

IMMUNALL SCIENCE INC.
FIRST QUARTER FINANCIAL STATEMENTS
(UNAUDITED)

NOTICE TO THE READERS OF THE INTERIM FINANCIAL STATEMENTS

The financial statements of Immunall Science Inc. comprising the accompanying interim balance sheet as at March 31, 2011 and the interim statements of loss and deficit and cash flows for the three month period then ended are the responsibility of the company's management.

UNAUDITED INTERIM FINANCIAL STATEMENTS

These financial statements have not been reviewed on behalf of the shareholders by the independent external auditors Collins Barrow Calgary LLP, chartered accountants. The interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgements and estimates necessary to prepare these financial statements in accordance with Canadian generally accepted accounting principles.

IMMUNALL SCIENCE INC.
BALANCE SHEET
March 31 , 2011 and December 31, 2010

(UNAUDITED)

ASSETS

	March 31 2011	December 31 2010
CURRENT ASSETS		
Cash	\$ 10,324	\$ 9,290
Accounts receivable	40,480	2,637
GST receivable	6,561	5,356
Inventory	54,245	60,461
Prepaid expenses	517	517
	<u>112,127</u>	<u>78,261</u>
 PROPERTY, PLANT & EQUIPMENT (note 5)	 1,269	 1,333
	<u><u>\$ 113,396</u></u>	<u><u>\$ 79,594</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 99,352	\$ 64,403
Promissory note payable	25,000	25,000
	<u>99,352</u>	<u>89,403</u>

SHAREHOLDERS' EQUITY

Share capital (note 8)	945,248	919,144
Contributed surplus	224,769	224,769
Retained Earnings (Deficit)	(1,155,973)	(1,153,722)
	<u>14,044</u>	<u>(9,809)</u>
	<u><u>\$ 113,396</u></u>	<u><u>\$ 79,594</u></u>

Approved on behalf of the Board

"M. Frank Phillet"
M. Frank Phillet
Director & C.O.O.

"Jim Aboughoche"
Jim Aboughoche
Director

**IMMUNALL SCIENCE INC.
STATEMENT OF LOSS AND DEFICIT**

(UNAUDITED)

	Three months ended March 31	
	2011	2010
REVENUE	\$ 16,170	\$ -
COST OF SALES	<u>6,414</u>	<u>-</u>
GROSS PROFIT	9,756	-
EXPENSES		
Salaries and benefits		4,280
Consulting fees		1,000
Public company expenses	11,849	3,131
Office	94	669
Storage		124
Travel		750
Amortization	64	64
Interest and bank charges		115
	<u>(12,007)</u>	<u>(10,133)</u>
NET INCOME (LOSS)	(2,251)	(10,133)
DEFICIT, BEGINNING OF PERIOD	<u>(1,153,722)</u>	<u>(1,137,211)</u>
DEFICIT, END OF PERIOD	<u><u>\$ (1,155,973)</u></u>	<u><u>\$ (1,147,344)</u></u>
 Basic and diluted loss per share	 <u><u>\$ 0.000</u></u>	 <u><u>\$ 0.000</u></u>

IMMUNALL SCIENCE INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION

(UNAUDITED)

	Three months ended March 31	
	2011	2010
OPERATING ACTIVITIES		
Loss from operations	\$ (2,251)	\$ (10,133)
Items not requiring cash:		
Amortization	64	64
	<u>(2,187)</u>	<u>(10,069)</u>
Net change in non-cash working capital balances	<u>(22,883)</u>	<u>5,214</u>
Net cash used in operating activities	(25,070)	(4,855)
FINANCING ACTIVITIES		
Share capital issued on amalgamation	26,104	
	<u>1,034</u>	<u>(4,855)</u>
Cash and cash equivalents, beginning of period	<u>9,290</u>	<u>5,988</u>
Cash and cash equivalents, end of period	<u><u>\$ 10,324</u></u>	<u><u>\$ 1,133</u></u>
Cash	<u><u>\$ 10,324</u></u>	<u><u>\$ 1,133</u></u>

Immunall Science Inc.
Notes to Financial Statements
March 31, 2011

1. General business description

Immunall Science Inc. (the "Company") was incorporated under the Business Corporations Act (Alberta) on November 22, 2005. The Company is a research company engaged in the business of developing and commercializing technology related to the growth and extraction of active ingredients from American Ginseng.

