

Immunall Science Inc.
(the “Corporation”, “Company”, or “Immunall”)
Management Discussion and Analysis
For the third quarter ended
September 30, 2012

The Management Discussion and Analysis (MD&A) of the Company’s financial statements for the third quarter ended September 30, 2012 is intended to help the reader to understand the Company’s business performance and its relationship to the Immunall plan for growth. All amounts are expressed in Canadian dollars. The information contained in this management’s discussion and analysis report reflects all material events occurring up to November 28, 2012 on which date it was approved by the Board of Directors.

The MD&A should be read in conjunction with the audited financial statements and notes for the year ended December 31, 2011. These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC). These accounting principles require us to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosure of contingent assets and liabilities. This MD&A may contain management estimates of future trends and results. These estimates are not a guarantee of future performance since actual results may vary based on situations and factors that are not within management’s control. Management believes that the estimates and assumptions upon which it relies are reasonable based on information available at the time that these estimates and assumptions have been made. These estimates and assumptions have been discussed with the board of directors of Immunall Science Inc. and have not been reviewed by our auditors Collins Barrow Calgary LLP. Actual results may differ under different assumptions and conditions.

Management is responsible for the preparation and integrity of these financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to make certain that all information disclosed externally is reliable.

The Board of Directors of Immunall Science Inc. is committed to following the recommended corporate governance guidelines for public companies to ensure transparency and accountability to its shareholders. The Board's audit committee has complete access to review the Company's financial statements results, and to discuss and review any and all matters concerning finance, operations, internal control matters and the MD&A. The Audit Committee is free to meet with the Company's independent auditors at any time.

Forward Looking Statements

Management's discussion and analysis contain certain forward-looking statements that are subject to risks and uncertainties that may cause actual results or events to differ materially from the results or events predicted in this discussion. In addition to the risk outlined in the Risk Management section at the end of the discussion, factors which could cause actual results or events to differ include, but are not limited to: the impact of competition; the possible impact of Bill C51 pertaining to increased regulation of natural products, consumer confidence and spending levels; general economic conditions; the cost and availability of capital and product development. No assurance can be given that the results, performance or achievement expressed in, or implied by, forward-looking statements within this disclosure will occur, or if they do, that any benefits may be derived from them.

Vision and Strategy

Immunall will endeavor to become a leader in the Natural Health product sector focusing on products to strengthen the immune system.

Results of Operations

Revenue

The Company generated nil revenue in the third quarter ended September 30, 2012 and September 30, 2011.

Operating Expenses

Operating expenses for the quarter were \$17,302 (2011 - \$2,929).

Liquidity and Capital Resources

September 30, 2012 and December 31, 2011

Cash on hand \$39,902 (2011- \$19,562)

Working capital \$38,624 (2011 – \$76,930)

Total Assets \$88,174 (2011 - \$140,174)

Total Liabilities \$48,663 (2011 - \$62,166)

Loss per share basic and diluted: \$.000 (2011 - \$.000)

The Company has no off-balance sheet arrangements.

Results of Operations for the quarter ended September 30, 2012

For the third quarter ended September 30, 2012, the Company's activities still remain committed to the search for and assessment of potential distributorship opportunities. No assurances whatsoever are offered to the reader as to the ultimate receipt, amount or timing of future orders.

CASH FLOWS

Operating activities accounted for a \$7,047 cash increase during 2012, (2011 – [\$917]). Cash used for operations was mainly

dedicated to compliance costs.

In the third quarter of 2012, cash from financing activities was nil (2011 - \$nil).

Related Party Transactions:

In the 2012 third quarter, the Company has the following related parties:

Michael Frank Phillet Professional Corporation, related by common director, Craig D. McLennan Professional Corporation, related by common director.

