1-23, 2014	\$0.990	\$0.770	7,210,266

RISK FACTORS

There are a number of risks that prospective purchasers should consider before investing in the Securities of Immunovaccine, including, but not necessarily limited to, those risks highlighted in this Prospectus and in other documents incorporated by reference herein. A purchaser should carefully consider the following risk factors in addition to the other information contained in this Prospectus before purchasing Securities. The risks and uncertainties below are not the only ones related to the Corporation. There are additional risks and uncertainties that the Corporation does not presently know of or that the Corporation currently considers immaterial which may also impair the Corporation's business operations and cause the price of the Common Shares or Securities to decline. If any of the following risks actually occur, the Corporation's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of the Common Shares or Securities could decline, and a purchaser may lose all or part of his or her investment.

Risks Related to the Financial Position and Need for Additional Capital

The Corporation has incurred significant losses since inception and expects to incur losses for the foreseeable future and may never achieve or maintain profitability.

Since inception, Immunovaccine has incurred significant operating losses. The net loss was \$5.2 million for the year ended December 31, 2013, \$6.4 million for the year ended December 31, 2012 and \$6.8 million for the year ended December 31, 2011. As of December 31, 2013 and June 30, 2014, respectively, the Corporation had an accumulated deficit of \$35 million and \$37.8 million. As a result of the operating losses and negative cash flows from operations since inception, the 2013 financial statements includes an explanatory paragraph indicating that there is substantial doubt about the Corporation's ability to continue as a going concern.

To date, the Corporation has financed operations primarily through public offerings in Canada, private placements of securities, grants and license and collaboration agreements. The Corporation has devoted substantially all efforts to research and development, including clinical trials. Immunovaccine expects to continue to incur significant

expenses and increasing operating losses for at least the next several years. The Corporation anticipates that the expenses will increase substantially if and as the Corporation:

- initiates or continues the clinical trials of DPX-Survivac and other product candidates;
- seeks regulatory approvals for the product candidates that successfully complete clinical trials;
- establishes a sales, marketing and distribution infrastructure to commercialize products for which the Corporation may obtain regulatory approval;
- maintains, expands and protects the Corporation’s intellectual property portfolio;
- continues other research and development efforts;
- hires additional clinical, quality control, scientific and management personnel; and
- adds operational, financial and management information systems and personnel, including personnel to support product development and planned commercialization efforts.

To become and remain profitable, the Corporation must develop and eventually commercialize a product or products with significant market potential. This development and commercialization will require the Corporation to be successful in a range of challenging activities, including successfully completing preclinical testing and clinical trials of the product candidates, obtaining regulatory approval for these product candidates, marketing and selling those products that obtain regulatory approval. The Corporation is only in the preliminary stages of some of these activities. The Corporation may never succeed in these activities and may never generate revenues that are significant or large enough to achieve profitability. Even if profitability is achieved, the Corporation may not be able to sustain or increase profitability on a quarterly or annual basis. Failure to become and remain profitable would decrease the value of the Corporation and could impair the Corporation’s ability to raise capital, expand the business, maintain research and development efforts or continue operations. A decline in the value of the company could also cause shareholders to lose all or part of their investment.

The Corporation will need substantial additional funding. If the Corporation is unable to raise capital when needed, the Corporation would be forced to delay, reduce, terminate or eliminate product development programs, potentially including the planned Phase II clinical trials of DPX-Survivac or commercialization efforts.

The Corporation expects expenses to increase in connection with the ongoing activities, particularly as the Corporation continues the research, development and clinical trials of, and seeks regulatory approval for, the product candidates. In addition, if the Corporation obtains regulatory approval of any of the product candidates, the Corporation expects to incur significant commercialization expenses for product sales, marketing, manufacturing and distribution. Furthermore, the Corporation will need to obtain additional funding in connection with continuing operations. If the Corporation is unable to raise capital when needed or on attractive terms, the Corporation would be forced to delay, reduce, terminate or eliminate the product development programs, potentially including the planned Phase II clinical trials of DPX-Survivac.

As of December 31, 2013 and June 30, 2014 respectively, the Corporation had cash, cash equivalents and short-term investments of \$3.5 million and \$1.7 million and working capital of \$3.2 million and \$1.7 million.

The Corporation will need to obtain significant financing prior to the commercialization of DPX-Survivac, including funding to complete the planned Phase II clinical trial of DPX-Survivac. The Corporation does not currently have funds available enable the Corporation to complete the planned Phase II clinical trial of DPX-Survivac and to fund operating expenses through the completion of the trials. The Corporation expects that in addition to the NCIC sponsoring the Phase II clinical trials, the Corporation will require up to \$30 million or more to conduct the Phase II trials and fund the operating expenses through the completion of the trial.

The Corporation's future capital requirements will depend on many factors, including:

- the progress and results of the planned Phase II clinical trials of DPX-Survivac;
- the scope, progress, results and costs of preclinical development, laboratory testing and clinical trials for other product candidates;
- the costs, timing and outcome of regulatory review of the product candidates;
- the costs of commercialization activities, including product sales, marketing, manufacturing and distribution, for any of the product candidates for which regulatory approval is received;
- revenue, if any, received from commercial sales of the Corporation's product candidates, should any of the product candidates be approved by the FDA or a similar regulatory authority outside the United States;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing the Corporation's intellectual property rights and defending intellectual property-related claims;
- the extent to which the Corporation acquires or invests in other businesses, products and technologies;
- the Corporation's ability to obtain government or other third-party funding; and
- the Corporation's ability to establish collaborations on favorable terms, if at all, particularly arrangements to market and distribute product candidates on a worldwide basis.

Conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete, and the Corporation may never generate the necessary data or results required to obtain regulatory approval and achieve product sales. In addition, the Corporation's product candidates, if approved, may not achieve commercial success. The Corporation's commercial revenues, if any, will be derived from sales of products that the Corporation does not expect to be commercially available for several years, if at all. Accordingly, the Corporation will need to continue to rely on additional financing to achieve the Corporation's business objectives. Additional financing may not be available to the Corporation on acceptable terms, or at all.

Raising additional capital may cause dilution to existing stockholders, restrict operations or require the Corporation to relinquish rights to its technologies or product candidates.

