Immunall Science Inc.
(the "Corporation", "Company", or "Immunall")
Management Discussion and Analysis
For the year ended
December 31, 2010

The Management Discussion and Analysis (MD&A) of the Company's financial statements for the year ended December 31, 2010 is intended to help the reader to understand the Company's business performance and its relationship to the Immunall plan for growth. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles. 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 January11, 2011 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, 2010. These financial statements are prepared in accordance with generally accepted accounting principles in Canada. 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 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. Its first product is ginsē™, a proprietary extract of North American ginseng. In February of 2010, the Company received from Health Canada a formal Natural Product Number (NPN), enabling the product to be sold in Canada as a natural product.

Results of Operations

Revenue

The Company generated revenue of $39,500 in the year ended December 31, 2010 and nil revenue for the year ended December 31, 2009.

Operating Expenses

Operating expenses for the year were $72,846 (2009 - $225,950). The most significant components of the 2010 operating expenses are those costs for professional fees ($20,396, 2009 - $25,509) regulatory expenses ($21,205, 2009 – $14,236).

Net Loss

The Company generated a net loss of $16,511 (2009 - $ 238,944). After current operating expenses of $72,846, the Company had a loss from operations of $45,261. However, a current year's settlement of accounts payable ($28,750) that related to a previous Research and Development cost that was expensed in the prior year, served to decrease the current year's operating loss to $16,511.

Liquidity and Capital Resources

December 31, 2010 and 2009

Cash on hand $9,290 (2009- $5,988)
Working capital – a deficiency of $11,142 (2009 - $5,114)
Total Assets $79,594 (2009 - $104,526)
Total Liabilities $89,403 (2009 - $97,824)
Loss per share basic and diluted: $.0004 (2009 - $.006)
The Company has no off-balance sheet arrangements.

Results of Operations for the fiscal year ended December 31, 2010

For the year ended December 31, 2010, the Company's activities continue to be focused on the search for and assessment of potential distributorship opportunities. At the end of the 2010 fiscal year, the Company had a signed distributorship with Imunco Products Inc., a Canadian based company with extensive ties to a Serbian distributor, and a signed exclusive marketing agreement with NPH Industries Inc. NPH is located in Burnaby, Canada, and that company has extensive ties in Asia. As a consequence of its relationships, the exclusive geographic area granted to NPH includes, Hong Kong, China, Japan, Singapore, Viet Nam and Taiwan. Product orders from NPH have not yet been placed with Immunall Science Inc.

CASH FLOWS

Operating activities accounted for a $21,698 cash outflow during 2010, (2009 - $75,896) after changes in non-cash working capital. Cash used for operations was mainly dedicated to obtaining distributors, meeting the Company's compliance costs and the Company's underlying administrative structure.

Cash used for investing activities was $nil in 2010 (2009- $nil).

The Company generated $25,000 (2009 - $2,483) in cash from financing activities.

Related Party Transactions:

The Company has entered into transactions with the following related parties:

Michael Frank Phillet Professional Corporation, related by common director, Craig D. McLennan Professional Corporation, related by common director, Phillet & McLennan, partners are both directors of APA Bioceuticals Inc., related by common directors.

	2010	2009
Rent paid to APA Bioceuticals Inc	nil	$16,800
Fees paid to Craig D. McLennan Professional Corporation	nil	27,000
Fees paid to Michael Frank Phillet Professional Corporation	nil	27,000
Rent paid to Phillet & McLennan Chartered Accountants	nil	3,000
	nil	$73,800

Accounts payable and accrued liabilities are:

	2010	2009
Craig D. McLennan Professional Corporation	$22,500	$22,500
Michael Frank Phillet Professional Corporation	22,500	22,500
Phillet & McLennan Chartered Accountants	nil	1,575
	$45,000	$46,575

Accounts receivable are:

	2010	2009
Phillet and McLennan Chartered Accountants	$885	$ NIL

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

2010

	Q1	Q2	Q3	Q4
Net profit (loss) for the period	$(10,133)	$(16,356)	$(10,370)	$20,348
Per basic and diluted share	$(.0002)	$(.0004)	$(.0003)	$.0005

2009

	Q1	Q2	Q3	Q4
Net profit (loss) for the period	$(58,828)	$(97,759)	$(54,133)	$(15,230)
Per basic and diluted share	$(.002)	$(.002)	$(.001)	$(0.001)

Results of the fourth quarter ending December 31, 2010.

Operating results for the quarter ending December 31, 2010 were encouraging. The Company had gross revenue in the final fiscal quarter of $35,000 and incurred $43,402 in operating expenses. In this final quarter, the Company realized a gain on debt settlement in the amount of $28,750 of Research and Development expense which were accrued but not paid, and the amount has been settled for nil proceeds. In this last quarter, all operating costs were $14,652.