Accounts payable and accrued liabilities to related parties are unchanged from the 2011 fiscal year end:

	<u>2012</u>	<u>2011</u>
Craig D. McLennan Professional Corporation	\$22,500	\$22,500
Michael Frank Phillet Professional Corporation	<u>22,500</u>	<u>22,500</u>
	<u>\$45,000</u>	<u>\$45,000</u>

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

QUARTERLY OPERATING RESULTS

	2012	2012	2012	2011
	Q3	Q2	Q1	Q4
Net earnings (loss) for the period	\$(17,302)	\$(21,172)	\$(1,123)	\$65,650
Per basic and diluted share	\$(.000)	\$(.001)	\$(.000)	\$(.001)

	2011	2011	2011	2010
	Q3	Q2	Q1	Q4
Net earnings (loss) for the period	\$(2,929)	\$1,243	\$(2,251)	\$20,348
Per basic and diluted share	\$(.000)	\$(.000)	\$(.000)	\$.0005

Significant Accounting Estimates

The amounts recorded for inventory are based on management's best estimate of the net realizable value. Allowances are made against obsolete or damaged inventories and charged to cost of sales. The reversal of any write-down of inventory arising from an increase in net realizable value is recognized as a reduction in cost of sales in the period in which the reversal occurred.

The Company performs ongoing credit evaluations of its customers and grants credit based upon a review of historical collection experience, current aging status, financial condition of the customer and anticipated industry conditions. Customer payments are regularly monitored and a provision for doubtful accounts is established based upon specific situations and overall industry conditions.

Deferred income taxes are based on estimates as to the timing of the reversal of temporary differences, tax rates currently substantively enacted and the determination of the valuation allowance. The valuation allowance is based on estimates of the probability of the Company utilizing certain tax pools and losses in future periods.

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model, which includes underlying assumptions related to the value of the Company's shares at the grant date, the risk-free interest rate, average expected option life, estimated forfeitures and estimated volatility of the Company's shares.

IFRS Implementation

The December 31, 2011 financial statements represent the Company's first annual presentation of the financial performance and

financial position under IFRS. Previously, the Company prepared its interim and annual financial statements in accordance with Canadian GAAP. As disclosed in Note 12 of the annual financial statements, the transition to IFRS was performed as of January 1, 2010 and the only transition adjustment made to the comparative financial statements was to reclassify \$630 of finance expense within the statement of income (loss) and comprehensive income (loss) and the statement of cash flows.

FUTURE ACCOUNTING PRONOUNCEMENTS

The reader is requested to refer to the Notes to the Financial Statements for the year ended December 31, 2011, specifically to notes 3(j) and note 12.

OUTSTANDING SHARE DATA

The following securities of the Corporation were issued and outstanding at June 30, 2012, and December 31, 2011.

Security	# Issued and Outstanding
Common voting shares	42,265,842

Historically, the Company has financed its operations through the issuance of common shares and shareholder loans.

In the future, there is no certainty that the Company will have sufficient cash balances generated by operations. Also the Company has no credit facility arrangement with any lending institution. Consequently, there might not be sufficient funds available to meet foreseeable requirements for business growth, working capital, and capital expenditures. The Company's working capital and capital expenditure requirements will depend upon numerous factors including the success of current negotiations and the resultant new product introductions and the results, if any, of efforts to attract business opportunities into the Immunall corporate entity. In the future, the Company may require additional capital to fund operations, research and development, and strategic initiatives. The Company has no contractual obligations or off-balance sheet financing.

Share capital and stock based compensation: The stock option plan was amended to allow for different individuals to have different lengths of time to exercise options they had been granted. Under the previous plan all options were for five years. Under the revision the length of term for exercising the options is at the discretion of the Directors within the parameters of Securities regulations.

General

The Company will continue to generate financing when required through the issuance of private placements or debentures as may be considered necessary by management. There can be no assurance that any of these methods will be successful in the future. The ability of the Company to raise funds from the issuance of additional share capital or from the exercise of future share options will depend upon the strength of the equity markets, which are always uncertain, and on the market's demand for ginse™, the Company's lead product.

Contractual Obligations

During the 2007 year, the Company entered into a licensing and royalty memorandum of understanding with the initial developer of the technology that is being utilized exclusively by the Company for the production of products from ginseng roots. Consideration paid by the Company to obtain the exclusive licensing for the technology includes the transfer of all patents previously held by the Company, a cash payment of \$10,000, and a royalty of 5% of the invoiced cost of each production run incurred by the Company.

Liquidity and Capital Resources

Total cash on hand as at September 30, 2012 was \$39,902 (2011 - \$19,562). The company has no credit facilities in place with any banking institution. However, management is cautioning the reader of this MD and A, that there may not be sufficient cash on hand to sustain activities in the future, without sales revenue or the ability to raise additional cash in these current economic times.