Until such time, if ever, as the Corporation can generate substantial product revenues, the Corporation expects to finance the cash needs through a combination of equity offerings, debt financings, government or other third-party funding, marketing and distribution arrangements and other collaborations, strategic alliances and licensing arrangements. Currently, the Corporation does not have any committed external source of funds. The Corporation will require substantial funding to complete the planned Phase II clinical trials of DPX-Survivac and to fund the operating expenses and other activities. To the extent that the Corporation raises additional capital through the sale of equity or convertible debt securities, the shareholders ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the shareholders rights as a stockholder. Debt financing, if available, may involve agreements that include covenants limiting or restricting the Corporation's ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Corporation raises additional funds through government or other third-party funding, marketing and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, the Corporation may have to relinquish valuable rights to its technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable.

Risks Related to the Development and Commercialization of the Corporation's Product Candidates

The Corporation depends heavily on the success of DPX-Survivac and other product candidates. All of the product candidates are still in preclinical or clinical development. Clinical trials of the product candidates may not be successful. If the Corporation is unable to commercialize the product candidates or experiences significant delays in doing so, the business will be materially harmed.

The Corporation has invested a significant portion of efforts and financial resources in the development of DPX-Survivac, DPX-0907, and the DepoVax™ Platform. The ability to generate product revenues, which is not expected to occur for at least the next several years, if ever, will depend heavily on the successful development and eventual commercialization of these product candidates, especially DPX-Survivac, the most advanced product candidate. The success of these product candidates will depend on several factors, including the following:

- successful completion of preclinical studies and clinical trials;
- receipt of marketing approvals from the FDA and similar regulatory authorities outside the United States;
- establishing commercial manufacturing capabilities by identifying and making arrangements with third-party manufacturers for the product candidates;
- maintaining patent and trade secret protection and regulatory exclusivity for the product candidates;
- launching commercial sales of the products, if and when approved, whether alone or in collaboration with others;
- acceptance of the products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies; and
- a continued acceptable safety profile of the products following approval.

If the Corporation does not achieve one or more of these factors in a timely manner or at all, the Corporation could experience significant delays or an inability to successfully commercialize its product candidates, which would materially harm its business.

If clinical trials of the product candidates, such as the planned Phase II clinical trials of DPX-Survivac, fail to demonstrate safety and efficacy to the satisfaction of the FDA or similar regulatory authorities outside the United States or do not otherwise produce positive results, the Corporation may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of the product candidates.

Before obtaining regulatory approval for the sale of the product candidates, the Corporation must conduct extensive clinical trials to demonstrate the safety, purity and potency, or efficacy, of the product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more of the Corporation's clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

The Corporation may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent the Corporation's ability to receive regulatory approval or commercialize its product candidates. Unforeseen events that could delay or prevent the Corporation's ability to receive regulatory approval or commercialize its product candidates include:

- regulators or institutional review boards may not authorize the Corporation or its investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- the Corporation may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- clinical trials of the product candidates may produce negative or inconclusive results, and the Corporation may decide, or regulators may require, additional clinical trials be conducted or product development programs be abandoned;
- the number of patients required for clinical trials of the product candidates may be larger than anticipated, enrollment in these clinical trials may be slower than anticipated or participants may drop out of these clinical trials at a higher rate than anticipated;
- the Corporation’s third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations in a timely manner, or at all;
- the Corporation might have to suspend or terminate clinical trials of its product candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks;
- regulators or institutional review boards may require that the Corporation or its investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of the product candidates may be greater than anticipated;
- the supply or quality of the product candidates or other materials necessary to conduct clinical trials of the product candidates may be insufficient or inadequate; and
- the Corporation’s product candidates may have undesirable side effects or other unexpected characteristics, causing the Corporation or its investigators, regulators or institutional review boards to suspend or terminate the trials.

In addition, the patients recruited for clinical trials of the product candidates may have a disease profile or other characteristics that are different than expected and different than the clinical trials were designed for, which could adversely impact the results of the clinical trials.

If the Corporation is required to conduct additional clinical trials or other testing of its product candidates beyond those that are currently contemplate, if the Corporation is unable to successfully complete clinical trials of its product candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, the Corporation may:

- be delayed in obtaining marketing approval for its product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use restrictions or safety warnings, including boxed warnings;
- have the product removed from the market after obtaining marketing approval;
- be subject to additional post-marketing testing requirements; or

- be subject to restrictions on how the product is distributed or used.

The Corporation's product development costs will also increase if delays in testing or approvals are experienced. The Corporation does not know whether any clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant clinical trial delays also could shorten any periods during which the Corporation may have the exclusive right to commercialize its product candidates or allow the Corporation's competitors to bring products to market before the Corporation does and impair the Corporation's ability to commercialize its product candidates and may harm the business and results of operations.

If the Corporation experiences delays or difficulties in the enrollment of patients in the clinical trials, receipt of necessary regulatory approvals could be delayed or prevented.

The Corporation may not be able to initiate or continue clinical trials for its product candidates, including the planned Phase II clinical trial of DPX-Survivac, if the Corporation is unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA or similar regulatory authorities outside the United States. In addition, many of the Corporation's competitors have ongoing clinical trials for product candidates that could be competitive with the Corporation's product candidates, and patients who would otherwise be eligible for the Corporation's clinical trials may instead enroll in clinical trials of the Corporation's competitors' product candidates.

Patient enrollment is affected by other factors including:

- severity of the disease under investigation;
- eligibility criteria for the study in question;
- perceived risks and benefits of the product candidate under study;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment; and
- proximity and availability of clinical trial sites for prospective patients.

The actual amount of time for full enrollment could be longer than planned. Enrollment delays in these planned Phase II trials or any of the Corporation's other clinical trials may result in increased development costs for its product candidates, which would cause the value of the company to decline and limit the Corporation's ability to obtain additional financing, including financing needed to complete the planned Phase II trials of DPX-Survivac. The Corporation's inability to enroll a sufficient number of patients for these planned Phase II clinical trials or any of the other clinical trials would result in significant delays or may require the Corporation to abandon one or more clinical trials altogether.