The address and principal place of business of the company is 10979 127 Street, Edmonton, Alberta, Canada T5M0T1.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been 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).

The financial statements were authorized for issue by the Board of Directors on May 31, 2011.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts in the financial statements. Actual amounts may differ from these estimates.

3. Going concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carry value of its assets and to meet its liabilities as they become due. The Company is in the development stage and the ability of the Company to continue as a going concern is dependent on obtaining additional financing or generating income sufficient to pay its liabilities. As of March 31, 2011 the Company has earned limited revenues from operations, had a net loss and comprehensive loss of \$2,251 (2010 - \$10,133) and has a deficit of \$1,155,973 (2010 - \$1,147,344).

Immunall Science Inc.

Notes to Financial Statements

March 31, 2011

These statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern assumption were not appropriate for these financial statements, then adjustments, which could be material, would be necessary to the carrying values of assets and liabilities, the reported revenues and expenses and the balance sheet classifications used.

4. Significant accounting policies

(a) Financial Assets and liabilities

Financial assets consist of cash and accounts receivable. Cash is carried at fair value with changes recognized in the income statement. Accounts receivable are non derivative assets with fixed payments that are not quoted in an active market that are included in current assets if maturity is under 12 months. At each balance sheet date the loss from any impaired financial assets is recognized in profit or loss.

Financial liabilities

Financial liabilities consist of accounts payable and are measured at fair value.

(b) Inventory

Inventory consists of raw materials and processed product and is valued at the lower of cost and net realizable value, cost being determined on a specific identification basis. No inventory write-downs were recorded during the periods ended March 31, 2011 and 2010.

(c) Amortization

Equipment is recorded at cost. The Company provides for amortization using the straight-line method at rates designed to amortize the cost of the equipment over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	10 years
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(d) Research and development costs

The Company expenses all research costs as incurred. Product development costs meeting certain criteria, including that the technological and financial feasibility of a product is established, are capitalized and amortized over five years commencing at the inception of commercial production of the related product.

Product development costs are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying value is determined to be unrecoverable based on future estimated undiscounted cash flows, the carrying value of product development costs is written down to fair value and the excess is charged to earnings. The fair value is based on management's estimate of discounted future cash flows from the related product.

Immunall Science Inc.

Notes to Financial Statements

March 31, 2011

(e) Licensing agreement

The licensing agreement was recorded at cost and was amortized on a straight line basis over a useful life of five years when products using the licensed technology are being sold in the retail market.

(f) Revenue recognition

The Company recognizes revenue when the product is shipped and there is reasonable assurance of collection. Interest income is recognized as it is earned.

(g) Income taxes

Income taxes are comprised of current and deferred income taxes. Current income taxes are the estimated income taxes payable for the current period. Deferred income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at their carrying values. Income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Deferred income tax assets and liabilities are determined based on the tax laws and rates that are anticipated to apply in the period of realization.

(h) Stock-based compensation

The Company has a stock-based compensation plan, which is described in note 8(d). Stock-based compensation for stock options granted under this plan is expensed based on the fair value of the option at the grant date with a corresponding amount credited to contributed surplus. Fair values are determined using the Black-Scholes option-pricing model that takes into account, on the grant date, the exercise price and expected life of the option; the price of the underlying security; the expected volatility and dividends, if any, on the underlying security and the risk-free interest rate. If the options are subject to a vesting period, the expense is recognized over this period. Any consideration paid on exercise of stock options together with the amount previously credited to contributed surplus is recognized as an increase in share capital.

The Company does not incorporate an estimated forfeiture rate for stock options that will not vest, but accounts for forfeitures as they occur.

