Immunovaccine Inc.

Unaudited Interim Condensed Consolidated Financial Statements
March 31, 2016

May 10, 2016

Management's Responsibility for Financial Reporting

The accompanying unaudited interim condensed consolidated financial statements of Immunovaccine Inc. (the "Corporation") are the responsibility of management and have been approved by the Board of Directors. The unaudited interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). The unaudited interim condensed consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgement.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to ensure that the financial records are reliable for preparation of the unaudited interim condensed consolidated financial statements. The Audit Committee of the Board of Directors reviewed and approved the Corporation's unaudited interim condensed consolidated financial statements, and recommended their approval by the Board of Directors.

(signed) "*Frederic Ors*"
Chief Executive Officer

(signed) "*Kimberly Stephens*"
Chief Financial Officer

Immunovaccine Inc.

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at March 31, 2016 and December 31, 2015

(Expressed in Canadian dollars)

	March 31, 2016 $	December 31, 2015 $
Assets		
Current assets		
Cash and cash equivalents	2,081,787	3,842,408
Amounts receivable	874,725	328,868
Prepaid expenses	236,697	226,965
Investment tax credits receivable	1,113,428	1,048,946
	4,306,637	5,447,187
Intangible asset	201,080	207,173
Property and equipment (note 4)	295,505	297,708
	4,803,222	5,952,068
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,330,268	1,909,755
Amounts due to directors	72,334	57,084
Deferred revenue	65,114	138,635
Current portion of long-term debt (note 5)	59,907	59,196
	2,527,623	2,164,670
Long-term debt (note 5)	3,826,918	3,718,040
	6,354,541	5,882,710
Equity	(1,551,319)	69,358
	4,803,222	5,952,068

Going concern (note 1)

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Approved on behalf of the Board of Directors

(signed) *"James W. Hall"*, Director

(signed) *"Wayne Pisano"*, Director

Immunovaccine Inc.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the period ended March 31, 2016 and December 31, 2015

(Expressed in Canadian dollars)

	Share capital $	Contributed surplus $	Warrants $	Deficit $	Total $
Balance, December 31, 2014	43,274,716	4,883,103	777,852	(41,121,828)	7,813,843
Comprehensive loss for the period	–	–	–	(8,774,849)	(8,774,849)
Exercise of warrants	121,707	–	(24,477)	–	97,230
Employee share options:					
Value of services recognized	–	845,817	–	–	845,817
Exercise of options	204,134	(116,817)	–	–	87,317
Balance, December 31, 2015	43,600,557	5,612,103	753,375	(49,896,677)	69,358
Comprehensive loss for the period	–	–	–	(1,851,521)	(1,851,521)
Expiration of warrants	–	753,375	(753,375)	–	–
Employee share options:					
Value of services recognized	–	221,044	–	–	221,044
Exercise of options	17,500	(7,700)	–	–	9,800
Balance, March 31, 2016	43,618,057	6,578,822	–	(51,748,198)	(1,551,319)

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Immunovaccine Inc.

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2016 and 2015

(Expressed in Canadian dollars)

	Three months ended March 31, 2016 $	Three months ended March 31, 2015 $
Revenue	64,852	–
Expenses		
General and administrative	808,709	724,380
Research and development	768,899	793,232
Business development	211,443	152,492
Accreted interest and adjustments	127,322	98,803
	1,916,373	1,768,907
Net loss and comprehensive loss for the period	(1,851,521)	(1,768,907)
Basic and diluted loss per share	(0.02)	(0.02)
Weighted-average shares outstanding	92,047,208	91,742,677

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Immunovaccine Inc.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the three months ended March 31, 2016 and 2015

(Expressed in Canadian dollars)

