

Management's Discussion and Analysis of Operating Results and Financial Situation

The following analysis must be read in conjunction with the unaudited interim financial statements of Immunotec Inc. (the "Company") dated July 31, 2008, the annual audited consolidated financial statements dated October 31, 2007, the respective notes to the financial statements and the management's discussion and analysis ("MD&A").

This MD&A has been prepared in accordance with the guidelines of National instrument 51-102. The Company's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The unaudited interim consolidated financial statements and related management's report have been reviewed by the Audit Committee and approved by the Board of Directors. All amounts are expressed in Canadian dollars unless otherwise indicated.

OVERVIEW

The Company is incorporated under the *Canada Business Corporations Act* and is engaged primarily in the development and marketing of natural health products, dietary supplements, food, vitamins and personal care products, some of which are manufactured on its behalf by third parties. The products are distributed and sold in Canada and the United States through a network marketing system and in other countries under exclusive distributorship agreements.

The Company operates out of a 37,000 square foot facility located in Vaudreuil-Dorion, Quebec, Canada, as well as a manufacturing facility in Blainville, Quebec, Canada and a distribution centre located in Swanton, Vermont, USA.

Upon commencing its operations in 1996, the Company made a strategic decision to market its products through a direct-selling/network marketing system, being a system in which distributors sell products directly to customers and sponsor other individuals as distributors. Distributors derive compensation both from the direct sales of products and from sales volume generated by sponsored distributors. Network marketing involves person-to-person communication and training with respect to the products and the system. The Company believes this feature makes network marketing a more effective means of marketing its products than in-store retail sales.

As at July 31, 2008, the Company's product line was comprised of 14 different products which are distributed and sold by independent distributors through a network marketing system of over 15,000 active distributors in Canada and the United States. It considers an active distributor, to be a distributor who has purchased its products within the last twelve months. Its products are also sold internationally under exclusive distribution agreements.

HIGHLIGHTS

The Company, for the third quarter ended July 31, 2008, realized net sales of \$8,942,007 compared to \$8,526,260 in 2007, an increase of \$415,747 or 4.9%. By individual markets and in their respective local currencies, net sales in Canada posted an increase of 5%, the U.S. market posted an increase of 11.8% and International markets realized a 63.9% increase.

For the third quarter, net sales by final destination were as follows; 49.5% in Canada and 40.0% in the United States, with the remainder 10.5%, through export to other International markets.

FORWARD-LOOKING STATEMENTS

Some statements included in this management report contain forward-looking information about the Company's future financial positions, operating results and sales. They may be based on market expectations, management opinions and assumptions. Such information involves significant risks and uncertainties that are difficult to predict and rely on assumptions that may prove inaccurate. Actual results and events may differ materially from those forecasted in the forward-looking statements in this analysis.

The Company, unless required under securities regulations, declines any intention or obligation to update or revise the forward-looking statements as a result of new information, future events or other developments. More specifically, the forward-looking statements do not reflect the impact of mergers, acquisitions, business combinations or disposals of businesses that could be announced or completed after their formulation.

DESCRIPTION OF THE BUSINESS

Principal Products and Services

Most of the Company's products are considered to be natural health products in Canada and dietary supplements in the United States. The Company develops and markets the following products:

HMS 90® / Immunocal®

The Company's flagship product has been called HMS 90 (Humanized Milk Serum, 90% Protein) in Canada and Immunocal in the United States and in other countries. HMS 90/Immunocal represented over 53% of the Company's sales for the quarter ended July 31, 2008. Effective mid-September 2008, HMS 90 became known as Immunocal in Canada.

Immunocal (NPN: 80004370) is recognized by Health Canada's Natural Product Directorate as a 'Natural source of the glutathione precursor cysteine for the maintenance of a strong immune system'.

Immunocal Platinum®

Launched in May 2006, Immunocal Platinum represented approximately 27.5% of the Company's sales for the quarter ended July 31, 2008. Immunocal Platinum is an enhanced form of Immunocal, targeted at the 50+ market, to support good health and well-being, buffer the effects of aging as well as for the maintenance of a strong immune system.