(i) Measurement uncertainty

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts.

The valuation of inventory is based on management's best estimates of the provision for slow-moving and obsolete inventory. The amount recorded for the provision is based on management's best estimates of the net realizable value of the related inventory.

Immunall Science Inc.

Notes to Financial Statements

March 31, 2011

The valuation of equipment, research and development costs and licensing agreement is based on management's best estimates of the future recoverability of these assets and the determination of costs subject to classification as equipment, research and development and licensing agreement. The amounts recorded for amortization of the equipment are based on management's best estimates of the remaining useful lives and period of future benefit of the related assets.

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 amounts recorded relating to the fair values of stock options issued and the resulting income effects are calculated using estimates of future volatility of the Company's share price, expected lives of the options, expected dividends and other relevant assumptions.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(j) Diluted loss per share

Diluted loss per share is calculated using the treasury stock method whereby it is assumed that proceeds from the exercise of in-the-money stock options are used by the Company to repurchase Company common shares at the weighted average market price during the period.

(k) Comprehensive income

CICA Section 1530 establishes standards for the reporting and presenting of comprehensive income and other comprehensive income. Comprehensive income is defined as the change in equity from transactions and other events from non-owner sources and other comprehensive income comprises revenues, expenses, gains and losses that, in accordance with generally accepted accounting principles, are recognized in comprehensive income but excluded from net income.

(l) New accounting standards, Interpretations and amendments to existing standards

Certain new standards, Interpretations and amendments to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning January 1, 2011 or later periods. Many of these updates are not applicable or are not consequential to the Company and have not been described.

5. Equipment

	2011		
	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	<u>\$ 2,550</u>	<u>\$ 1,281</u>	<u>\$ 1,269</u>

Immunall Science Inc.
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March 31, 2011

		2010	
	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	<u>\$ 2,550</u>	<u>\$ 1,217</u>	<u>\$ 1,333</u>

6. Research and development

The Company has expensed all of the previously capitalized development costs due to the difficulty the Company was encountering in selling the product.

7. Licensing agreement

During 2007, 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, at the carrying amount, previously held by the developer. The Company has expensed all of the previously capitalized licensing costs due to the difficulty the Company was encountering in selling the product.

8. Share capital

- (a) Authorized
Unlimited number of common shares
20,000,000 preferred shares, issuable in
one or more series
20,000,000 redeemable preferred shares,
issuable in one or more series

(b)	Number	Stated value
Issued: Common shares		
Balance March 31, 2010	38,565,842	\$ 919,144
Shares issued on amalgamation (note 13)	<u>3,700,000</u>	<u>26,104</u>
Balance March 31, 2011	<u>42,265,842</u>	<u>\$ 945,248</u>

(c) Escrowed shares

At March 31, 2011 there are NIL shares (2010 - 8,234,080) held in escrow. These shares were released in stages until July 2010.

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(d) Stock options

The Company has a stock option plan pursuant to which the Board of Directors of the Company may grant options to purchase common shares to the officers, directors and employees of the Company or affiliated companies and to consultants retained by the Company.

The aggregate number of common shares reserved for issuance under the stock option plan is set at a maximum of 10% of the total number of shares outstanding at the time the options are granted. Furthermore, the aggregate number of shares issuable to one individual may not exceed 5% of the total number of issued and outstanding common shares of the Company. The exercise price of all options issued under the stock option plan may not be less than the closing market price on the last business day prior to the date the option was granted.

A summary of the status of the Company's stock options as at March 31, 2011 and 2010 and changes during the periods then ended are as follows:

	2011		2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	500,000	\$ 0.10	900,000	\$ 0.10
Expired				
Outstanding and exercisable, end of year	500,000	\$ 0.10	900,000	\$ 0.10

No options were granted during the quarters ended March 31, 2011 and 2010.