	Three months ended March 31, 2016 $	Three months ended March 31, 2015 $
Cash provided by (used in)		
Operating activities		
Net loss for the period	(1,851,521)	(1,768,907)
Charges to operations not involving cash		
Amortization of intangible asset	6,093	6,905
Depreciation of property and equipment	17,223	14,931
Accretion of long-term debt	127,322	98,803
Stock-based compensation	221,044	207,127
	(1,479,839)	(1,441,141)
Net change in non-cash working capital balances related to operations		
(Increase) decrease in amounts receivable	(545,857)	6,113
Increase in prepaid expenses	(9,732)	(86,128)
Increase in investment tax credits receivable	(64,482)	(64,500)
Increase (decrease) in accounts payable and accrued liabilities	420,513	(471,250)
Increase in amounts due to directors	15,250	19,072
Decrease in deferred revenue	(73,521)	–
	(1,737,668)	(2,037,834)
Financing activities		
Repayment of long-term debt	(17,733)	(16,233)
Proceeds from the exercise of stock options	9,800	9,000
	(7,933)	(7,233)
Investing activities		
Acquisition of property and equipment	(15,020)	(60,356)
Net change in cash and cash equivalents during the period	(1,760,621)	(2,105,423)
Cash and cash equivalents – Beginning of period	3,842,408	10,662,463
Cash and cash equivalents – End of period	2,081,787	8,557,040
Supplementary cash flow information		
Interest received	9,653	32,617

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

(Expressed in Canadian dollars)

1 Nature of operations and going concern

Immunovaccine Inc. (the “Corporation”) is, through its 100% owned subsidiary ImmunoVaccine Technologies Inc., a clinical stage biopharmaceutical company that develops products based on its proprietary vaccine enhancement platform with a primary focus on T cell activating therapies for cancer. The Corporation also capitalizes on licensing opportunities of its platform for other applications including infectious diseases. 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 Corporation has research collaborations with companies and research organizations, including Incyte Corporation and the National Institutes of Health (“NIH”) in the U.S. The Corporation has licensed the delivery technology to PharmAthene, Inc. to develop and commercialize an anthrax vaccine candidate and to Zoetis, formerly the animal health division of Pfizer, Inc. (“Pfizer”), for the development of vaccines for livestock. The Corporation has one reportable and geographic segment. Incorporated under the Canada Business Corporations Act and domiciled in Halifax, Nova Scotia, the shares of the Corporation are listed on the Toronto Stock Exchange (“TSX”) with the symbol “IMV” and trade on the OTCQX under the symbol “IMMVF”. The address of its principal place of business is 1344 Summer Street, Suite 412, Halifax, Nova Scotia, Canada.

Since the Corporation’s inception, the Corporation’s operations have been financed through the sale of shares, issuance of debt, revenue and cost-recoveries from license agreements, interest income on funds available for investment, government assistance and income tax credits. The Corporation has incurred significant operating losses and negative cash flows from operations since inception and has accumulated deficit of $51,748,198 as at March 31, 2016.

The ability of the Corporation to continue as a going concern is dependent upon raising additional financing through equity and non-dilutive funding and partnerships. There can be no assurance that the Corporation will have sufficient capital to fund its ongoing operations, develop or commercialize any products without future financings. These material uncertainties cast significant doubt as to the Corporation’s ability to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Corporation is currently pursuing financing alternatives that may include equity, debt, and non-dilutive financing alternatives including co-development through potential collaborations, strategic partnerships or other transactions with third parties, and merger and acquisition opportunities. There can be no assurance that additional financing will be available on acceptable terms or at all. If the Corporation is unable to obtain additional financing when required, the Corporation may have to substantially reduce or eliminate planned expenditures or the Corporation may be unable to continue operations.

The Corporation’s ability to continue as a going concern is also dependent upon its ability to fund its research and development programs and defend its patent rights. These unaudited interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

(Expressed in Canadian dollars)

2 Basis of presentation

The Corporation prepares its unaudited interim condensed consolidated financial statements in accordance with Canadian generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants – Part I ("CICA Handbook"), which incorporates International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, International Accounting Standards 34 "*Interim Financial Reporting*". Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. The unaudited interim condensed consolidated financial statements should be read in conjunction with the Corporation's annual audited consolidated financial statements for the year ended December 31, 2015.

The policies applied in these unaudited interim condensed consolidated financial statements are based on IFRS issued and outstanding as of May 10, 2016, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Corporation's annual consolidated financial statements for the year ending December 31, 2015 could result in restatement of these unaudited interim condensed consolidated financial statements.