Other Products

Other products sold include Concentrated Tart Montmorency Cherry Juice, Xtra Sharp® energy tonics, Magistral®, PNT-200®, Naturally Sourced Calcium, Vitamin/Mineral Supplement, Omega-3, Skin Perfecting Cream, Thermal Action and Immunotec Toothpaste. In mid-September, the F.I.T.T. Meal Replacement was launched, replacing the Pycena Health Shake.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables summarize selected financial information from the Statement of Earnings and the Balance Sheets regarding the operations of the Company, which are taken from the unaudited and audited financial statements of the Company. The Company's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

	For the three-month period ended July 31,		For the nine-month period ended July 31,	
	2008 (\$) unaudited	2007 (\$) unaudited	2008 (\$) unaudited	2007 (\$) unaudited
	Net sales	8,942,007	8,526,260	26,766,768
Cost of sales	1,573,609	1,585,667	4,940,520	4,646,780
Sales incentives	3,697,379	3,538,010	10,971,475	10,808,460
Selling, general and administrative	3,173,318	2,700,585	9,099,446	8,462,019
Earnings before income taxes	497,701	701,998	1,755,327	2,099,300
Net earnings	354,168	566,751	1,099,278	1,497,579
Net earnings per share:				
Basic	0.005	0.008	0.016	0.022
Diluted	0.005	0.008	0.016	0.022
Weighted average number of common shares outstanding:				
Basic	69,994,300	69,994,300	69,994,300	66,593,421
Diluted	69,994,805	69,994,300	70,055,040	69,431,995
	As at July 31, 2008 (\$) unaudited	As at April 30, 2008 (\$) unaudited	As at October 31, 2007 (\$) audited	
<u>ASSETS:</u>				
Cash and cash equivalents	6,879,139	5,863,208	3,874,558	
Accounts receivable	490,579	601,836	505,366	
Other current Assets	4,194,403	3,749,327	3,728,109	
Total current Assets	<u>11,564,121</u>	<u>10,214,371</u>	<u>8,108,033</u>	
Other Assets	11,409,233	11,598,814	12,246,573	
TOTAL ASSETS	<u>22,973,354</u>	<u>21,813,185</u>	<u>20,354,606</u>	
<u>LIABILITIES:</u>				
Current Liabilities	4,814,493	4,052,410	3,475,800	
Long Term Liabilities	71,945	178,859	393,600	
TOTAL LIABILITIES	<u>4,886,438</u>	<u>4,231,269</u>	<u>3,869,400</u>	
<u>SHAREHOLDERS' EQUITY:</u>				
Share Capital	3,465,548	3,465,548	3,465,548	
Other Equity-Stock Options	1,233,111	1,088,016	736,416	
Contributed surplus	11,332,143	11,326,406	11,326,406	
Retained Earnings	2,056,114	1,701,946	956,836	
TOTAL SHAREHOLDERS' EQUITY	<u>18,086,916</u>	<u>17,581,916</u>	<u>16,485,206</u>	

Summary of the last eight quarters of operations

The following table summarizes selected financial information regarding the operations of the Company for the last eight quarters, which are taken from the unaudited interim financial statements of the Company and Immunotec Research Ltd. The Company's financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

	Q3 July 31, 2008 (\$)	Q2 April 30, 2008 (\$)	Q1 January 31, 2008 (\$)	Q4 October 31, 2007 (\$)	Q3 July 31, 2007 (\$)	Q2 April 30, 2007 (\$)	Q1 January 31, 2007 (\$)	Q4 October 31, 2006 (\$)
Net Sales	8,942,007	9,180,346	8,644,415	8,511,677	8,526,260	8,835,156	8,655,143	8,580,622
Cost of Sales	1,573,609	1,727,304	1,639,607	1,717,865	1,585,668	1,663,872	1,397,241	1,484,128
Sales Incentives	3,697,379	3,731,886	3,542,210	3,548,533	3,538,010	3,628,354	3,642,096	3,500,505
Selling, General and Administrative	3,173,318	3,028,620	2,897,508	3,898,285	2,700,584	2,895,287	2,866,147	2,683,841
Earnings before income taxes	497,701	692,536	565,090	(653,006)	701,998	647,643	749,659	912,148
Net Earnings	354,168	434,049	311,061	(612,794)	566,751	425,065	505,763	639,776
Net Earnings per share:								
Basic	0.005	0.006	0.004	(0.009)	0.008	0.006	0.008	0.010
Diluted	0.005	0.006	0.004	(0.009)	0.008	0.006	0.007	0.010
Weighed average number of common shares outstanding:								
Basic	69,994,300	69,994,300	69,994,300	69,994,300	69,994,300	69,994,300	62,869,951	64,850,922
Diluted	69,994,805	69,994,300	69,994,300	69,994,300	69,994,300	69,994,300	68,325,721	66,924,115
Cash Dividends Declared	-	-	-	-	-	-	-	441,300