Operating Risks and Risk Management

Expectations about the Company's financial achievements could have a significant effect on the trading price of the Company's shares. Except for historical information, certain matters discussed in this report are by their nature forward-looking statements that involve risk and uncertainties, which may cause actual results to differ materially from the statements made.

Financial Risks and Risk Management

Foreign exchange:

The Company is not currently exposed to market risk related to changes in foreign currency. Should it become exposed to this risk, it could adversely affect the value of the Company's current assets and liabilities as well as impact revenues and profitability. The Company's expenditures on goods and services are primarily in Canadian dollars. The company has not entered into any forward currency contracts or other financial derivatives as of September 30, 2012 to hedge foreign exchange risk and therefore is not subject to foreign currency transaction and translation gains and losses.

Interest rate risk:

The Company currently has no exposure to interest rate risks as it does not have any debt subject to interest rate fluctuations.

Other risk factors:

The Company has a history of net losses. As at September 30, 2012, the Company has an accumulated deficit of \$1,130,506. There is no assurance that the Company will grow and be profitable.

Life Sciences Industry Risk:

The company will carry on business in the life sciences sector. This industry involves a considerable degree of risk, regardless of the amount of knowledge, experience and expertise possessed by Management.

Trading Market and Volatility:

General market conditions can have an impact on the market price of a company's shares. It can happen that share prices of publicly traded companies can demonstrate extreme price fluctuations that

may not be related to the operations of the companies themselves. Thus, there can be no assurance that an active public market will develop or be sustained for the common shares of this company.

Product Liability Issues:

In the health sector, the Company faces an inherent business risk of exposure to product liability and other claims in the event that adverse results arise from the use of its product.

Government Regulations:

The activity of the Company is subject to regulation by government authorities, particularly Health Canada. Achievement of the Company's objectives are in direct relationship with its compliance with regulatory requirements enacted by Health Canada regarding the manufacture and sale of its products. The Company cannot predict what requirements a regulatory body may expect in the future, or the extent of testing and documentation that may be required in other countries. Any delays in obtaining or failure to obtain regulatory approvals would serve to delay the development of those markets and would therefore negatively affect the Company's financial condition.

Risk Inherent in Research and Development Activities:

Activities in the health sector involve risk because the achievement of satisfactory research results depends on factors beyond the control of the Company. These factors could include the discovery of toxicities or lack of efficacy which could render the product unsuitable for public use, preliminary testing results may not be substantiated in larger test populations, manufacturing costs or other related factors may make the production of the product impractical and proprietary rights of third parties or competing products or technologies may impact sales. Consequently, there can be no assurance that the Company will be successful in bringing its products to market.

Market Acceptance and Reliance on Distributors to Market Products:

There can be no assurance that the Company's products will gain market share. The extent of public acceptance will depend on factors such as, availability of competitive products, cost of the products, and the efficacy of the products. The success of the Company's marketing strategy will depend upon the strategic alliances and

distributorship arrangements the Company develops and the ability of its distributors to market the product effectively. There can be no assurance that the Company will be successful in this regard.

Competition:

Within the nutraceutical industry, competitors may have developed similar products using alternate methods of production. There can be no assurance that the Company will achieve a strong competitive advantage over other industry participants.

Raw Material Supply:

The Company uses naturally grown substances as its raw material. Should a situation arise whereupon the company cannot secure a reliable source of raw material at any given time, there can be no assurance that the Company will be able to supply finished products to its distributors and that situation would negatively impact revenue.

Intellectual Property and Licenses:

The Company may initiate proceedings to defend its intellectual property or defend itself from claims from competing companies. Such activities, could entail significant costs and the diversion of Company resources and could negatively affect the Company's ability to produce its finished product.

Outlook

Management is actively searching for international distributors interested in our proprietary product, Ginse™.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements which reflect the Company's current expectations regarding future events. These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those projected and depend on a number of factors, including but not limited to uncertainties in the regulatory process, difficulty of predicting demand for products, the impact of competitive products, the availability of adequate supplies of raw materials, the protection of intellectual property and fluctuations in operating results. The reader is cautioned not to rely on these forward-looking statements.

Additional information on the Company is found on the SEDAR website at: www.sedar.com.

Frank Phillet CEO
Immunall Science Inc.
November 28, 2012