3 Significant accounting policies, judgments and estimation uncertainty

These unaudited interim condensed consolidated financial statements have been prepared using the same policies and methods as the annual consolidated financial statements of the Corporation for the year ended December 31, 2015. Refer to note 3 of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2015 for more information on new accounting standards and amendments not yet effective.

(Expressed in Canadian dollars)

4 Property and equipment

	Computer equipment $	Furniture and equipment $	Laboratory equipment $	Total $
Year January 1, 2015				
Opening net book value	31,356	27,356	190,070	248,782
Additions	20,105	–	100,905	121,010
Depreciation for the year	(18,508)	(5,471)	(48,105)	(72,084)
Closing net book value	32,953	21,885	242,870	297,708
At December 31, 2015				
Cost	202,056	70,319	833,001	1,105,376
Accumulated depreciation	(169,103)	(48,434)	(590,131)	(807,668)
Net book value	32,953	21,885	242,870	297,708
Period ended March 31, 2016				
Opening net book value	32,953	21,885	242,870	297,708
Additions	789	–	14,231	15,020
Depreciation for the period	(3,720)	(1,094)	(12,409)	(17,223)
Closing net book value	30,022	20,791	244,692	295,505
At March 31, 2016				
Cost	202,845	70,319	847,232	1,120,396
Accumulated depreciation	(172,823)	(49,528)	(602,540)	(824,891)
Net book value	30,022	20,791	244,692	295,505

(Expressed in Canadian dollars)

5 Long-term debt

	March 31, 2016 $	December 31, 2015 $
Atlantic Canada Opportunities Agency ("ACOA") Atlantic Innovation Fund interest-free loan with a maximum contribution of $3,786,474. Annual repayments, commencing December 1, 2008, are calculated as a percentage of gross revenue for the preceding fiscal year, at 2% when gross revenues are less than $5,000,000 and 5% when gross revenues are greater than $5,000,000. As at March 31, 2016, the amount drawn down on the loan, net of repayments, is $3,749,531.	248,825	230,200
ACOA Atlantic Innovation Fund interest-free loan with a maximum contribution of $3,000,000. Annual repayments, commencing December 1, 2011, are calculated as a percentage of gross revenue, at 2% when gross revenues are less than $5,000,000 and 5% when gross revenues are greater than $5,000,000. As at March 31, 2016, the amount drawn down on the loan is $3,000,000.	208,275	192,900
ACOA Business Development Program interest-free loan with a maximum contribution of $245,625, repayable in 72 equal monthly payments of $3,411 beginning September 1, 2011. As at March 31, 2016, the amount drawn down on the loan, net of repayments, is $58,020.	54,429	64,013
ACOA Business Development Program interest-free loan with a maximum contribution of $394,826, repayable in monthly payments beginning October 1, 2015 of $2,500 until October 2017 and $5,850 until September 2022. As at March 31, 2016, the amount drawn down on the loan is $379,826.	330,071	333,723
ACOA Atlantic Innovation Fund interest-free loan with a maximum contribution of $2,944,000, annual repayments commencing September 1, 2014, are calculated as a percentage of gross revenue from specific product(s), at 5% for the first 5 year period and 10%, thereafter. As at March 31, 2016, the amount drawn down on the loan is $2,944,000.	159,225	146,400
Province of Nova Scotia, Economic and Rural Development and Tourism ("ERDT") department secured loan with a maximum contribution of $5,000,000, interest bearing at a rate equal to ERDT's cost of funds plus 1%, compounded semi-annually and payable monthly. The loan is made available in four equal installments based on the Corporation meeting certain milestones, and is repayable on the fifth anniversary date of the first disbursement. The Corporation and its subsidiary have provided a general security agreement granting a first security interest in favour of the Province of Nova Scotia in and to all the assets of the Corporation and its subsidiary, including the intellectual property. As at March 31, 2016, the amount drawn down on the loan is $3,750,000.	2,886,000	2,810,000
	3,886,825	3,777,236
Less: Current portion	59,907	59,196
	3,826,918	3,718,040

(Expressed in Canadian dollars)

5 Long-term debt (continued)

Total contributions received less amounts that have been repaid as at March 31, 2016 is $13,881,377 (December 31, 2015 - $13,899,110).

