STRESSGEN BIOTECHNOLOGIES CORPORATION (with its subsidiaries, "Stressgen" or the "Company") is a biopharmaceutical company focused on the discovery, development and commercialization of innovative stress protein-based immunotherapeutics, also known as therapeutic vaccines. These therapeutic vaccines are created using the Company’s proprietary CoVal™ fusion products, which covalently link stress proteins, also known as heat shock proteins, to disease specific antigens. The Company’s lead candidate, HspE7, targets a broad spectrum of human papilloma virus (HPV) related diseases. The Company has also initiated research studies or is evaluating other CoVal™ fusion product candidates for the treatment of Hepatitis B, Herpes Simplex and Hepatitis C.

INTERACTIVE CD: See how the technology platform for making CoVal™ fusion products works with an easy-to-understand animation. And receive a detailed summary of Stressgen’s unique approach to targeting diseases.
Stressgen’s first disease target: HPV*, the number one cause of sexually transmitted diseases in the world.

3 out of every 4 people will acquire an HPV infection during their lifetime.

$1,600,000,000

in direct costs and up to $6 billion in screening for cervical cancer makes HPV the second most costly cause of sexually transmitted diseases in the U.S. each year.

3 types of diseases are caused by HPV: warts, dysplasia and cancer.

*Human Papillomavirus (HPV) is a group of viruses associated with various types of epithelial warts and lesions. At least 20 million people in the U.S. are already infected with sexually transmitted HPV, with 5.5 million new patients diagnosed each year. HPV is estimated to affect more than 80% of the sexually active population, with nearly three out of every four Americans between the ages of 15 and 49 contracting the disease at least once in their lifetime. The highly infectious nature of HPV, combined with the overall lack of preventative measures, makes the discovery of an effective treatment for HPV-related conditions an urgent priority among medical professionals.
Due to HPV, over 25,000 children and adults suffer from RRP and may face the prospect of frequent throat surgeries.*

*Due to HPV, over 25,000 estimated cases of active pediatric RRP patients required surgery in the previous three years as reported by a 1995 survey of U.S. otolaryngologists and bronchoesophagologists. In addition, there are over 9,000 cases of adult RRP in the U.S.
For 1 in every 8 women whose Pap smears reveal abnormal cells that could lead to cervical cancer, laser surgery or LEEP to eradicate the abnormal cells will fail.
For serious cases of HPV-related internal genital warts, a painful surgical procedure may be the only treatment option.

**GENITAL WARTS:**

- **DESCRIPTION:** Wart-like growths throughout the genital area. The condition is spread through sexual contact and is highly contagious. Despite common misperception, genital warts can be spread even with the use of condoms. With 1 million new cases diagnosed each year in the U.S., recurrence is common even after treatment.

- **PROBLEM:** When topical medications are not appropriate or effective, ablative therapies are typically used. For external warts, recurrence is common even after topical or ablative treatment. If these methods fail, surgery may be required. For internal warts, surgery is the only treatment option. However, surgery is painful, may cause scarring, and may not fully eliminate the disease.
For many HPV diseases, painful and invasive surgical procedures have remained the best treatment option, despite their shortcomings.
For the millions who suffer from HPV-induced diseases, Stressgen is developing a treatment in the form of HspE7, a therapeutic vaccine, that will harness the power of the immune system.

Phase II clinical trial findings:

- Increased the time between surgeries for some patients with recurrent respiratory papillomatosis (RRP).
- Induced a response in some women with high-grade cervical intraepithelial neoplasia.
- Resulted in complete clearance of baseline genital warts in some men and women.
Empowering the body’s own cellular defense system to fight infection.

COMPARING THE TWO ARMS OF IMMUNE SYSTEM DEFENSE:
Therapeutic vaccines deliver specific benefits that preventative vaccines cannot.

