



WORLD ECONOMIC FORUM



NEWS RELEASE
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TSX Venture: AMF

AMORFIX ANNOUNCES 2007 YEAR END RESULTS

TORONTO, Ontario – June 11, 2007 – Amorfix Life Sciences (TSX-V:AMF), a company focused on diagnostics and treatments for brain wasting diseases, today announced its operational and financial results for the year ended March 31, 2007, as well as financial results for the fourth quarter.

2007 Development Highlights

- Successfully completed blinded panels of human blood samples, spiked with vCJD prions, provided by the UK government.
- Successfully completed the transfer of a research-based vCJD assay to a commercial scale 96 well high throughput platform enabling a significant increase in the number of tests performed daily.
- Expanded the Company's technology platform by obtaining the exclusive worldwide rights to additional novel targets on superoxide dismutase-1 (SOD1), which is a protein known to misfold and aggregate in Amyotrophic Lateral Sclerosis (ALS).
- Announced a research and investment collaboration agreement with Biogen Idec which includes an option for Biogen Idec to license the exclusive worldwide rights to Amorfix's technology to develop and commercialize therapeutic products directed against ALS.
- Published a report in Nature Medicine, subsequent to year end, related to Amorfix's ALS technology which demonstrates, in animal models, that the misfolded SOD1 protein was found in motor neurons prior to disease symptoms and correlates to the progression of ALS.
- Achieved a significant technical milestone by demonstrating that Epitope Protection™ technology is able to detect protected sites within A-beta amyloid aggregates which are formed in Alzheimer's disease.
- Adapted its Epitope Protection™ technology platform to detect sheep scrapie brain prions spiked into plasma.
- Named as a "Technology Pioneer" by the World Economic Forum.
- Raised gross proceeds of approximately \$10,000,000 by issuing 7,694,000 units at a price of \$1.30 per unit through a private placement.

"Over the past twelve months we have demonstrated significant progress across our diagnostic and therapeutic product pipeline. Our results from the blinded spiked human vCJD panel were verified by the UK government and we successfully completed the transfer of our vCJD assay to a commercial platform. We anticipate that our vCJD diagnostic test kits will be available for research purposes in the coming weeks and we intend to launch the vCJD test for commercial purposes in the first three months of 2008," said George Adams, President & Chief Executive Officer of Amorfix. "We also advanced our therapeutic pipeline through the partnership with Biogen Idec and our work related to ALS that was recently published in Nature Medicine. The

majority of the proceeds from the recent \$10 million private placement will be used to continue to advance our therapeutic development programs in misfolded proteins including ALS and an additional central nervous system target, and to advance our Alzheimer's disease diagnostic."

Financial Results

For the three months ended March 31, 2007 the Company reported a net loss from operations of \$1,829,533 (\$0.05 per share) compared to net loss of \$598,677 (\$0.02 per share) for the three months ended March 31, 2006.

For the year ended March 31, 2007 the Company reported a net loss from operations of \$4,233,754 (\$0.13 per share) compared to a net loss of \$1,967,014 (\$0.10 per share) for the year ended March 31, 2006.

Research and development expenses for the three months ended March 31, 2007 were \$1,429,122 compared with \$472,550 for the three months ended March 31, 2006. The difference was attributable mainly to expenses for a larger research and development team on expanded projects in 2007 versus 2006. Stock-based compensation expense was also higher.

Research and development expenses for the year ended March 31, 2007 were \$3,407,098 compared with \$1,100,745 for the corresponding period in 2006. The difference was primarily due to higher research and development staffing in 2007 and higher vCJD program costs incurred to produce a high throughput version of the vCJD assay. Expenses also increased on the initiation of the Alzheimer's diagnostic and ALS therapeutic programs in 2007. Stock-based compensation expense was also higher.

General and administrative expenses for the three months ended March 31, 2007 were \$457,195 compared with \$138,999 for the corresponding period in 2006. The majority of the increase was due to stock-based compensation expenses.

General and administrative expenses for the year ended March 31, 2007 were \$1,021,478 compared with \$411,840 for the corresponding period in 2006. The increase was due mainly to stock-based compensation expenses and higher legal and advisory expenses.

At March 31, 2007, the Company had working capital of \$13,835,243 compared to \$5,214,438 at March 31, 2006. The increase in working capital resulted from a private placement of 7,694,000 common share units at \$1.30 per unit for net proceeds of \$9,178,884 in March 2007.

As at March 31, 2007 the Company had 40,456,749 common shares outstanding.

Outlook

Amorfix has established two platforms for future development and shareholder value – diagnostics and therapeutics. The Company's fiscal 2008 diagnostic priorities are the commercialization of its proprietary Epitope Protection™ diagnostic test for vCJD and the continued development of its Alzheimer's diagnostic test. The Company's therapeutic priorities are focused on the ALS research collaboration with Biogen Idec and the initiation of a second therapeutic program. Upcoming milestone events expected in fiscal 2008 include:

- Completion of the first of three development milestones related to its ALS program with Biogen Idec.
- Announce a second therapeutic program targeting a central nervous system disease.
- Achieve ISO certification in preparation for the commercialization of its vCJD diagnostic test.

- Obtain a self declared CE mark designation for its vCJD diagnostic test.
- Commercial launch of its vCJD diagnostic test.
- Achieve femtogram sensitivity for its Alzheimer's diagnostic test and testing of human blood samples.

Additional information about the Company, including the MD&A and financial results may be found on SEDAR at www.sedar.com.