Certain ACOA loans and the ERDT loan require approval by ACOA or the Minister for ERDT before the Corporation can pay management fees, bonuses, dividends or other distributions, or before there is any change of ownership of the Corporation. The ERDT loan requires the Corporation to obtain the written consent of the Province of Nova Scotia prior to the sale, disposal or abandon of possession of the intellectual property of the Corporation or its subsidiary. If during the term of the ERDT loan, the head office, research and development facilities, or production facilities of the Corporation are moved from the Province of Nova Scotia, the Corporation is required to repay 40% of the outstanding principal of the loan.

The ERDT loan requires certain early repayments if the Corporation's subsidiary, or the Corporation on a consolidated basis, has cash flow from operations in excess of $1,500,000. The ERDT loan also requires repayment of the loan under certain circumstances, such as changes of control, sale or liquidation of the Corporation or the sale of substantially all of the assets of the Corporation.

	March 31, 2016 $	December 31, 2015 $
Balance – Beginning of period	3,777,236	3,192,060
New debt, net of $nil (2015 - $52,126) allocated to government assistance	–	253,700
Accreted interest and adjustments	127,322	401,385
Repayment of debt	(17,733)	(69,909)
Balance – End of period	3,886,825	3,777,236
Less: current portion	59,907	59,196
Non-current portion	3,826,918	3,718,040

(Expressed in Canadian dollars)

6 Share capital

Authorized

Unlimited number of common shares and preferred shares, issuable in series, all without par value.

	Number of common shares	Amount $
Issued and outstanding		
Balance – January 1, 2015	91,722,677	43,274,716
Stock options exercised	206,668	204,134
Warrants exercised	111,325	121,707
Balance – December 31, 2015	92,040,670	43,600,557
Stock options exercised	35,000	17,500
Balance – March 31, 2016	92,075,670	43,618,057

As at March 31, 2016, a total of 6,375,832 shares (December 31, 2015 – 10,809,828) are reserved to meet outstanding stock options and warrants.

7 Contributed surplus

	Amount $
Contributed surplus	
Balance – January 1, 2015	4,883,103
Share-based compensation – stock options vested	845,817
Stock options exercised	(116,817)
Balance – December 31, 2015	5,612,103
Share-based compensation – stock options vested	221,044
Stock options exercised	(7,700)
Warrants expired	753,375
Balance – March 31, 2016	6,578,822

(Expressed in Canadian dollars)

7 Contributed surplus (continued)

Stock options

The Board of Directors of the Corporation has established a stock option plan (the "Plan") under which options to acquire common shares of the Corporation are granted to directors, employees and other advisors of the Corporation. The maximum number of common shares issuable under the Plan shall not exceed 9,100,000, inclusive of all shares presently reserved for issuance pursuant to previously granted stock options. The total number of options awarded to all insiders of Corporation shall not exceed 10% of the issued and outstanding common shares of the Corporation at the award date. If any option expires or otherwise terminates for any reason without having been exercised, the number of shares in respect of which option expired or terminated shall again be available for the purposes of the Plan. The Board of Directors may make certain amendments to the Plan without seeking the approval of the shareholders of the Corporation.

Stock options are granted with an exercise price determined by the Board of Directors, which is not less than the volume weighted average market price of the shares for the five trading days immediately preceding the award (the "VWAP"). The term of the option is determined by the Board of Directors, not to exceed ten years from the date of grant. The vesting of the options is determined by the Board and is typically 33 1/3% every six months after the date of grant.

If approved by the Board of Directors, in lieu of paying the exercise price for the shares that may be issued pursuant to the exercise of stock options, the participant may elect to acquire the number of shares determined by subtracting the exercise price from the VWAP, multiplying the difference by the number of shares in respect of which the option was otherwise being exercised and then dividing that product by such VWAP. In such event, the number of shares as so determined (and not the number of shares to be issued under the Option) will be deemed to be issued under the Plan and all the options surrendered will be cancelled.