<table>
<thead>
<tr>
<th>I. CELLULAR SYSTEM DEFENSE</th>
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<tbody>
<tr>
<td>(Fights Infection)</td>
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<tr>
<td>THERAPEUTIC VACCINES:</td>
</tr>
<tr>
<td>– Given to someone in whom a disease has manifested.</td>
</tr>
<tr>
<td>– Works to eliminate or reduce the number or severity of outbreaks or episodes caused by a specific pathogen, such as a virus.</td>
</tr>
<tr>
<td>– Induces cytotoxic T lymphocytes (CTL), or killer T-cells, which recognize and kill infected or cancerous cells while bypassing normal cells.</td>
</tr>
<tr>
<td>– Potentially effective in treating populations that have already been infected.</td>
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</table>

<table>
<thead>
<tr>
<th>II. HUMORAL SYSTEM DEFENSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Prevents Infection)</td>
</tr>
<tr>
<td>PREVENTATIVE VACCINES:</td>
</tr>
<tr>
<td>– Given to someone who does not have a disease.</td>
</tr>
<tr>
<td>– Works to prevent diseases from occurring by eliminating pathogens, such as viruses, from the body before they can establish infection.</td>
</tr>
<tr>
<td>– Triggers B-cells in the immune system, to produce specific molecules called antibodies that destroy the invading pathogen and keep watch over subsequent attacks.</td>
</tr>
<tr>
<td>– Not effective in treating individuals or populations that have already been infected.</td>
</tr>
</tbody>
</table>

Vaccines are administered either to prevent disease or to treat it once it has taken hold. Preventative and therapeutic vaccines work in different ways, each triggering a different arm of the immune system. While the basic technology for developing preventative vaccines has existed for well over a century, the technology for developing therapeutic vaccines is much newer.
Stressgen’s fusion proteins can target a wide spectrum of diseases and stimulate the body’s cellular immune system.
HspE7: A therapeutic vaccine for treating HPV-related diseases.

The FDA has granted HspE7 Orphan Drug Status for the treatment of RRP and has also designated it a Fast Track Product Development program. A pivotal Phase III clinical trial in RRP is planned to start mid-2005. Stressgen plans to have the protocol for the trial reviewed by the FDA under a Special Protocol Assessment (SPA).

STRESSGEN’S LEAD PRODUCT CANDIDATE
HspE7 is under development for the treatment of conditions caused by HPV, a virus that exists in more than 100 different known forms. The compound is a fusion between a heat shock protein (Hsp), a naturally occurring protein found in a wide variety of organisms, and an antigen from HPV, built using the company’s proprietary technology platform. The compound’s heat shock protein, Hsp65 from *Mycobacterium bovis*, was chosen for its potent immune-stimulating properties. The E7 antigen was chosen because it represents a precise target for the immune system to destroy HPV-infected cells, and because it is expressed in cells at multiple stages in the progression of HPV-related disease.

The Therapeutic Advantages of HspE7
- Treats a broad spectrum of HPV diseases.
- Uses the body’s own immune system to elicit a powerful immune response.
- Acts via the immune system to reach HPV infections throughout the body, attacking the disease where it starts.
- Physician-administered by a short series of injections, helping to assure patient compliance.
- Much less invasive than surgery.

HspE7 Pipeline
Stressgen’s CoVal™ fusion proteins can be used to make new products with a variety of key disease-specific proteins. HspE7 is the most advanced in the pipeline. The company has designed, launched or completed 12 clinical trials for HspE7 in relation to a variety of HPV-related diseases. To date, HspE7 has been shown to be highly effective in a preclinical tumor model and active in multiple settings of HPV-induced clinical disease: RRP, dysplasias, and genital warts. It has also been well-tolerated in over 400 patients.
RRP PHASE II TRIAL RESULTS Among the many initiatives Stressgen has pursued in relation to HspE7, the company recently completed a Phase II trial in which HspE7 was evaluated in the treatment of children with RRP. The data from this trial were statistically significant. The trial met its targeted primary endpoint of lengthening the time between surgeries following treatment with HspE7. Based on these results, the company is currently proceeding with a pivotal Phase III clinical trial of HspE7 for RRP.

In Focus: RRP

In 2005, Stressgen’s HspE7 therapeutic vaccine for RRP, with orphan drug and fast track designation by the FDA, will enter a pivotal Phase III trial. Stressgen held an end-of-Phase II meeting with the FDA in June 2004 to discuss the design of its planned pivotal Phase III clinical trial. Stressgen plans to seek concurrence from the FDA on the pivotal Phase III protocol through a Special Protocol Assessment (SPA), an agreement with the FDA that is binding for the company and for the FDA regarding the protocol design for a clinical trial to support a biologics license application (BLA). Stressgen intends to initiate its pivotal Phase III trial during mid-2005. Depending on the results from the Phase III study, and other data, Stressgen anticipates being able to submit a BLA for HspE7 to treat RRP in mid-2007.