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY

The following analysis of the financial situation and the results of operations of the Company should be read in conjunction with the information presented in its interim unaudited consolidated financial statements and their related notes for the nine-month periods ended July 31, 2008 and 2007.

Net sales

For the quarter ended July 31, 2008, net sales were \$8,942,007 compared to \$8,526,260 for the same period in 2007, an increase of \$415,747 or 4.9%. Net sales in Canada and net sales to other countries rose by \$209,776 or 5% and \$367,716 or 63.9%, respectively. Net sales in the United States, when converted to Canadian dollars were lower by \$161,745 or 4.3%. In US dollars, network sales in the United States for the quarter ended July 31, 2008 were \$3,472,604 compared to \$3,105,888 in 2007, an increase of \$367,516 or 11.8%.

For the nine-month period ended July 31, 2008, net sales were \$26,766,768 compared to \$26,016,559 for the same period in 2007, an increase of \$750,209 or 2.9%. This mainly reflects increases in volume in Canada of \$685,492 or 5.3% and to other countries of \$764,595 or 40.5%. This was offset by a decrease of \$699,878 or 6.2% in the United States after converting US net sales into Canadian dollars. In US dollars, network sales in the United States were \$10,193,222 compared to \$9,340,105 in 2007, an increase of \$853,117 or 9.1%.

Cost of sales

For the nine-month period ended July 31, 2008, cost of sales as a percentage of net sales was 18.5% compared to 17.9% for the corresponding period of 2007. The increase in cost of sales percentage to net sales resulted from the greater proportion of sales to other countries.

For the third quarter in 2008 the percentage was 17.6% compared to 18.6% for the third quarter in 2007. This reduction resulted from price increases for our products sold in Canada and in the United States which took effect on May 1, 2008.

Operating expenses

Sales incentives

Sales incentives are the largest operating expenses of the Company and depend directly on the sales volume of each independent distributor. Sales incentives include both commissions related to commissionable net sales and various incentives which can be earned by independent distributors.

Sales incentives were 41.0% of net sales for the nine-month period ended July 31, 2008 (41.3% for the quarter), compared to 41.5% (41.5% for the quarter) of net sales for the corresponding periods of 2007. This decrease in sales incentives resulted from the increase sales in other countries in relation to network marketing sales in Canada and the United States. Sales incentives in other countries are assumed by the licensee in each country.

Selling, general and administrative

The selling, general and administrative expenses were \$9,099,446 for the nine-month period ended July 31, 2008 (\$3,173,318 for the quarter), compared to \$8,462,019 (\$2,700,585 for the quarter) for the corresponding periods of 2007. These increases of \$637,427 for the nine-month period and \$473,733 for the quarter are largely attributable to increases in salaries and related expenses of \$735,279 for the period and \$194,412 for the quarter, resulting from the hiring of new executives as well as sales and marketing personnel. These increases were offset partially by foreign exchange gains from the strengthening of the US dollar compared to the Canadian dollar plus interest income earned on our increased cash balance totalling \$346,562 during the period and \$38,438 during the quarter.

Income taxes

For the nine-month period ended July 31, 2008 the Company recorded an income tax expense of \$656,049 (\$143,533 for the quarter) which represents an effective tax rate of 37.4% (28.8% for the quarter) compared to \$601,721 (\$135,247 for the quarter) which represents an effective tax rate of 28.7% (19.3% for the quarter) for the comparable period in 2007. This increase in the effective tax rate of approximately 9% for the quarter and the nine-month period ended July 31, 2008 is attributable to the reversal of income tax provisions and the deduction of costs associated with the reverse take-over transaction. These items totalled over \$150,000 and occurred in 2007.