In the event that the option holder should die while he or she is still a director, employee or other advisor of the Corporation, the expiry date shall be 12 months from the date of death of the option holder, not to exceed the original expiry date of the option. In the event that the option holder ceases to be a director, employee or other advisor, of the Corporation for any reason other than being dismissed from their position for Cause, death or permanent disability, the expiry date of the option shall be the 90th day following the date the option holder ceases to be a director, employee or other advisor of the Corporation, not to exceed the original expiry date of the option.

(Expressed in Canadian dollars)

7 Contributed surplus (continued)

Stock options (continued)

The fair values of stock options are estimated using the Black-Scholes option pricing model. During the 3 months ended March 31, 2016, 1,393,200 stock options (2015 - 1,527,500), with a weighted average exercise price of $0.74 (2015 - $0.70) and a term of 5 years (2015 - 5 years), were granted to employees and consultants. The expected volatility of these stock options was determined using historical volatility rates. The value of these stock options has been estimated at $626,940 (2015 - $885,950), which is a weighted average grant date value per option of $0.45 (2015 - $0.58), using the Black-Scholes valuation model and the following weighted average assumptions:

	March 31, 2016	December 31, 2015
Risk-free interest rate	2.70%	2.98%
Expected volatility	115%	129%
Expected dividend yield	–	–
Expected life (years)	4.3	4.3
Forfeiture rate	5%	4%

Option activity for the three months ended March 31, 2016 and the year ended December 31, 2015 was as follows:

	March 31, 2016		December 31, 2015	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding - Beginning of period	5,112,382	0.66	4,733,050	0.69
Granted	1,393,200	0.74	1,527,500	0.70
Exercised	(35,000)	0.28	(206,668)	0.42
Expired	(54,750)	0.67	(891,500)	0.91
Forfeited	(40,000)	0.66	(50,000)	0.66
Outstanding - End of period	6,375,832	0.68	5,112,382	0.66

(Expressed in Canadian dollars)

8 Related party transaction

During the three months ended March 31, 2016, there were no related party transactions (three months ended March 31, 2015 - $nil).

9 Expenses by nature

	Three months ended March 31, 2016 $	Three months ended March 31, 2015 $
Salaries, wages and benefits	660,747	535,094
Other research and development expenditures, including clinical costs	643,083	242,132
Professional and consulting fees	333,583	452,761
Travel	47,035	90,658
Office, rent and telecommunications	86,809	76,379
Insurance	17,038	17,879
Marketing, communications and investor relations	70,466	88,702
Amortization	6,093	6,905
Depreciation	17,223	14,931
Stock-based compensation	221,044	207,127
Accreted interest	127,322	98,803
Other	44,355	79,186
Research and development tax credits and income tax recovery	(79,700)	(64,500)
Government assistance	(278,725)	(77,150)
	1,916,373	1,768,907

10 Capital management

The Corporation manages its capital to attempt to maximize the return to shareholders through the optimization of a reasonable debt and equity balance commensurate with current operating requirements. The capital structure consists of debt, cash and cash equivalents and shareholders' equity. The Corporation raises capital, as necessary, to meet its needs and, therefore, does not have a numeric target for its capital structure.

	March 31, 2016 $	December 31, 2015 $
Total debt	3,886,825	3,777,236
Less: Cash and cash equivalents	(2,081,787)	(3,842,408)
Net debt	1,805,038	(65,172)
Shareholders' equity	(1,551,319)	69,358
Total capital	253,719	4,186

The Corporation is in compliance with its debt covenants.

(Expressed in Canadian dollars)

11 Financial instruments

Fair value of financial instruments

Financial instruments are defined as a contractual right or obligation to receive or deliver cash on another financial asset. The following table sets out the approximate fair values of financial instruments as at the statement of financial position date with relevant comparatives:

	March 31, 2016		December 31, 2015	
	Carrying value $	Fair value $	Carrying value $	Fair value $
Cash and cash equivalents	2,081,787	2,081,787	3,842,408	3,842,408
Amounts receivable	765,302	765,302	246,798	246,798
Accounts payable and accrued liabilities	2,310,437	2,310,437	1,892,174	1,892,174
Amounts due to directors	72,334	72,334	57,084	57,084
Long-term debt	3,886,825	3,886,825	3,777,236	3,777,236

Assets and liabilities, such as commodity taxes, that are not contractual and that arise as a result of statutory requirements imposed by governments, do not meet the definition of financial assets or financial liabilities and are therefore excluded from amounts receivable and accounts payable.