If serious adverse or inappropriate side effects are identified during the development of the product candidates, the Corporation may need to abandon or limit the development of some of its product candidates.

All of the Corporation's product candidates are still in preclinical or clinical development and their risk of failure is high. It is impossible to predict when or if any of the Corporation's product candidates will prove effective or safe in humans or will receive regulatory approval. If the Corporation's product candidates are associated with undesirable side effects or have characteristics that are unexpected, the Corporation may need to abandon their development or limit development to certain uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

Even if any of the Corporation's product candidates, including DPX-Survivac, receive regulatory approval, they may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary for commercial success.

If DPX-Survivac or any other product candidates receive marketing approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, healthcare payors and others in the medical community. Gaining market acceptance for the DepoVax™-based products may be particularly difficult as, to date, the FDA has only approved a limited number of cancer immunotherapies and the DepoVax™-based products are based on a novel technology. If these products do not achieve an adequate level of acceptance, the Corporation may not generate significant product revenues and may not become profitable. The degree of market acceptance of the Corporation's product candidates, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments;
- the ability to offer its product candidates for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support;
- sufficient third-party coverage or reimbursement; and
- the prevalence and severity of any side effects.

If the Corporation is unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market its product candidates, the Corporation may not be successful in commercializing its product candidates if and when they are approved.

The Corporation does not have a sales or marketing infrastructure and has no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for any approved product, the Corporation must either develop a sales and marketing organization or outsource these functions to third parties. The Corporation currently intends to establish commercialization arrangements with third parties.

There are risks involved with entering into arrangements with third parties to perform these services. If the Corporation enters into arrangements with third parties to perform sales, marketing and distribution services, its product revenues or the profitability of these product revenues are likely to be lower than if the Corporation were to market and sell any products that it develops. In addition, the Corporation may not be successful in entering into arrangements with third parties to sell and market its product candidates or doing so on terms that are favorable to the Corporation. The Corporation likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market its products effectively. If the Corporation does not establish sales and marketing capabilities successfully, either on its own or in collaboration with third parties, it will not be successful in commercializing its product candidates.

The Corporation faces substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than it may.

The development and commercialization of new drug products is highly competitive. The Corporation faces competition with respect to its current product candidates, and will face competition with respect to any products that it may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which the Corporation is developing its product candidates. Potential

competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to the Corporation's approach, and others are based on entirely different approaches. Many marketed therapies for the indications that the Corporation is currently pursuing, or indications that it may in the future seek to address using the DepoVax™ platform, are widely accepted by physicians, patients and payors, which may make it difficult for the Corporation to replace with any products that the Corporation successfully develops and are permitted to market.

There are many FDA-approved cancer therapies for cancer that may provide equivalent or better efficacy compared to DPX-Survivac. In glioblastoma, for example, the currently approved standard of care using radiation and temozolomide therapy followed by temozolomide maintenance provides a clinical benefit that may not be surpassed by therapy with DPX-Survivac in the same patient population.

In addition, the Corporation estimates that there are numerous cancer immunotherapy products in clinical development by many public and private biotechnology and pharmaceutical companies targeting numerous different cancer types. A number of these are in late stage development. For example Stimuvax (Merck KGaA), a cancer vaccine in late stage clinical development for the treatment of non-small lung cancer (NSLC) may successfully improve overall survival to a better extent than DPX-Survivac in the same patient population.

DPX-0907, similar to DPX-Survivac, is designed to produce T cells specific for antigens believed to be associated with cancer. As with DPX-Survivac, approved therapies and therapies in development may provide equivalent or better efficacy compared to DPX-0907.

The Corporation's competitors may develop products that are more effective, safer, more convenient or less costly than any that the Corporation is developing or that would render its product candidates obsolete or non-competitive. The Corporation's competitors may also obtain FDA or other regulatory approval for their products more rapidly than the Corporation.

Many of the Corporation's competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than the Corporation. Mergers and acquisitions in the pharmaceutical, biotechnology and device industries may result in even more resources being concentrated among a smaller number of the Corporation's competitors. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with the Corporation in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the Corporation's programs.

Even if the Corporation is able to commercialize any product candidates, the products may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm the business.

The regulations that govern marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. In the United States, recently passed legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, the Corporation might obtain regulatory approval for a product in a particular country, but then be subject to price regulations that delay the commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenues the Corporation is able to generate from the sale of the product in that country. Adverse pricing limitations may hinder the Corporation's ability to recoup its investment in one or more product candidates, even if its product candidates obtain regulatory approval.

The Corporation's ability to commercialize any products successfully also will depend in part on the extent to which reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. The Corporation cannot be sure that reimbursement will be available for any product that it commercializes and, if reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any product candidate for which the Corporation obtains marketing approval. Obtaining reimbursement for the Corporation's products may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, the Corporation may not be able to successfully commercialize any product candidate for which the Corporation obtained marketing approval.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers the Corporation's costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover the Corporation's costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in Canada or the United States. Third party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. The Corporation's inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved products that the Corporation develops could have a material adverse effect on the Corporation's operating results, the Corporation's ability to raise capital needed to commercialize products and the Corporation's overall financial condition.

The Corporation's reliance on government funding adds uncertainty to the Corporation's research and commercialization efforts of its government-funded product candidates.

The Corporation has received significant funding from government organizations since its inception totaling over \$10 million. There is no assurance the Corporation will continue to apply for and/or be awarded government funding in the future. If the Corporation is unable to obtain additional government funding, it will have to either obtain funds through raising additional capital or arrangements with strategic partners or others, if available, 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 the Corporation requires for to pursue the planned activities or on acceptable terms, if at all.

Product liability lawsuits against the Corporation could cause the Corporation to incur substantial liabilities and to limit commercialization of any products that the Corporation may develop.

The Corporation faces an inherent risk of product liability exposure related to the testing of its product candidates in human clinical trials and will face an even greater risk if the Corporation commercially sells any products that it may develop. None of the Corporation's product candidates have been widely used over an extended period of time, and therefore, safety data is limited.