Next Steps for HspE7

- Complete the development of HspE7 for patients with RRP and obtain regulatory approval.
- Expand the label for HspE7 to additional indications by initially targeting other patient populations with high-risk forms of HPV diseases, including HIV+ patients and patients with cervical dysplasia for whom LEEP has not been successful.
- Longer term: Target larger market opportunities for HPV-related diseases, such as genital warts, high-risk dysplasias, and cancers.
CoVal™ Fusion Proteins:
Built from a proprietary technology platform with far-reaching potential.

CoVal™ fusion products combine the immunostimulatory power of a heat shock protein with an antigen to target a specific disease or cancer.

HARNESSING THE POWER OF HSP Stressgen’s approach to creating immunotherapies to treat various infectious diseases and cancers is based on the ability of heat shock proteins, or Hsp, to elicit a powerful and targeted cellular immune response. Hsp, also called stress proteins, are a family of molecules that cells produce in abundance in response to stress from heat, injury or toxins. One of the attributes of Hsp fusions is their ability to stimulate CTLs (cytotoxic T lymphocytes), also known as killer T-cells, to attached antigens. These antigen-specific white blood cells possess the ability to recognize and kill virus-infected or cancerous cells while bypassing normal cells.

How CoVal™ Fusions Work
The two components of Stressgen’s CoVal™ fusion products, the Hsp and the antigen, are fused together using recombinant DNA technology to create a disease-specific fusion protein. When injected into a patient, it is thought that the fusion protein binds to Hsp receptors on specialized cells, called dendritic cells, that present antigens to the immune system. As a result, the entire fusion molecule is engulfed and the antigen portion of the molecule is processed through a key cellular pathway, the class I MHC pathway, for direct presentation to CD8+ killer T-cells. In turn, this initiates a killer T-cell response against the antigen and enables the body to fight diseases and infections.

The Future of CoVal™ Fusions
– Stressgen’s CoVal™ fusion proteins can be used to target a wide variety of indications, ranging from viral diseases to cancer.
– Additionally, based on preclinical experiments, CoVal™ fusion proteins may have the potential for use in immunocompromised and HIV-positive patients, many of whom have high HPV infection rates and experience more rapid progression of HPV diseases.
– Stressgen’s technology for making CoVal™ fusion proteins has already yielded clinical and preclinical product candidates.
**ACTIVATING THE CELLULAR IMMUNE SYSTEM**

**The CoVal™ Fusion Arrives.**

The Hsp component of the CoVal™ fusion protein serves as a powerful stimulant to the human immune system by targeting the antigen to a dendritic cell. Hsp receptors on the dendritic cell surface recognize the Hsp-antigen fusion and allow it to enter the cell.

**The Antigen Presents.**

The dendritic cell processes the CoVal™ fusion into small pieces called peptides. The cell then displays peptides processed from the antigen on its surface, where they are encountered by CD8+ T-cells.

**The T-cells Respond.**

When CD8+ T-cells encounter the peptides presented by the dendritic cell, they become activated CTLs (cytotoxic T lymphocytes), also known as killer T-cells. These antigen-specific immune system hunters proliferate and search the body for infected cells displaying the same antigenic “markers” on their surface. Stressgen’s lead product, HspE7, activates the immune system to detect the E7 antigen associated with HPV.

**The Targeted Cells Are Killed.**

Once the killer T-cells locate the infected cells, they kill them. Only infected cells are destroyed; healthy cells and tissues are spared.

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HspE7 is a recombinant fusion protein, composed of the HPV protein E7 and a bacterial heat shock protein (Hsp65) from *M. bovis* BCG. The E7 protein is derived from HPV type 16. E7 is involved in the malignant transformation of epithelial cells. It is a tumor-specific antigen and represents a precise target for the immune system to attack abnormal cells.
PROMISING TARGETS. In addition to HPV-related diseases and cancers, Stressgen is employing its proprietary CoVal™ fusions to treat other viral diseases. These programs, which are all under consideration or in research or preclinical stages of development, include applications for Hepatitis B, Hepatitis C, and Herpes Simplex viruses.