The following table summarizes the options outstanding and exercisable at March 31, 2011:

Options outstanding and exercisable	Exercise price	Weighted average remaining contractual life
500,000	\$ 0.10	1.29 years

(e) Net loss per share

Net loss per share is calculated based on the basic and diluted weighted average number of common shares outstanding during the quarters ended March 31, 2011-38,575,979 and 2010 38,565,842 shares. The effect of all potential option exercises

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Notes to Financial Statements
March 31, 2011

have been excluded from the diluted calculations as the effect would be anti-dilutive.

9. Related party transactions

- (a) 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

- (b) Amounts payable

	2011	2010
Accounts payable and accrued liabilities includes amounts payable to:		
Craig D. McLennan Professional Corporation	\$ 22,500	\$ 22,500
Michael Frank Phillet Professional Corporation	24,149	27,000
Phillet & McLennan		1,575
	<u>\$ 46,649</u>	<u>\$ 51,075</u>

Amounts included in accounts payable and accrued liabilities are due under normal credit terms.

10. Income taxes

- (a) Significant components of the Company's future income tax asset include the following:

	2011	2010
Cumulative eligible capital	\$ 213,749	\$ 243,627
Non-capital loss carry-forwards	335,733	333,104
Other	<u>190</u>	<u>2,150</u>
	549,672	578,881
Valuation allowance	<u>(549,672)</u>	<u>(578,881)</u>
	<u>\$ -</u>	<u>\$ -</u>

- (b) Income tax recovery differs from that which would be expected from applying the approximate combined effective Canadian federal and provincial income tax rates of 28% (2010 - 29%) to loss before income taxes as follows:

	2011	2010
Net loss, before income taxes	<u>\$ (2,251)</u>	<u>\$ (10,133)</u>

Immunall Science Inc.

Notes to Financial Statements

March 31, 2011

Expected income tax recovery	(630)	(2,938)
Future income tax benefit not recognized	<u>630</u>	<u>2,938</u>
	<u>\$ -</u>	<u>\$ -</u>

- (c) The Company has available the following non-capital loss carry forwards for which no benefit has been recognized in the financial statements:

<u>Amount</u>	<u>Year of Expiry</u>
\$ 47,623	2014
81,192	2015
270,129	2026
302,300	2027
204,183	2028
306,355	2029
<u>10,197</u>	2030
<u>\$ 1,221,979</u>	

11. Capital disclosures

The Company's objectives in managing its capital is to safeguard the Company's assets to be able to continue as a going concern, and to sustain future development of the business.

Management defines capital as the Company's shareholders' equity and working capital. The Company manages its capital structure and makes adjustments according to economic market conditions. Management monitors the Company's ongoing capital requirements against unrestricted net working capital and assesses expected capital requirements for the fiscal period. In order to maintain or adjust the capital structure, the Company may adjust capital spending, issue new shares, sell assets or incur debt.

There have been no changes to the Company's capital disclosure policy during the quarter ended March 31, 2011 and the Company is not subject to externally imposed capital requirements at March 31, 2011.

12. 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.

(a) Credit risk

Credit risk is the risk of a financial loss to the Company 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.

Immunall Science Inc.

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March 31, 2011

The Company is exposed to a concentration of credit risk on its accounts receivable as the balance is with one company, and as such, the Company is exposed to certain risks of that industry.

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. No accounts receivable balances were provided for or written off during the quarters ended March 31, 2010 and 2009.

(b) 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. 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.

(c) Fair values

The fair values of the Company's cash, accounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term nature of these instruments.

Cash is measured at fair value.

13. Amalgamation

On January 11, 2011 the Company issued a joint management information circular and proxy statement relating to the amalgamation of the Company with Altius Edge Ltd. ("Altius"). The amalgamation was completed on March 31, 2011 and each shareholder of the Company received for each share held, one common share of the amalgamated company, .025 of a share of Aileron Ventures Limited and .025 of a share in Nautor Progressive Corporation. The company issued 3,700,000 shares to the shareholders of Altius and received proceeds for the shares equivalent to \$26,104 by the cancellation of a note and related interest payable totaling \$25,630 and cash of \$474.

14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.