If the Corporation cannot successfully defend itself against claims that its product candidates or products caused injuries, it will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that it may develop;

- injury to the Corporation’s reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue; and
- the inability to commercialize any products that the Corporation may develop.

The Corporation currently holds \$10 million in clinical trial liability insurance coverage, which may not be adequate to cover all liabilities that it may incur. The Corporation will need to increase its insurance coverage when it begins commercializing its product candidates, if ever. Insurance coverage is increasingly expensive. The Corporation may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

The Corporation may expend its limited resources to pursue a particular product candidate or indication and fail to capitalize on product candidates or indications that may be more profitable or for which there is a greater likelihood of success.

Because the Corporation has limited financial and managerial resources, the Corporation focuses on research programs and product candidates for specific indications. As a result, the Corporation may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. The Corporation’s resource allocation decisions may cause the Corporation to fail to capitalize on viable commercial products or profitable market opportunities. The Corporation’s spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products.

The Corporation has based its research and development efforts on its DepoVax™ platform. Notwithstanding the large investment to date and anticipated future expenditures in its DepoVax™ platform, the Corporation has not yet developed, and may never successfully develop, any marketed drugs using this approach. As a result of pursuing the development of product candidates using the DepoVax™ platform, the Corporation may fail to develop product candidates or address indications based on other scientific approaches that may offer greater commercial potential or for which there is a greater likelihood of success.

The Corporation’s long-term business plan is to develop DepoVax™-based products for the treatment of various cancers and infectious diseases. The Corporation may not be successful in its efforts to identify or discover additional product candidates that may be manufactured using its DepoVax™ platform. Research programs to identify new product candidates require substantial technical, financial and human resources. These research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development.

If the Corporation does not accurately evaluate the commercial potential or target market for a particular product candidate, the Corporation may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for the Corporation to retain sole development and commercialization rights to such product candidate.

Risks Related to the Corporation's Dependence on Third Parties

If the Corporation is not able to establish collaborations, the Corporation may have to alter its development and commercialization plans.

The Corporation's drug development programs and the potential commercialization of its product candidates will require substantial additional cash to fund expenses. For some of the Corporation's product candidates, the Corporation plans to collaborate with pharmaceutical and biotechnology companies for the development and potential commercialization of those product candidates.

The Corporation faces significant competition in seeking appropriate collaborators. Whether the Corporation reaches a definitive agreement for a collaboration will depend, among other things, upon its assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration, and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to the Corporation's ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with the Corporation for its product candidate. The Corporation may also be restricted under existing license agreements from entering into agreements on certain terms with potential collaborators. Collaborations are complex and time-consuming to negotiate and document. The Corporation may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all.

The Corporation will need to raise capital or develop collaborations with third parties to commercialize its products. If the Corporation is not able to obtain such funding or enter into collaborations for any such product candidate, the Corporation may have to curtail the development of such product candidate, reduce or delay its development program or one or more of its other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase its expenditures and undertake development or commercialization activities at the Corporation's own expense. If the Corporation elects to increase its expenditures to fund development or commercialization activities on its own, the Corporation may need to obtain additional capital, which may not be available to the Corporation on acceptable terms or at all. If the Corporation does not have sufficient funds, the Corporation may not be able to further develop these product candidates or bring these product candidates to market and generate product revenue.

The Corporation expects to depend on collaborations with third parties for the development and commercialization of its product candidates. If those collaborations are not successful, the Corporation may not be able to capitalize on the market potential of these product candidates.

The Corporation intends to establish commercialization arrangements with third-parties. The Corporation's likely collaborators for any development, distribution, marketing, licensing or broader collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies.

Potential delays include delays in manufacture or clinical trials, failure to produce sufficient quantities of product to conduct trials, or failure to complete trials. The Corporation's collaborators may fail to meet contractual obligations. They could also pursue other technologies or develop alternative products that could compete with the products the Corporation is developing. If the Corporation does enter into any such arrangements with any third parties, the Corporation will likely have limited control over the amount and timing of resources that its collaborators dedicate to the development or commercialization of its product candidates. The Corporation's ability to generate revenues from these arrangements will depend on its collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Collaborations involving the Corporation's product candidates would pose the following risks to the Corporation:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not pursue development and commercialization of the Corporation's product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding, or external factors such as an acquisition that diverts resources or creates competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with the Corporation's products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than the Corporation's;
- a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;
- collaborators may not properly maintain or defend the Corporation's intellectual property rights or may use the Corporation's proprietary information in such a way as to invite litigation that could jeopardize or invalidate the Corporation's proprietary information or expose the Corporation to potential litigation;
- disputes may arise between the collaborators and the Corporation that result in the delay or termination of the research, development or commercialization of the Corporation's products or product candidates or that result in costly litigation or arbitration that diverts management attention and resources; and
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates. For example, the Corporation could have to build a sales force.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner, or at all. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators. If a present or future collaborator of the Corporation were to be involved in a business combination, the continued pursuit and emphasis on the Corporation's product development or commercialization program could be delayed, diminished or terminated.

The Corporation relies on third parties to conduct its clinical trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

The Corporation does not independently conduct clinical trials of its product candidates. The Corporation relies on third parties, such as contract research organizations, clinical data management organizations, medical institutions and clinical investigators, to perform this function. The Corporation's reliance on these third parties for clinical development activities reduces its control over these activities but does not relieve the Corporation of its responsibilities. The Corporation remains responsible for ensuring that each of its clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires the Corporation to comply with standards, commonly referred to as Good Clinical Practices, for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. The Corporation is also required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and

criminal sanctions. Furthermore, these third parties may also have relationships with other entities, some of which may be the Corporation's competitors. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct the Corporation's clinical trials in accordance with regulatory requirements or the Corporation's stated protocols, the Corporation will not be able to obtain, or may be delayed in obtaining, regulatory approvals for its product candidates and will not be able to, or may be delayed in its efforts to, successfully commercialize its product candidates.

The Corporation also relies on other third parties to store and distribute drug supplies for its clinical trials. Any performance failure on the part of the Corporation's existing or future distributors could delay clinical development or regulatory approval of its product candidates or commercialization of its products, producing additional losses and depriving the Corporation of potential product revenue.