Hepatitis B Virus (HBV)
The United States has an estimated 1+ million cases of chronic HBV, with approximately 140,000-320,000 new cases emerging each year, resulting in 4,000-5,000 deaths. Worldwide, HBV claims an estimated 1 million lives each year. While safe and effective preventative vaccines exist for the disease, the rising number of cases calls for exploration of newer, more effective therapies.

Hepatitis C Virus (HCV)
Currently, no approved vaccine exists for HCV. Researchers predict the disease will become a major burden on the healthcare system within the next 10 to 20 years. HCV infects approximately 200 million individuals worldwide and 3.9 million individuals in the U.S. alone, causing between 8,000 to 10,000 deaths each year.

Herpes Simplex Virus (HSV)
HSV-2, the cause of genital herpes, is now detectable in approximately one in every five individuals above the age of 12 in the United States. Each year, clinically apparent disease manifests in 500,000 to 1 million individuals. While not life-threatening, the virus may contribute to the spread of additional sexually-transmitted diseases. There is currently no curative treatment for the disease.

Stressgen’s HspE7 therapeutic vaccine for RRP has the potential to be the first product approved in a new therapeutic class.
BUSINESS OPPORTUNITIES Stressgen’s strategy to develop and commercialize a variety of therapeutic vaccines for the treatment of virally induced human diseases and cancers creates a range of opportunities for collaboration with other companies and organizations. The company is looking for additional agreements that will expand on those already in place.

Licensing
Stressgen has a worldwide exclusive license agreement with the Whitehead Institute for Biomedical Research, a leading non-profit research and educational institution affiliated with the Massachusetts Institute of Technology (MIT). Since 1982, the institute has pioneered programs in cancer and AIDS research as well as structural biology, genetics, infectious diseases, developmental biology and transgenic science. Stressgen’s relationship with Whitehead gives the company rights to various patents and pending applications for its core Hsp fusion technology.

Collaborations
Stressgen has entered into a collaborative agreement with Swiss-based Hoffman-La Roche (Roche) to co-develop and distribute HspE7. Stressgen intends to partner and collaborate with other, established pharmaceutical and biotechnology companies to speed product development and access global regulatory, sales and marketing capabilities.

In addition to its agreement with Roche, Stressgen has two clinical trial agreements in place with the U.S. National Cancer Institute (NCI) for the co-development of HspE7 for the treatment of dysplasia and cancer. Under the agreements, Stressgen provides clinical-grade supplies of HspE7 and is able to use any resulting trial data.
We have the opportunity to pursue many important disease targets, and are working to nourish our product development pipeline.
For Stressgen, 2004 was an important year in realizing our vision of developing innovative therapeutic solutions to treat serious viral diseases and cancers.”

Before discussing specific accomplishments and next steps, I’d like to briefly recap the scientific and strategic basis for that vision. Stressgen pursues a novel proprietary approach to treatment that involves stimulating the cellular side of the immune system to target and destroy infected or cancerous cells. This proprietary technology, which stimulates killer T-cells and enables them to target cells infected with specific viral agents, is the heart of our CoVal™ fusions. The platform is broadly applicable across virus types and could potentially treat cancers. With it, we have the opportunity to pursue many important disease targets, and are working to nourish our product development pipeline.

FOCUS ON HPV: A SIGNIFICANT UNMET MEDICAL NEED To date, we have focused our resources and energies on our first target: the human papillomavirus (HPV), the cause of the most prevalent sexually transmitted diseases in the world. Approximately 20 million Americans are currently infected with HPV, and 5.5 million new HPV infections are reported in the country each year. We have developed HspE7, our first therapeutic vaccine candidate, to treat these diseases, and are now advancing HspE7 in clinical development. Pursuing multiple studies for several HPV-related indications, we are demonstrating HspE7’s capabilities as a broad-spectrum therapeutic vaccine capable of treating a number of HPV-related diseases. In 2004 we initiated a number of Phase II studies directly or in association with the NCI and investigators for multiple HPV-related diseases such as high-grade dysplasias and genital warts.

These diseases represent major medical problems, and their current treatment reveals significant unmet medical needs. No therapeutic vaccine for HPV exists on the market today, and global pharmaceutical competitors are focused on prophylactic vaccines, which may not work for the 20 million Americans already infected with HPV.