Net earnings

Net earnings were \$1,099,278 for the nine-month period ended July 31, 2008 (\$354,168 for the quarter), compared to \$1,497,579 (\$566,751 for the quarter) for the corresponding periods of 2007. The decrease in net earnings of \$398,301 for the nine-month period, is largely attributable to the hiring of new executives as well as sales and marketing personnel to support the strategic plan of the Company, resulting in higher administrative and marketing remuneration expenses of \$735,279 offset by income totalling \$345,562 resulting from foreign exchange gains from the strengthening of the U.S. dollar and additional interest revenue on our increased cash and cash equivalents balances during the period.

Financial situation and liquidity

Cash flow from operating activities

The cash increase from operating activities was \$3,485,974 for the nine-month period ended July 31, 2008 (\$1,240,077 for the quarter), compared to \$1,868,305 (\$638,790 for the quarter) for the corresponding periods of 2007. The improved inventory management, timing of payments to a major supplier and the accrual of upcoming expenses relating to sales and marketing events, has favourably impacted the cash flow generated from operating activities compared to the corresponding period and quarter of 2007.

Cash flow from investing activities

The increase in investing activities for the nine-month period ended July 31, 2008 resulted in a decrease of cash flow of \$481,393 (\$224,146 for the quarter), compared to a decrease of cash flow of \$322,868 (\$189,521 for the quarter) for the corresponding periods of 2007. The higher decrease in net cash flow of \$158,525 for the nine-month period ended July 31, 2008 resulted mainly from the increase in 2008 of research and development tax credits receivable of \$98,178, offset by lower additions to property, plant and equipment of \$154,065. Additionally in 2007 a loan receivable of \$372,036 was repaid offset by costs of \$216,028 related to the reverse take over transactions.

For the quarter, the higher decrease in net cash flow of \$34,625 resulted from the increase in research and development tax credits receivable of \$72,303 offset mainly by lower additions to property, plant and equipment of \$55,110.

Cash flow from financing activities

For the quarter and the nine-month period ended July 31, 2008 the Company had no utilization of cash related to financing activities, compared to a decrease of \$841,300 for the nine-month period of 2007. The decreases in 2007 are the result of dividends paid of \$441,300 and the reimbursement of the secured convertible debenture of \$400,000.

Cash situation

As at July 31, 2008, the Company had a cash position of \$6,879,139 compared to \$2,185,972 as at July 31, 2007. The Company believes that cash requirements in the ordinary course of business for next year can be met with its available cash, cash generated from its operating activities and the reduction of income tax payments caused by the realization of prior years income tax losses. If required, the Company has access to operating credit facilities of \$2,000,000 at its bank's prime rate plus 1/2 %. The credit facilities were not drawn upon to date.

Working capital

As at July 31, 2008, the Company shows a working capital of \$6,749,628 for a ratio of 2.40 compared to a working capital of \$4,649,737 with a ratio of 2.73 as at July 31, 2007. The increase in working capital of \$2,099,891 is mainly attributable to the investment of the majority of the funds generated from the operations into deposit certificates with short term maturities.

Capital management

In the context of managing its capital, the objective of the Company is to maintain a capital structure that allows multiple options to finance its development and growth along with providing the shareholders with an acceptable return. The cash and cash equivalents as well as the shareholders' equity define the capital structure of the Company.

The Company's strategy consists of maintaining a flexible capital structure in order to respond to the economic conditions and adjusting accordingly. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issue, share repurchase, grant of stock options, the payment of dividends, the issue of debt or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements. The Company's strategy with respect to capital management remains unchanged during the period ended July 31, 2008.

DEVELOPMENT IN ACCOUNTING STANDARDS

Accounting Standards adopted during the quarter

Changes to accounting policies

Financial instruments and capital disclosures

In December 2006, the CICA issued three new sections which provide a complete set of disclosure and presentation requirements for financial instruments: Section 3862, “Financial Instruments – Disclosures”, Section 3863, “Financial Instruments – Presentation”, and Section 1535, “Capital Disclosures”.

Section 3862 is the Canadian equivalent to International Financial Reporting Standards (IFRS) 7, “Financial Instruments – Disclosures”, and replaces the disclosure portion of Section 3861, “Financial Instruments – Disclosure and Presentation”. The new standard places increased emphasis on disclosures about risks associated with both recognized and unrecognized financial instruments and how these risks are managed. It is also intended to remove any duplicate disclosures and simplify the disclosures about concentrations of risk, credit risk, liquidity risk and price risk currently found in Section 3861.