SELECTED ANNUAL FINANCIAL INFORMATION

	2010	2009	2008
Revenue for the year	$ 39,500	$nil	$300,000
Net (loss) for the year	(16,511)	(225,950)	(185,331)
Net Income (loss) Per basic and diluted share	(.0004)	(.006)	(.005)
Total assets	79,594	104,526	326,839
Long term debt	Nil	nil	Nil

The 2008 fiscal year achieved revenue of $300,000 from its initial order with its Canadian distributor. Expenses were incurred both in

overall management of the Company and as well, with further research and development costs. The 2009 fiscal year was most disappointing for the Company in that due in part to the global market decline, the Company was unable to secure its anticipated US partner, and the Canadian distributor failed to place any of the Company's product in retail stores. The overall asset base of the Company declined accordingly. The 2010 year saw the launch of a distributor in Serbia and the surrounding Balkans area. The product was delivered to Belgrade in late November and distributed to pharmacies in early December. Initial sales and initial public acceptance of the product appear promising.

SUBSEQUENT EVENTS

In 2010, an arm's length private Canadian company has entered into an agreement with Immunall Science Inc. to loan Immunall the sum of $25,000. The proceeds from the loan have been used for working capital to, among other things, complete the audit of Immunall's 2009 and 2010 annual financial statements. Management of Immunall is also investigating a range of strategic options available with a view to maximizing shareholder value. Management does not intend to disclose developments with respect to the strategic review process unless and until the Board of Directors has approved a definitive transaction or strategic option. On January 11, 2011, the Company issued a joint management information circular relating to the proposed amalgamation of the Company and Altius Edge Ltd. ("Altius"). Under the terms of the proposed amalgamation, each Immunall shareholder will receive, for each common Share of Immunall held, one common share of the amalgamated company, 0.025 of a share in Aileron Ventures Limited and 0.025 of a share in Nautor Progressive Corporation. Each Altius shareholder will receive, for each common share of Altius held, one common share of the amalgamated company. The proposed amalgamation is subject to shareholder and regulatory approval.

FUTURE ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards

The CICA Accounting standards Board confirmed the changeover to IFRS from Canadian generally accepted accounting principles "GAAP" will be required for publicly accountable enterprises, effective for the interim and annual financial statement relating to fiscal years beginning on or after January 1, 2011. The Company will be required to adopt IFRS as of January 1, 2011. The transition from the current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The company has not completed its IFRS conversion, which includes resourcing and training, analysis of the key GAAP differences and a phase plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Company will complete its IFRS conversion during the first quarter of 2011.

OUTSTANDING SHARE DATA

The following securities of the Corporation were issued and outstanding at December 31, 2010 and 2009.

Security	**# Issued and Outstanding**
Common voting shares	**38,565,842 (2009 – 38,565,842)**

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: In 2008, 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 ginsē™, 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 December 31, 2010 was $9,290 (2009 - $5,988), an increase of $3,302. The Company has a promissory note payable in the amount of $25,000. The proceeds from the loan have been used for working capital to, among other things, complete the audit of Immunall's 2009 and 2010 annual financial statements. Upon completion of the proposed amalgamation with Immunall Science Inc. and Altius Edge Ltd., the promissory note payable will be considered to be repaid via the issuance of common shares in Immunall Science Inc. The Company has no credit facilities in place with any banking institution. 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 Instruments

The Company has exposure to credit and liquidity risks on its financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, however, management has the responsibility to administer and monitor these risks.

Financial Risks and Risk Management

Credit risk:

Credit risk is the risk of a financial loss to the Customer if a customer

or party to a financial instrument fails to meet its financial obligations. The Company mitigates its cash credit loss by holding its cash in a major Canadian chartered bank.
The Company is exposed to a concentration of credit risk on its accounts receivable as the balance is from two companies. Management believes that this risk is mitigated as $866 of the accounts receivable is due from a related party and the remainder of the accounts receivable was collected subsequent to the year end.
The objective of managing credit risk is to prevent losses in financial assets and it is the Company's experience that the credit worthiness of its accounts receivable is adequate.
The carrying amount of accounts receivable is reduced through the use of a bad debt account and the amount of the loss is recognized in the income statement within operating expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off are credited to the bad debt account. During the year ended December 31, 2010, receivable balances of $14,285 (2009 - $NIL) were written off.

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 December 31, 2010 to hedge foreign exchange risk and therefore is not subject to foreign currency transaction and translation gains and losses.

Interest rate risk:
The Company is exposed to interest rate price risk to the extent that the promissory note payable bears interest at a fixed rate.

Liquidity risk:
Other risk factors:
The Company has a history of net losses. As at December 31, 2010, the Company has an accumulated deficit of $1,153,722. There is no assurance that the Company will grow and become 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.

Liquidity risk:
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities and a promissory note payable. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations as they become due.

Fair values:
The fair values of the Company's cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term nature of these instruments. The fair value of the Company's promissory note payable approximates its carrying value due to the demand nature of the note and because it bears interest at a rate that approximates market value. Cash is measured at fair value based on level 1 inputs.

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 still actively searching for international distributors interested in our proprietary product, ginsē™.

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.
January 11, 2011