HSP67: A LEAD PRODUCT CANDIDATE WITH FAR-REACHING POTENTIAL A case in point: Today, surgical procedures are the standard method of treatment for recurrent respiratory papillomatosis (RRP), a severe and occasionally deadly form of HPV characterized by wartlike growths in the larynx and vocal cords. Since the warts cannot be completely removed, the condition can recur. Patients with RRP can die from airway obstruction, cancerous transformation, overwhelming spread of the disease,
of papillomas in the lungs or complications of surgical treatments. Pediatric patients tend to have about five surgeries per year, and some children have hundreds of procedures during their lifetime. There are no drugs approved for RRP in the U.S.

For these reasons, the FDA has granted HspE7 Orphan Drug Status and Fast Track Product Development designations for RRP. Following FDA’s recommendation, we are submitting our pivotal clinical trial Phase III protocol for a Special Protocol Assessment (SPA) for our trial slated to commence this year. Under a SPA, the sponsor and the FDA formally agree to the details of the study protocol. HspE7, Stressgen’s lead product candidate, is the first of many anticipated fusion candidates for viral-related diseases and cancers.

**HSP E7: BEYOND OUR LEAD INDICATION FOR RRP**

Painful and invasive surgical procedures remain the best treatment option for the most serious forms of many other HPV-related diseases in addition to RRP. This, together with the highly infectious nature of HPV and the overall lack of preventive measures, underscores the need for more effective treatment options.

With the potential for treating many HPV-related diseases, including RRP, genital warts and high-grade dysplasias in women and men, HspE7 holds the promise of redefining treatment for the number one sexually transmitted virus in the world today. Stressgen is engaged on multiple fronts to treat serious HPV-related diseases. Several trials underway by the NCI and other investigators may provide sufficient Phase II data with HspE7 to support pivotal Phase III trials in HIV-positive immunosuppressed patients co-infected with HPV, and in women with cervical dysplasia whose disease recurs after conventional Loop Electrosurgical Excision Procedure (LEEP).

Stressgen is also looking at HPV-related cancers. We have conducted in-vivo studies of HPV-tumor implantation and rejection in a cervical cancer animal model indicating that treatment with HspE7 promotes regression of tumors as well as protection from subsequent tumor challenges. As a next step, NCI plans to sponsor a clinical trial with HspE7 in cervical cancer.

**COVAL™ FUSIONS MADE FROM A PLATFORM TECHNOLOGY WITH BROAD SPECTRUM APPLICABILITY**

Of course, the virus-fighting market opportunity for CoVal™ fusions extends beyond our lead product candidate and beyond HPV. Our successes with HspE7 and preclinical studies with HspBcor, our fusion product for Hepatitis B, suggest that our CoVal™ fusions are effective in stimulating the cellular side of the immune system to recognize the specific-linked antigen and fight the disease. Besides Hepatitis B, we have an early-stage program in place for herpes simplex, and we are targeting Hepatitis C as our third serious viral disease opportunity. The scientific literature also links Hepatitis B and Hepatitis C viruses to certain liver cancers.

As described elsewhere in this report, Hepatitis B and Hepatitis C create a major—and growing—burden on the U.S. healthcare system. These diseases infect millions of individuals in the U.S., and scores of millions more worldwide. Between them, the two forms of Hepatitis claim as many as 10,000 lives in the U.S. each year. And while genital herpes is not life-threatening, it may contribute to the spread of additional sexually transmitted diseases. For it, as for Hepatitis C, no cure currently exists.

**FURTHERING OUR STRATEGY, FULFILLING OUR PROMISE FOR 2005 AND BEYOND**

Looking ahead to 2005, we have identified a number of critical objectives to further our strategy and fulfill the core promise we made in 2004: to advance the clinical development for HspE7 by finalizing our protocol for RRP under a SPA and enter it into a pivotal Phase III clinical trial with commercial-grade clinical trial supplies.

We believe our disciplined focus on RRP, underscored by its Fast Track and Orphan Drug designations, represents the swiftest and surest route to market for HspE7’s first indication.
At the same time, we anticipate the completion of our trial in patients who have serious internal genital warts by the end of the year. Also during 2005, we expect to obtain data from trials in patients with high-grade cervical dysplasia conducted by academic investigators and the NCI.