The Corporation depends on third-party suppliers to obtain the Corporation's raw ingredients, intermediate drug substances and specialized equipment, which are necessary for the production of the Corporation's products.

The Corporation currently procures ingredients and intermediate drug substances for the manufacturing of the Corporation's pipeline products, from specialized suppliers. For some components, the Corporation has so far identified only one supplier. In the unlikely event that a supplier may stop supplying the required ingredient(s), the Corporation may need to identify an alternative source of such ingredient(s) which may cause substantial delays to one or all of the Corporation's clinical programs. Currently the Corporation is utilizing the GMP services of a contract manufacturing organization ("CMO") located in the United States for its clinical drug product manufacture and does not have a fully qualified and approved backup facility. The Corporation may need to approve an alternative CMO to avoid delays in planned clinical programs should there be any issues with the current CMO. The Corporation's product(s) requires a unique manufacturing process and uses specialized equipment manufactured by another third party to manufacture the Corporation's clinical candidate vaccines. The specialized equipment used during the manufacturing process is made by only one manufacturer. In the event of catastrophic equipment failure and in the event that this particular supplier of the equipment ceases its operations and/ or replacement equipment cannot be procured, alternative suppliers of similar equipment may be sought and additional product development may be required, which may cause significant delays to some or all of the Corporation's clinical programs.

Risks Related to the Manufacturing of the Corporation's Product Candidates

If the Corporation is unable to commercially manufacture its products, the Corporation could face delayed trial approvals or sales.

The Corporation has no experience manufacturing commercial quantities of products and does not currently have the resources to commercially manufacture any products that the Corporation may develop. Accordingly, if the Corporation becomes successful in developing any product with commercial potential, the Corporation would either be required to develop the facilities to manufacture independently or secure a contract manufacturer or enter into another arrangement with third parties to manufacture such products. If the Corporation is unable to develop such capabilities or enter into any such arrangement on favourable terms, the Corporation may be unable to compete effectively in the marketplace. If the Corporation is unable to manufacture or contract for a sufficient supply of product on acceptable terms, or if the Corporation encounters delays or difficulties in its relationships with manufacturers or collaborators, its preclinical, clinical testing and/or product sales could be delayed, thereby delaying the submission of products for regulatory approval and/or market introduction and subsequent sales of such products.

Risks Related to the Corporation's Intellectual Property

If the Corporation fails to comply with its obligations under its intellectual property licenses with third parties, the Corporation could lose license rights that are important to its business.

The Corporation is a party to a number of intellectual property license agreements with third parties and expects to enter into additional license agreements in the future. The Corporation's existing license agreements impose, and the Corporation expects that future license agreements will impose, various diligences, milestone payment, royalty,

insurance, indemnification and other obligations on the Corporation. For example, the Corporation's agreement with Immunotope requires it to maintain its patents and patent applications with respect to the antigens it licenses from them. If the Corporation fails to comply with its obligations under these licenses, its licensors may have the right to terminate these license agreements, in which event the Corporation might not be able to market any product that is covered by these agreements, or to convert the license to a non-exclusive license, which could materially adversely affect the value of the product candidate being developed under the license agreement. Termination of these license agreements or reduction or elimination of the Corporation's licensed rights may result in the Corporation having to negotiate new or reinstated licenses with less favorable terms.

If the Corporation is unable to obtain and maintain patent protection for its technology and products, or if the Corporation's licensors are unable to obtain and maintain patent protection for the technology or products that it licenses from them, or if the scope of the patent protection obtained is not sufficiently broad, the Corporation's competitors could develop and commercialize technology and products similar or identical to that of the Corporation's, and its ability to successfully commercialize its technology and products may be adversely affected.

The Corporation's success depends in large part on its and its licensors' ability to obtain and maintain patent protection in the United States and other countries with respect to its proprietary technology and products. The Corporation and its licensors have sought to protect the Corporation's proprietary position by filing patent applications in the United States and abroad related to its novel technologies and products that are important to its business. This process is expensive and time-consuming, and the Corporation may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that the Corporation will fail to identify patentable aspects of its research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, the Corporation does not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology or products that it licenses from third parties and are reliant on its licensors. Therefore, the Corporation cannot be certain that these patents and applications will be prosecuted and enforced in a manner consistent with the best interests of its business. If such licensors fail to maintain such patents, or lose rights to those patents, the rights the Corporation has licensed may be reduced or eliminated.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of the Corporation's and its licensors' patent rights are highly uncertain. The Corporation and its licensors' pending and future patent applications may not result in patents being issued which protect its technology or products or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of the Corporation's patents or narrow the scope of its patent protection.

The laws of foreign countries may not protect the Corporation's rights to the same extent as the laws of Canada and the United States. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in Canada and the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore the Corporation cannot be certain that its or its licensors were the first to make the inventions claimed in its owned or licensed patents or pending patent applications, or that the Corporation or its licensors were the first to file for patent protection of such inventions.

Assuming the other requirements for patentability are met, in the United States, the first to invent the claimed invention is entitled to the patent, while outside the United States, the first to file a patent application is generally entitled to the patent. Under the *America Invents Act*, or AIA, enacted in September 2011, the United States moved to a first inventor to file system in March 2013. The Corporation may become involved in opposition or interference proceedings challenging its patent rights or the patent rights of others. An adverse determination in any such proceeding or litigation could reduce the scope of, or invalidate, the Corporation's patent rights, allowing third parties to commercialize its technology or products and compete directly with the Corporation, without payment to the Corporation, or result in its inability to manufacture or commercialize products without infringing third-party patent rights. For example, Merck has to maintain patents on antigens licensed to the Corporation.

Even if the Corporation's owned and licensed patent applications issue as patents, they may not issue in a form that will provide the Corporation with any meaningful protection, prevent competitors from competing with the Corporation or otherwise provide the Corporation with any competitive advantage. The Corporation's competitors may be able to circumvent its owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and the Corporation's owned and licensed patents may be challenged in the courts or patent offices in Canada, the United States and abroad. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit the Corporation's ability to or stop or prevent the Corporation from stopping others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of its technology and products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, the Corporation's owned and licensed patent portfolio may not provide it with sufficient rights to exclude others from commercializing products similar or identical to the Corporation's.

