Vaxil Receives Canadian Notice of Patent Allowance for its Lead Immunotherapy Platform, Including its ImMucin™ Cancer Vaccine

— Patent to Provide Broad Coverage for Signal Peptides of MUC1 Cancer Target —

ISRAEL & TORONTO — March 31st 2016 — **VAXIL BIO LTD.** (TSXV: **VXL**), an Israeli biotechnology company specializing in cancer immunotherapy, is very pleased to report that it has received a Notice of Allowance from the Canadian Intellectual Property Office (CIPO) for Canadian Patent Application No. 2,665,816 entitled "Antigen Specific Multi Epitope Vaccines". The patent would make Vaxil the Canadian leader in regard to utilizing MUC1 signal peptide domains as cancer immunotherapy treatments.

As opposed to many other cancer vaccines targeting entire cancer antigens, Vaxil has developed its proprietary immunotherapy platform for producing cancer vaccines relevant to specific signal peptide domains within the cancer antigen. This patent allowance protects Vaxil's ownership of all signal peptides of the MUC1 cancer target. MUC1 is known to be a highly important cancer target, given its therapeutic function, immunogencitiy, and wide presence in many cancer types. Vaxil will now be protected in Canada for the development of any signal peptide domain of the MUC1 cancer antigen. Vaxil's lead product, the Immucin™ cancer vaccine, represents one such promising variation of MUC1's signal peptide: the 21-mer peptide domain.

ImMucin™, is an immunotherapeutic treatment which educates a cancer patient's immune system, particularly T-cells and antibodies, to attack cancer cells via a specific domain, termed signal peptide, of the MUC1 cancer antigen. In a Phase-I/II trial which included 15 multiple myeloma patients, 100% of patients demonstrated robust immune responses, including both T-Cells and B-Cells.This signal peptide domain of the MUC1 cancer target, bears significant advantages as an immunotherapeutic agent, including its presence on approximately 90% of all cancer types.

Dr. Lior Carmon, Vaxil's founder commented, "We are very excited that this Canadian notice of allowance effectively positions Vaxil as the only player in the country able to use MUC1 signal peptides as cancer immunotherapies. Any party wishing to pursue signal peptides of MUC1, which is a highly critical cancer target, would have to partner with or license through Vaxil. Despite notable recent advances in the treatment of cancer in general and multiple myeloma (MM) in particular, there are still no options resulting in full recovery from the disease. There is a real need for drugs that can delay the recurrence of the disease. ImMucin™ is intended to meet this need in MM patients with "minimal residual disease", turning their cancer into a chronic manageable disease. In light of the clinical results achieved thus far with ImMucin™, manifested by a strong diversified immune response, ImMucin™ has great therapeutic and economic potential.

"MUC1 is a well-known cancer antigen, or cancer target, and we believe that specific signal peptides of MUC1 may be a more targeted and immunogenic approach for attacking MUC1 positive tumors. This broad coverage protects the Company's lead immunotherapy, ImMucin™, but importantly, it protects all MUC1 signal peptides. Essentially, it allows the Company the flexibility to develop and/or out-license MUC1 signal peptides aside from our 21-mer ImMucin™ cancer vaccine. It is an exciting addition to our existing patent portfolio and strengthens our ability to protect our proprietary technologies, and hopefully, follow-on technologies. The patent is expected to also cover other attractive applications for the use of signal peptide domains; in particular, its use for T-cell based cell-therapy."

About Vaxil

Vaxil is an Israeli biotech based in the Israeli Weizmann Science Park, and listed on the TSX-Venture as **VXL**. Vaxil was founded in 2006 by Dr. Lior Carmon, an expert in cancer immunology from the Weizmann Institute of Science, Israel's top scientific institution. Dr. Carmon was initially supported by another top Weizmann scientist, Dr. Marian Gorecki, a professor at Weizmann and an MIT graduate, who remains on Vaxil's Board. Recently, North American scientists Dr. Saeid Babaei (PhD in regenerative medicine, Univ. of Toronto) and Dr. Benjamin Chen (PhD, Univ. of Wisconsin, Stanford Cancer

Research Fellow) have joined the team of scientists to complement their Weizmann colleagues in Israel. Vaxil has a highly specialized expertise in signal peptides. To that end, Vaxil has developed a proprietary platform called VaxHit, for the identification and production of signal peptide domains as cancer vaccines. The Company's lead product stemming from the VaxHit platform, is its ImMucin™ cancer vaccine, which has shown highly promising results in a published Phase-I/II clinical trial which included 15 cancer patients.

About Vaxil's VaxHit Platform

Effectively, VaxHit enables the identification of sequences (antigens) in a unique domain of the proteins called the signal peptide that is capable of triggering a unique and specific reaction, among T -cells and antibodies (B-cells) in the immune system of most patients. Recently, Vaxil has reported that by using the VaxHit technology, one can identify targets within the same specific domain in proteins, and thus produce improved recombinant antibodies that can serve to diagnose and potentially treat cancer and infectious diseases. The Company believes there is potential to develop additional technologies utilizing VaxHit in producing additional signal peptide domains as cancer immunotherapies. The Company is therefore working, to protect its ability to develop and produce such immunotherapies, which includes its lead product, ImMucin™.

About ImMucin™

Vaxil's lead product, ImMucin™, trains the patient's immune system to identify and destroy cells which display a short specific 21-mer portion (signal peptide domain) of the cancer-associated (marker) expression of MUC1, which appears on 90% of all cancer cells but not in patient blood, a factor which can enhance its potency. Vaxil completed a Phase I/II clinical study with ImMucin™ in multiple myeloma (MM) patients, which showed a high safety profile, strong diversified T/B-cell immunity in all 15 patients across MHC repertoires and initial indications of clinical efficacy; 11 out of the 15 treated patients demonstrated stable disease or clinical improvement which did not require any further treatment. An ongoing follow-up study in patients who responded clinically to ImMucin™ has shown that some patients haven't required any further treatment for their disease up to five years since ImMucin™ treatment. ImMucin™ was recently

granted an Orphan drug designation for MM by both the USA FDA and the European EMA.

About Multiple Myeloma

Multiple Myeloma (MM) is the second-most common blood cancer, in which plasma cells accumulate in bone marrow leading to bone destruction and marrow failure. MM accounts for 1% of all cancers and <10% of all hematological malignancies. Recent introduction of autologous stem-cell transplantation and the availability of agents such as immunomodulators (IMiDs) and proteasome inhibitors have advanced the management of MM. However, for most patients it still remains as an incurable disease.

Link to film about Vaxil's Cancer Immunotherapy Platform: Vaxil Video Link https://www.youtube.com/watch?v=B5yFOjrKSxE

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