Given the progress we have made as well as the substantial underlying strengths we possess, we remain on track with our HspE7 clinical development program. With the promise of our pipeline and the broad applicability of our proprietary technology platform, we are well positioned to address an array of unmet medical needs, and to enjoy commensurate financial success.

As we pursue our strategy internally, Stressgen looks to expand collaborations with established pharmaceutical and biotech companies to speed product development and access global regulatory, sales and marketing capabilities for HspE7.

Finally in 2004, our financial team successfully completed work required to ensure the effectiveness of our internal controls, around our financial reporting, as required by section 404 of the Sarbanes-Oxley Act of 2002. We are pleased to be able to provide this additional level of creditability of our financial statements to our shareholders.

My deepest thanks to my colleagues for their enthusiasm and dedication as we advance our first therapeutic to market, and to our directors for their continued guidance and leadership. On behalf of everyone on the Stressgen team, I would also like to thank our shareholders for their continued support. We look forward to many accomplishments in the year to come, and I look forward to sharing them with you.

Sincerely,

Gregory M. McKee
Director, President and Chief Executive Officer
April 15, 2005

"Stressgen has the potential for introducing the first of a new class of therapeutic vaccines into the marketplace."
2004 was a pivotal year for Stressgen, as we made strides to become well positioned to commercialize HspE7.

The forward-looking statements in this annual report involve risks and uncertainties, including the discussions of collaborations, revenue, product development efforts and the future of our products. Actual results may differ materially from our current expectations due to factors including uncertainties associated with development of therapeutics, the risk that we will not obtain regulatory approval for our products and our need for additional financing. Please see our Annual Report on Form 10-K, which is included on the enclosed CD-ROM and is available from our Investor Relations department, for a more detailed discussion of these and other risks.
Financial Statements

The following tables summarize certain selected consolidated financial data for each of the five years in the period ended December 31, 2004. The information presented is not necessarily indicative of the results of future operations and should be read in conjunction with the consolidated financial statements and related notes thereto and with our fiscal 2004 “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” included in the Company’s 2004 Annual Report on Form 10-K. Our consolidated results include those of our subsidiaries, including a U.S. subsidiary, which provides management, research and development services, and a Barbados subsidiary, which is responsible for HspE7 development.

### CONSOLIDATED STATEMENT OF OPERATIONS DATA

(In thousands, Canadian dollars, except per share amounts)

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<tbody>
<tr>
<td>Net revenues, Canadian and U.S. GAAP from continuing operations</td>
<td>$ 700</td>
<td>$ 8,094</td>
<td>$ 8,370</td>
<td>$ —</td>
<td>$ —</td>
</tr>
<tr>
<td>Research and development expenses from continuing operations, Canadian and U.S. GAAP</td>
<td>25,913</td>
<td>19,533</td>
<td>32,735</td>
<td>35,214</td>
<td>23,666</td>
</tr>
</tbody>
</table>
| Net (loss) income, Canadian GAAP
  From continuing operations | (31,845) | (17,663) | (30,826) | (38,224) | (26,781) |
  From discontinued operations (1) | 1,580 | 1,418 | 2,024 | 2,285 | 1,374 |
| Basic and diluted (loss) income per common share, Canadian GAAP
  From continuing operations | (0.44) | (0.29) | (0.52) | (0.75) | (0.66) |
  From discontinued operations (1) | 0.02 | 0.03 | 0.03 | 0.05 | 0.03 |
| Basic and diluted loss per common share, U.S. GAAP | (0.39) | (0.25) | (0.49) | (0.71) | (0.88) |

### CONSOLIDATED BALANCE SHEET DATA

(In thousands of Canadian dollars)

|-------------------|------|------|------|------|------|
| Cash and short-term investments, Canadian GAAP
  Of continuing operations | $21,578 | $51,843 | $46,013 | $62,682 | $70,567 |
  Of discontinued operations (1) | 1,066 | 247 | — | — | — |
| Cash and short-term investments, U.S. GAAP
  Of continuing operations | 21,578 | 51,843 | 46,013 | 62,682 | 70,710 |
  Of discontinued operations (1) | 1,066 | 247 | — | — | — |
| Total Assets, Canadian GAAP | 30,174 | 56,430 | 54,815 | 67,789 | 74,325 |
| U.S. GAAP | 30,174 | 56,430 | 54,815 | 67,789 | 74,468 |
| Long-term obligations, Canadian and U.S. GAAP
  Of continuing operations | $1,427 | $2,672 | $3,606 | $578 | $1,036 |
  Of discontinued operations (1) | — | — | — | — | — |