Section 3863 carries forward the presentation requirements from Section 3861, unchanged.

Section 1535 converges with the capital disclosure amendments to International Accounting Standards (IAS) 1, “Presentation of Financial Statements”. Section 1535 applies to all entities regardless of whether they have financial instruments and are subject to external capital requirements. The new section requires disclosure of information about an entity’s objectives, policies and processes for managing capital, as well as quantitative data about capital and whether the entity has complied with any capital requirements.

These recommendations had no significant effect on the Company’s consolidated financial statements.

New accounting policy not yet implemented

The CICA amended Section 1400, “General Standards of Financial Statement Presentation” to include requirements to assess and disclose an entity’s ability to continue as a going concern. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The company does not expect any effect on its consolidated financial statements.

In February 2008, the CICA issued Section 3064, “Goodwill and Intangible Assets” effective for interim and annual financial statements on or after October 1, 2008. Section 3064, which replaces Section 3062, “Goodwill and Other Tangible Assets”, and Section 3450, “Research and Development Costs”, establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. The provisions relating to the definition and initial recognition of intangible assets, including internally generated intangible assets, are equivalent to the corresponding provisions of IFRS IAS 38, “Intangible Assets”. The Company will adopt this new standard on November 1, 2008 and is assessing the effects this new standard will have on its consolidated financial statements.

In February 2008, the Canadian Accounting Standards Board (AcSB) officially announced that Canadian GAAP would require all public companies to be transitioned to International Financial Reporting Standards (IFRS) for fiscal year starting on or after January 1, 2011. Even though the IFRS and Canadian GAAP use a similar framework, many accounting policies have some significant differences that must be reviewed by management in order to assess the impact of the new standards on the consolidated financial statements. The Company is assessing the effects that this new transition will have on its consolidated financial statements.

FINANCIAL INSTRUMENTS

Classification of the financial instruments

Cash and cash equivalents are classified as “financial assets held for trading”. Accordingly, cash and cash equivalents are carried at fair value, with any gains or losses arising from the revaluation at each period-end being included in consolidated earnings.

Accounts receivable are classified as “loans and receivables”. Subsequent to their initial measurement at fair value, accounts receivable are measured at amortized cost using the effective interest rate method. Given the composition of the Company’s accounts receivable, the amortized cost generally approximates to cost due to their short terms to maturity.

Investments in common shares of a private company are classified as “available for sale”. Such shares were initially recorded at their fair value and subsequent thereto are carried at cost. Available-for-sale financial assets are, however, subject to assessment for impairment whereby unrealized losses are recorded in the consolidated statement of earnings.

Accounts payable and accrued liabilities, customer deposits and long-term liability are classified as “other financial liabilities”. These financial liabilities are initially recognized at fair value due to their relatively short terms to maturity.

Fair value

The Company has determined the fair value of its financial instruments based on estimates and assumptions. The actual results may differ from the estimated fair value, and the use of other assumptions or valuation methods may have a material effect on such estimates.

The fair value of current financial assets and liabilities, which include cash and cash equivalents (consisting of term deposits with maturities of three months or less), accounts receivable, accounts payable and accrued liabilities and customer deposits, is comparable to their respective carrying values due to their relatively short terms to maturity.

The fair value of the investment in a private company was not reliably estimable as at July 31, 2008 since the investment relates to a private bio-based technology company in the development stage. The investee is committed to buy back, in May 2010, the shares owned by the Company at the higher of the fair value of the shares or US\$786,350.

The fair value of the long-term liability was determined by calculating the present value of expected future cash flows using a discount rate consistent with market rates the Company could obtain on a debt with similar terms. There is no significant difference between the fair value and the carrying value of the liability.

Credit risk

Financial instruments which potentially subject the Company to credit risk include cash and cash equivalents as well as accounts receivable, with respect to which, management believes there was no significant concentration of credit risk as at July 31, 2008. The Company deals only with highly rated financial institutions and continually monitors its clients’ credit and establishes its provision for doubtful accounts based on the credit risk applicable to each client.

Interest rate risk

Cash balances bear interest at floating rates and deposit certificates bear interest at a fixed rate, while accounts receivable, accounts payable and accrued liabilities, customer deposits and long-term liability are non-interest bearing.