The Corporation may become involved in lawsuits to protect or enforce its patents, which could be expensive, time consuming and unsuccessful.

Competitors may infringe the Corporation's patents. To counter infringement or unauthorized use, the Corporation may be required to file infringement claims, which can be expensive and time consuming. In addition, in an infringement proceeding, a court may decide that a patent of the Corporation's is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that its patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of the Corporation's patents at risk of being invalidated or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of the Corporation's confidential information could be compromised by disclosure during this type of litigation. In addition, the Corporation's licensors may have rights to file and prosecute such claims and it is reliant on them.

Third parties may initiate legal proceedings alleging that the Corporation is infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of the Corporation's business.

The Corporation's commercial successes depends upon its ability and the ability of its collaborators to develop, manufacture, market and sell its product candidates and use its proprietary technologies without infringing the proprietary rights of third parties. The Corporation may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to its products and technology, including interference proceedings before the U.S. Patent and Trademark Office or other similar regulatory authorities. Third parties may assert infringement claims against the Corporation based on existing patents or patents that may be granted in the future. If the Corporation is found to infringe a third party's intellectual property rights, it could be required to obtain a license from such third party to continue developing and marketing its products and technology. However, the Corporation may not be able to obtain any required license on commercially reasonable terms or at all. Even if the Corporation was able to obtain a license, it could be non-exclusive, thereby giving its competitors access to the same technologies licensed to the Corporation. The Corporation could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, the Corporation could be found liable for monetary damages. A finding of infringement could prevent the Corporation from commercializing its product candidates or force the Corporation to cease some of its business operations, which could materially harm the Corporation's business. Claims that the Corporation has misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on its business.

The Corporation has research licenses to certain reagents and their use in the development of its product candidates. The Corporation would need commercial licenses to these reagents for any of the Corporation's product candidates that receive approval for sale in the United States or Canada. The Corporation believes that commercial licenses to these reagents will be available. If the Corporation is unable to obtain any such commercial licenses, it may be unable to commercialize its product candidates without infringing the patent rights of third parties. If the Corporation did seek to commercialize its product candidates without a license, these third parties could initiate legal proceedings against the Corporation.

The Corporation may be subject to claims that its employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Many of the Corporation's employees were previously employed at universities or other biotechnology or pharmaceutical companies. Although the Corporation tries to ensure that its employees do not use the proprietary information or know-how of others in their work for the Corporation, the Corporation may be subject to claims that it or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims. If the Corporation fails in defending any such claims, in addition to paying monetary damages, it may lose valuable intellectual property rights or personnel. Even if the Corporation is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

Intellectual property litigation could cause the Corporation to spend substantial resources and distract its personnel from their normal responsibilities.

Even if resolved in the Corporation's favor, litigation or other legal proceedings relating to intellectual property claims may cause the Corporation to incur significant expenses, and could distract the Corporation's technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of the Common Shares. Such litigation or proceedings could substantially increase the Corporation's operating losses and reduce the resources available for development activities. The Corporation may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of the Corporation's competitors may be able to sustain the costs of such litigation or proceedings more effectively than it can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on the Corporation's ability to compete in the marketplace.

If the Corporation is unable to protect the confidentiality of its trade secrets, the Corporation's business and competitive position would be harmed.

In addition to seeking patents for some of the Corporation's technology and products, it also relies on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain its competitive position. The types of protections available for trade secrets are particularly important with respect to the DepoVax™ platform's manufacturing capabilities, which involve significant unpatented know-how. The Corporation seeks to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as the Corporation's employees, corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisors and other third parties. The Corporation also enters into confidentiality and invention or patent assignment agreements with its employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose the Corporation's proprietary information, including its trade secrets, and the Corporation may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, courts in certain jurisdictions are less willing or unwilling to protect trade secrets. If any of the Corporation's trade secrets were to be lawfully obtained or independently developed by a competitor, it would have no right to prevent them from using that technology or information to compete with the Corporation. If any of the Corporation's trade secrets were to be disclosed to or independently developed by a competitor, its competitive position would be harmed.

Risks Related to Regulatory Approval of the Corporation's Product Candidates and Other Legal Compliance Matters

If the Corporation is not able to obtain, or if there are delays in obtaining, required regulatory approvals, the Corporation will not be able to commercialize its product candidates, and its ability to generate revenue will be materially impaired.

The Corporation's product candidates, including DPX-Survivac and DPX-0907, and the activities associated with their development and commercialization, including their design, testing, manufacture, safety, efficacy,

recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. Failure to obtain regulatory approval for a product candidate will prevent the Corporation from commercializing the product candidate. The Corporation has not received regulatory approval to market any of its product candidates in any jurisdiction. The Corporation has only limited experience in filing and supporting the applications necessary to gain regulatory approvals and expect to rely on third-party contract research organizations to assist it in this process. Securing FDA or Health Canada approval requires the submission of extensive preclinical and clinical data and supporting information to the FDA or Health Canada for each therapeutic indication to establish the product candidate's safety and efficacy. Securing FDA or Health Canada approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the FDA or Health Canada. The Corporation's product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude the Corporation from obtaining regulatory approval or prevent or limit commercial use.

The process of obtaining regulatory approvals, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. To date, the FDA has only approved one active cellular immunotherapy product. Changes in regulatory approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA or Health Canada has substantial discretion in the approval process and may refuse to accept any application or may decide that the Corporation's data is insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent regulatory approval of a product candidate. Any regulatory approval the Corporation ultimately obtains may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

If the Corporation experiences delays in obtaining approval or if it fails to obtain approval of its product candidates, the commercial prospects for the Corporation's product candidates may be harmed and its ability to generate revenues will be materially impaired.

Failure to obtain regulatory approval in international jurisdictions would prevent the Corporation's product candidates from being marketed abroad.