(1) At December 31, 2004, we disclosed the bioreagent business as a discontinued operation. See the notes to our financial statements for further disclosure.
CORPORATE GOVERNANCE
Management and the Board of Directors believe that Stressgen’s corporate governance practices are in line with those established by The Toronto Stock Exchange. The mandate of the Board of Directors is to provide advice and guidance to the Management of the Company and represent the best interest of shareholders. The Directors are kept informed of the Company’s operations at meetings of the Board, its committees and through reports and analysis by Management.

STOCK LISTING
The Company’s common shares are traded on The Toronto Stock Exchange under the symbol “SSB.”

ANNUAL GENERAL MEETING
The Annual General Meeting of Shareholders will be held on Tuesday, June 21, 2005, at 1:00 p.m. at the Pan Pacific Hotel in Vancouver, British Columbia.

TRANSFER AGENT AND SHARE REGISTRAR
Computershare Trust Company of Canada
Computershare
510 Burrard Street
Vancouver, British Columbia V6C 3B9
Telephone (Investor Services): 800.564.6253

SHAREHOLDER INQUIRIES
For further information about the Company and its activities, please refer to the U.S. Annual Report on Form 10-K, available on the accompanying CD-ROM or through www.sec.gov or the Canadian Annual Information Form, available through www.sedar.com. Alternatively, please contact:
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350-4243 Glanford Avenue
Victoria, British Columbia V8Z 4B9
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T. 250.744.2811
F. 250.744.3331
Stressgen Biotechnologies, Inc.
6055 Lusk Boulevard
San Diego, CA 92121
USA
T. 858.202.4900
F. 858.450.6849
Internet Site: www.stressgen.com
Email: ir@stressgen.com

STRESSGEN BIOTECHNOLOGIES CORPORATION (with its subsidiaries, “Stressgen” or the “Company”) is a biopharmaceutical company focused on the discovery, development and commercialization of innovative stress protein-based immunotherapeutics, also known as therapeutic vaccines. These therapeutic vaccines are created using the Company’s proprietary CoVal™ fusion products, which covalently link stress proteins (also known as heat shock proteins) to disease specific antigens. The Company’s lead candidate, HspE7, targets a broad spectrum of human papillomavirus (HPV) related diseases. The Company has also initiated research studies or is evaluating other CoVal™ fusion product candidates for the treatment of Hepatitis B, Herpes Simplex and Hepatitis C.

MANAGEMENT
Gregory M. McKee
President and Chief Executive Officer

Marvin L. Siegel, Ph.D.
Executive Vice President, Research & Development

John R. Neefe, M.D.
Senior Vice President, Clinical Development

Howard T. Holden, Ph.D
Vice President, Regulatory Affairs and Compliance

Lee Mizzen, Ph.D.
Vice President, Scientific Affairs

Bruce M. Berger, M.D.
Vice President, Clinical Development

BOARD OF DIRECTORS
Gordon R. Barefoot, CA 1
Senior Vice President, Finance and Chief Financial Officer, Terasen, Inc.

Joann Data, M.D., Ph.D. 2,3
Senior Vice President, Regulatory Affairs and Quality Assurance, Amylin Pharmaceuticals, Inc.

Elizabeth Greetham, B.Sc., M.A. 1
Chief Executive Officer and President: ACCL Financial Consultants, Former President and Chief Executive Officer, DrugAbuse Sciences, Inc.

Daniel L. Karpolinski
Former President and Chief Executive Officer, Stressgen Biotechnologies Corporation

R. Ian Lennox, Chairman 1,2
Former President and Chief Executive Officer, Pharmaceuticals and Biotechnology Markets, MDS, Inc.

Gregory M. McKee
President and Chief Executive Officer, Stressgen Biotechnologies Corporation

Margot Northey, Ph.D., M.A. 3
Professor and Dean, Retired Queen’s University Kingston, Ontario

Jay M. Short, Ph.D. 2
President and Chief Executive Officer, Diversa Corporation

(1) Compensation Committee
(2) Audit Committee
(3) Governance Committee