Currency risk

The Company is exposed to currency risks as transactions with customers outside Canada are predominantly denominated in U.S. dollars. These risks are partially offset by purchases and operating expenses incurred in U.S. dollars. As at July 31, 2008, the Company had \$1,666,048 of cash and cash equivalents, \$248,956 of accounts receivable and \$1,513,782 of accounts payable and accrued liabilities denominated in U.S. dollars.

LEGAL PROCEEDINGS OF THE COMPANY

In the normal course of business, the Company is presently involved in legal proceedings with a consulting firm. We believe this current claim is ill-founded in fact and in law and the resolution thereof will not have a material effect on our financial situation.

FUTURE DEVELOPMENTS

Immunotec benefits from a solid balance sheet, skilled and motivated employees, well-established suppliers, repeat customers and a dedicated network of distributors. Since last year the management implemented new measures in sales and marketing initiatives and it believes that these measures will help increase sales during the present year and the following years.

Management is of the opinion that its investment in current research in such areas as cancer cachexia, autism, aging and aging-related conditions as well as clinical trials will enable Immunotec to produce and bring to market more value-added products thereby continuing to differentiate its products from competing products.

Product development is on-going, based on recommendations from Immunotec's Product Development Committee, allowing the company to increase its product lines within the health and wellness market.

DESCRIPTION OF SECURITIES

Capital Stock

The following description of the Common and Preferred shares of the Company is a brief summary of their material attributes and characteristics.

a) Authorized – in unlimited number

Common shares: Voting, participating, with no par value and with dividend rights at the discretion of the Board of Directors.

First preferred shares and Second preferred shares: The first and second preferred shares may be issued in one or more series. The Board of Directors is authorized to fix the number of shares in each series and determine the designation, rights, privileges, restrictions and conditions attached thereto.

b) Issued

As at July 31, 2008 there are 70,026,558 common shares including 32,258 common shares held by the company for sale.

Escrow Shares

In accordance with the policies of the TSX Venture Exchange, a portion of the payment shares received by the shareholders of Immunotec Research Ltd. (insiders), aggregating 55,766,459 Common Shares (after giving effect to the Share Consolidation), were placed in escrow as Reverse Takeover (RTO) Value Escrow Shares pursuant to the RTO Escrow Agreement.

In July 2008, 13,941,615 shares representing the balance of the RTO Value Escrow Shares were released.

Stock option plan

As at July 31, 2008, the Company had 2,612,500 options outstanding. Each option entitles the holder to acquire one common share of the Company at the following exercise price; 1,582,500 options at \$1.13, 700,000 at \$0.66, 30,000 at \$0.80 and 300,000 at \$0.56.

During the nine-month period ended July 31, 2008, the Company granted 1,037,500 stock options to its employees at prices ranging from \$0.56 to \$1.00. Included in these grants, 700,000 options were granted to its new President and Chief Executive Officer as well as 300,000 to its new Executive Vice-President and Chief Operating Officer under employment contracts with the Company respectively effective November 2007 and July 2008.

Each unit entitles the holder to acquire one common share of the Corporation at the exercise price specified when granted. Options vest at a rate of one third per year commencing one year following the date of grant. The options expire five years after the grant date.

ONGOING INFORMATION AND CONTROLS RELATED TO THE COMMUNICATION OF INFORMATION

Disclosure controls and procedures

Disclosure controls and procedures have been established by the Company to ensure that financial information disclosed by the Company in this MD&A, the related consolidated financial statements and its interim filings are properly recorded, processed, summarized and reported to its Audit Committee and the Board of Directors.

Internal controls over financial reporting

During Q3 2008, the Company evaluated the design of internal control over financial reporting in accordance with the guidelines of NI 52-109. This evaluation allowed the Chief Executive Officer and Chief Financial Officer to conclude that internal controls over financial reporting were designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles.

In addition to this work, during the three-month period ended July 31, 2008, no change to internal controls over financial reporting has occurred that has materially affected, or is reasonably likely to have materially affected, such controls.

Additional Information

The Company files its consolidated financial statements, its management and discussion analysis report, its press releases and such other required documents on the SEDAR database at www.sedar.com. The common shares of the Company are listed on the TSX Venture Exchange under the ticker symbol IMM.

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