Fair value of items, which are short-term in nature, have been deemed to approximate their carrying value. The above noted fair values, presented for information only, reflect conditions that existed only at March 31, 2016 and December 31, 2015 and do not necessarily reflect future value or amounts which the Corporation might receive if it were to sell some or all of its assets to a willing buyer in a free and open market.

Risk management

The Corporation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: interest rate risk; credit risk; liquidity risk; and currency risk. Management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

a) Interest rate risk

The Corporation has limited exposure to interest rate risk on its lending and borrowing activities. The Corporation has a significant loan in which the interest rate is dependent on the cost of funds from the lender plus 1%. This interest rate is fixed at the time that each loan disbursement is made, resulting in limited variability to the interest rate. The total amount drawn down on the loan as at March 31, 2016 is $3,750,000 (December 31, 2015 - $3,750,000) and the Corporation is required to make interest payments in fiscal 2016 of $120,762.

The Corporation also has interest-free debt that is repayable over 60, 72, or 84 months periods, resulting in required principal debt payments in fiscal 2016 of $70,932. The remaining outstanding debt as at March 31, 2016 is interest-free, only becoming repayable when revenues are earned. The Corporation is required to make principal debt repayments in fiscal 2016 of $5,108.

(Expressed in Canadian dollars)

11 Financial instruments (continued)

Risk management (continued)

b) Credit risk

Credit risk arises from cash and cash equivalents and amounts receivable. The Corporation invests excess cash in highly liquid temporary investments of Schedule 1 Canadian Banks. The credit risk of cash and cash equivalents is limited because the counter-parties are banks with high credit-ratings assigned by international credit-rating agencies.

The total of amounts receivable disclosed in the statement of financial position as at March 31, 2016 of $874,725 (December 31, 2015 - $328,868) is comprised mainly of non-repayable government assistance, as well as sales taxes recoverable. If required, the balance is shown net of allowances for bad debts, estimated by management based on prior experience and their assessment of the current economic environment. Historically, there have been no collection issues and the Corporation does not believe it is subject to any significant concentration of credit risk.

c) Liquidity risk

Liquidity risk represents the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

While the Corporation has $2,081,787 in cash and cash equivalents at March 31, 2016, it continues to have an ongoing need for substantial capital resources to research and develop, commercialize and manufacture its products and technologies. The Corporation is currently not yet receiving a significant ongoing revenue stream from its animal health license agreements, nor can it be certain that it will receive significant revenue from these agreements before additional cash is required. As a result, there can be no assurance that the Corporation will have sufficient capital to fund its ongoing operations, develop or commercialize any of its products without future financing. See note 1 for further details.

The following table outlines the contractual maturities for the Corporation's financial liabilities. The long-term debt is comprised of the contributions received described in note 5, less amounts that have been repaid as at March 31, 2016:

	Total $	Less than 1 year $	2 to 3 years $	4 to 5 years $	After 5 years $
Accounts payable and accrued liabilities	2,330,268	2,330,268	–	–	–
Amounts due to directors	72,334	72,334	–	–	–
Long-term debt	14,183,281	166,611	4,093,861	133,920	9,788,889
Operating leases	40,291	39,468	823	–	–
	16,626,174	2,608,681	4,094,684	133,920	9,788,889

(Expressed in Canadian dollars)

11 Financial instruments (continued)

Risk management (continued)

d) Currency risk

The Corporation incurs some revenue and expenses in US dollars, and as such, is subject to some fluctuations as a result of foreign exchange rate variation. The Corporation does not have in place any tools to manage its foreign exchange risk, as these US dollars transactions are not significant to overall operations.

Foreign exchange gain of $8,775 for the three months ended March 31, 2016 (three months ended March 31, 2015, foreign exchange loss - $33,156) are included in general and administrative expenses. If the foreign exchange had been 1% higher or lower, with all other variables held constant, it would have had an immaterial impact on the foreign exchange gain/loss.