The Corporation intends to enter into arrangements with third parties under which they would market its products outside Canada or the United States. In order to market and sell the Corporation's products in the European Union and many other jurisdictions, the Corporation or such third parties must obtain separate regulatory approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA or Health Canada approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA or Health Canada approval. In addition, in many countries outside the United States or Canada, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. The Corporation or these third parties may not obtain approvals from regulatory authorities outside the United States or Canada on a timely basis, if at all. Approval by the FDA or Health Canada does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States or Canada does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. The Corporation may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize its products in any market.

If the Corporation fails to comply with environmental, health and safety laws and regulations, it could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of the Corporation's business.

The Corporation is subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. The Corporation's operations involve the use of hazardous and flammable materials, including chemicals

and radioactive and biological materials. The Corporation's operations also produce hazardous waste products. The Corporation generally contract with third parties for the disposal of these materials and wastes. The Corporation cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from the Corporation's use of hazardous materials, it could be held liable for any resulting damages, and any liability could exceed its resources. The Corporation also could incur significant costs associated with civil or criminal fines and penalties.

Although the Corporation maintains workers' compensation insurance to cover it for costs and expenses it may incur due to injuries to its employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. The Corporation does not maintain insurance for environmental liability or toxic tort claims that may be asserted against the Corporation in connection with its storage or disposal of biological, hazardous or radioactive materials.

In addition, the Corporation may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair the Corporation's research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Any product candidate for which the Corporation obtains marketing approval could be subject to restrictions or withdrawal from the market and the Corporation may be subject to penalties if it fails to comply with regulatory requirements or if it experiences unanticipated problems with its products, when and if any of them are approved.

Any product candidate for which the Corporation obtains marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include, among others, submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to quality control, quality assurance and corresponding maintenance of records and documents, cGTP requirements, requirements regarding the distribution of samples to physicians and recordkeeping. Even if regulatory approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved label. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use and if the Corporation does not market its products for their approved indications, the Corporation may be subject to enforcement action for off-label marketing.

In addition, later discovery of previously unknown problems with the Corporation's products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the marketing of a product;
- restrictions on product distribution;
- requirements to conduct post-marketing clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that it submits;
- recall of products;

- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of regulatory approvals;
- refusal to permit the import or export of the Corporation’s products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

The Corporation’s relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other healthcare laws and regulations, which could expose the Corporation to criminal sanctions, civil penalties, program exclusion, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of any product candidates for which the Corporation obtains marketing approval. The Corporation’s future arrangements with third-party payors and customers may expose the Corporation to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which it markets, sells and distributes its products for which it obtains marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid;
- the federal *False Claims Act* imposes civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal *Health Insurance Portability and Accountability Act* of 1996, as amended by the *Health Information Technology for Economic and Clinical Health Act*, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal transparency requirements under the *Health Care Reform Law* will require manufacturers of drugs, devices, biologics and medical supplies to report to the Department of Health and Human Services information related to physician payments and other transfers of value and physician ownership and investment interests; and
- analogous state laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures.

Efforts to ensure that the Corporation's business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that the Corporation's business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If the Corporation's operations are found to be in violation of any of these laws or any other governmental regulations that may apply to it, it may be subject to significant civil, criminal and administrative penalties, damages, fines, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of the Corporation's operations. If any of the physicians or other providers or entities with whom the Corporation expects to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

Recently enacted and future legislation may increase the difficulty and cost for the Corporation to obtain marketing approval of and commercialize its product candidates and affect the prices it may obtain.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of the Corporation's product candidates, restrict or regulate post-approval activities and affect its ability to profitably sell any product candidates for which it obtains marketing approval.

In the United States, the *Medicare Prescription Drug, Improvement, and Modernization Act* of 2003 ("**Medicare Modernization Act**"), changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class in certain cases. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and reimbursement that is provided for any approved products. While the Medicare Modernization Act applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the Medicare Modernization Act may result in a similar reduction in payments from private payors.

More recently, in March 2010, President Obama signed into law the *Health Care Reform Law*, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for health care and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. Effective October 1, 2010, the *Health Care Reform Law* revises the definition of "average manufacturer price" for reporting purposes, which could increase the amount of Medicaid drug rebates to states. Further, the new law imposes a significant annual fee on companies that manufacture or import branded prescription drug products. Substantial new provisions affecting compliance have also been enacted, which may affect the Corporation's business practices with health care practitioners. The Corporation will not know the full effects of the *Health Care Reform Law* until applicable federal and state agencies issue regulations or guidance under the new law. Although it is too early to determine the effect of the *Health Care Reform Law*, this law appears likely to continue the pressure on pharmaceutical pricing, especially under the Medicare program, and may also increase the Corporation's regulatory burdens and operating costs.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. The Corporation cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of the Corporation's product candidates, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject the Corporation to more stringent product labeling and post-marketing testing and other requirements.

With the enactment of the *Biologics Price Competition and Innovation Act* of 2009 ("**BPCIA**"), as part of the *Health Care Reform Law*, an abbreviated pathway for the approval of biosimilar and interchangeable biological products was created. The new abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as "interchangeable" based on its

similarity to an existing brand product. Under the BPCIA, an application for a biosimilar product cannot be submitted to the FDA until four years, or approved by the FDA until 12 years, after the original brand product identified as the reference product was approved under a biologics license application (“BLA”). The new law is complex and is only beginning to be interpreted and implemented by the FDA. As a result, its ultimate impact, implementation and meaning is subject to uncertainty. While it is uncertain when any such processes may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for the Corporation’s biological products.

The Corporation believes that if any of its product candidates were to be approved as biological products under a BLA, such approved products should qualify for the four-year and 12-year periods of exclusivity. However, there is a risk that the U.S. Congress could amend the BPCIA to significantly shorten these exclusivity periods as proposed by President Obama, or that the FDA will not consider the Corporation’s product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of the Corporation’s reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear, and will depend on a number of marketplace and regulatory factors that are still developing.

Risks Related to Employee Matters and Managing Growth

The Corporation’s future success depends on its ability to retain its key executives and to attract, retain and motivate qualified personnel.

The corporation is highly dependent on its executive officers. Although the Corporation has formal employment agreements with each of its executive officers, these agreements do not prevent the Corporation’s executives from terminating their employment with the Corporation at any time. The loss of the services of any of these persons could impede the achievement of the Corporation’s research, development and commercialization objectives.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to the Corporation’s success. The Corporation may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. The Corporation also experiences competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, the Corporation relies on consultants and advisors, including scientific and clinical advisors, to assist it in formulating its research and development and commercialization strategy. The Corporation’s consultants and advisors may be employed by employers other than the Corporation and may have commitments under consulting or advisory contracts with other entities that may limit their availability to the Corporation.

The Corporation expects to expand its development, regulatory, manufacturing and sales and marketing capabilities, and as a result, the Corporation may encounter difficulties in managing its growth, which could disrupt the Corporation’s operations.

The Corporation expects to experience significant growth in the number of its employees and the scope of its operations, particularly in the areas of drug development, regulatory affairs, manufacturing and sales and marketing. To manage the Corporation’s anticipated future growth, it must continue to implement and improve its managerial, operational and financial systems, expand its facilities and continue to recruit and train additional qualified personnel. Due to the Corporation’s limited financial resources and the limited experience of its management team in managing a company with such anticipated growth, the Corporation may not be able to effectively manage the expansion of its operations or recruit and train additional qualified personnel. The physical expansion of the Corporation’s operations may lead to significant costs and may divert its management and business development resources. Any inability to manage growth could delay the execution of the Corporation’s business plans or disrupt the Corporation’s operations.

Risk Factors Related to Securities Offered under This Prospectus

Immediate Dilution

Purchasers who purchase Securities offered pursuant to this Prospectus may pay more for their Securities than the amounts paid by existing shareholders or securityholders of the Corporation for their Securities. As a result, such purchasers may incur immediate and substantial dilution. Convertible securities have been issued and may be issued in the future by the Corporation at a lower price than the current market value of the Common Shares, consequently, purchasers who purchase Securities under this Prospectus may incur substantial dilution in the near future.

Negative Effect on Market Price of Issuances under This Prospectus

Subject to market conditions and the Corporation's capital needs, the Corporation may again seek to use any remaining availability under this Prospectus by making an offering of Securities covered for sale under this Prospectus. In addition, the Corporation may amend this Prospectus or file a new prospectus to increase its potential access to capital. The addition of these Securities into the market will be dilutive to existing shareholders and may have an adverse effect on the market price of the Common Shares.

Broad Discretion of the Corporation in the Use of the Net Proceeds from the Securities Offered under This Prospectus

Management of the Corporation will have broad discretion in the application of the net proceeds from the Securities offered under this Prospectus and could spend the proceeds in ways that do not improve the Corporation's results of operations or enhance the value of the Common Shares. The failure by the management of the Corporation to apply these funds effectively could result in financial losses that could have a material adverse effect on the Corporation's business, cause the price of the Common Shares to decline and delay the development of the Corporation's product candidates. Pending their use, the Corporation may invest the net proceeds from the Securities offered under this Prospectus in a manner that does not produce income or that loses value.

Volatility of Share Price

Market prices for securities in general tend to fluctuate. In addition to general securities market conditions, factors such as the announcement of scientific or technological innovations, new drugs, products, patents, the obtaining of exclusive rights by the Corporation or other companies, a change in regulations, publications, quarterly financial results, public concerns, future sales of Common Shares by the Corporation or current shareholders, the realization of any of the risks described herein and many other factors could have considerable repercussions on the price of the Common Shares.

Future Sales of Common Shares

The market price of the Common Shares could decline as a result of issuances by the Corporation or sales by its existing shareholders of Common Shares in the market after an offering made under this Prospectus, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for the Corporation to sell equity securities at a time and price that it deems appropriate. As of the date hereof, without taking into account any Securities that may be issued under this Prospectus, Immunovaccine has a total of 91,472,667 Common Shares issued and outstanding. In addition, any Preferred Shares issued by the Corporation may have rights superior to those of the Common Shares.

Dividends

The Corporation has paid no cash dividends on any of its Common Shares to date and currently intends to retain its future earnings, if any, to fund the development growth of its businesses. In addition, the terms of any future debt or credit facility may preclude the Corporation from paying any dividends unless certain consents are obtained and certain conditions are met.

Market for the Securities

There is currently no market through which the Securities, other than the Common Shares, may be sold and purchasers may not be able to resell the Securities purchased under this Prospectus and the Preferred Shares, Subscription Receipts, Warrants and Units will not be listed on any securities or stock exchange or any automated dealer quotation system. This may affect the pricing of the Securities, other than the Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation. There can be no assurance that an active trading market for the Securities, other than the Common Shares, will develop or, if developed, that any such market will be sustained.

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplements may describe certain Canadian federal income tax consequences to a purchaser who is a non-resident of Canada or to a purchaser who is a resident of Canada of acquiring, owning and disposing of any of Immunovaccine's Securities offered thereunder.

LEGAL MATTERS

Certain Canadian legal matters relating to the offering of Securities under this Prospectus will be passed upon by McCarthy Tétrault LLP. As of the date hereof, the partners and associates of McCarthy Tétrault LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares of the Corporation or any of its associates or affiliates.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is PricewaterhouseCoopers LLP, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, B3J 3P6, Canada, who advises that it is independent of the Corporation within the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia.

The transfer agent and registrar for the Common Shares of the Corporation 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.

AGENT FOR SERVICE OF PROCESS

Albert Scardino and Wayne Pisano, members of the Board of Directors of the Corporation, both reside outside of Canada and have appointed Immunovaccine Inc., 1344 Summer Street, Suite 412, Halifax, Nova Scotia, Canada, B3H 0A8, as agent for service of process.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus, the accompanying Prospectus Supplements and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, the accompanying Prospectus Supplements or any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Preferred Shares, Subscription Receipts, Warrants and Units, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus and the accompanying Prospectus Supplements is limited, in certain provincial securities legislation, to the price at which such security is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE CORPORATION

Date: October 24, 2014

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Newfoundland and Labrador.

(s) Marc Mansour

Marc Mansour
Chief Executive Officer

(s) Kimberly Stephens

Kimberly Stephens
Chief Financial Officer

On behalf of the Board of Directors

(s) Albert Scardino

Albert Scardino
Director

(s) Wade Dawe

Wade Dawe
Director