About Amorfix

Amorfix is an emerging theranostics company focused on the diagnosis and treatment of brain-wasting diseases, where aggregated misfolded proteins (AMPs) are prevalent. These include "prions", the infectious agents of the Transmissible Spongiform Encephalopathies (TSE), such as BSE and variant CJD, as well as degenerative diseases such as Alzheimer's Disease, ALS and Parkinson's Disease. Amorfix is focused on discovering and commercializing technologies to become the world leader on AMP diseases. The company will use this knowledge to develop diagnostic kits, treatments and vaccines for AMP diseases.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. This information release may contain certain forward-looking information. Such information involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by statements herein, and therefore these statements should not be read as guarantees of future performance or results. All forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to it as well as other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Due to risks and uncertainties, including the risks and uncertainties identified by the Company in its public securities filings, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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For more information, please contact:

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Amorfix Life Sciences Ltd.

(a development stage company)

Balance Sheets

As at March 31, 2007 and 2006

| | 2007 \$ | 2006 \$ |
|--|-------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 1,660,594 | 113,794 |
| Marketable securities | 12,192,600 | 5,251,935 |
| Amounts receivable | 229,692 | 80,386 |
| Tax credits receivable | 283,527 | - |
| Prepaid expenses | 132,312 | 16,201 |
| Total current assets | 14,498,725 | 5,462,316 |
| Property and equipment, net | 204,732 | 85,089 |
| Technology rights, net | 30,873 | - |
| | 14,734,330 | 5,547,405 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 663,482 | 247,878 |
| Total current liabilities | 663,482 | 247,878 |
| Shareholders' Equity | | |
| Common shares | 18,028,305 | 6,692,671 |
| Warrants and options | 2,404,259 | 738,874 |
| Contributed surplus | 4,056 | - |
| Deficit | (6,365,772) | (2,132,018) |
| | 14,070,848 | 5,299,527 |
| | 14,734,330 | 5,547,405 |

Amorfix Life Sciences Ltd.

(a development stage company)

Statements of Operations

| | Year ended March 31, 2007 \$ | Year ended March 31, 2006 \$ | Period from January 23, 2004 (inception) to March 31, 2007 \$ |
|---|---------------------------------------|---------------------------------------|---|
| Revenue | | | |
| Interest earned | 253,701 | 36,507 | 290,208 |
| Expenses | | | |
| Research and development | 3,407,098 | 1,100,745 | 4,574,868 |
| General and administrative | 1,021,478 | 411,840 | 1,531,297 |
| Amortization of property and equipment | 48,439 | 11,243 | 59,682 |
| Amortization of technology rights | 10,440 | - | 10,440 |
| | <u>4,487,455</u> | <u>1,523,828</u> | <u>6,176,287</u> |
| Loss before the undernoted | (4,233,754) | (1,487,321) | (5,886,079) |
| Costs related to reverse takeover of Luxor | - | 479,693 | 479,693 |
| Loss for the period | <u>(4,233,754)</u> | <u>(1,967,014)</u> | <u>(6,365,772)</u> |
| Basic and diluted loss per share | <u>(0.13)</u> | <u>(0.10)</u> | |
| Weighted average number of common shares outstanding | <u>31,757,381</u> | <u>19,306,005</u> | |

Amorfix Life Sciences Ltd.

(a development stage company)

Statements of Cash Flows

| | Year ended March 31, 2007 \$ | Year ended March 31, 2006 \$ | Period from January 23, 2004 (inception) to March 31, 2007 \$ |
|---|---------------------------------------|---------------------------------------|---|
| Cash provided by (used in) | | | |
| Operating activities | | | |
| Loss for the period | (4,233,754) | (1,967,014) | (6,365,772) |
| Amortization of property and equipment | 48,439 | 11,243 | 59,682 |
| Amortization of technology rights | 10,440 | - | 10,440 |
| Stock-based compensation | 862,586 | 148,969 | 1,011,555 |
| Unrealized loss on marketable securities | 50,000 | - | 50,000 |
| Non-cash interest expense | - | 1,923 | 2,673 |
| Non-cash costs related to reverse takeover of Luxor | - | 232,442 | 232,442 |
| Changes in non-cash working capital | (133,340) | 28,734 | (72,511) |
| | <u>(3,395,629)</u> | <u>(1,543,703)</u> | <u>(5,071,491)</u> |
| Investing activities | | | |
| Purchase of marketable securities | (13,715,070) | (6,350,000) | (20,065,070) |
| Sale of marketable securities | 6,724,405 | 1,098,065 | 7,822,470 |
| Purchase of property and equipment | (168,082) | (96,332) | (264,414) |
| Purchase of technology rights | (41,313) | - | (41,313) |
| | <u>(7,200,060)</u> | <u>(5,348,267)</u> | <u>(12,548,327)</u> |
| Financing activities | | | |
| Issuance of common shares, net of cash issue costs | 422,213 | 3,141,967 | 4,222,185 |
| Issuance of common share units, net of cash issue costs | 9,228,884 | 2,744,185 | 11,973,069 |
| Issuance of common shares on exercise of warrants | 2,126,524 | 285,988 | 2,412,512 |
| Issuance of common shares on exercise of options | 364,868 | 41,000 | 405,868 |
| Cash acquired on reverse takeover of Luxor | - | 141,778 | 141,778 |
| Issuance of promissory note | - | 100,000 | 125,000 |
| | <u>12,142,489</u> | <u>6,454,918</u> | <u>19,280,412</u> |
| Net increase (decrease) in cash and cash equivalents during the period | 1,546,800 | (437,052) | 1,660,594 |
| Cash and cash equivalents - Beginning of period | 113,794 | 550,846 | - |
| Cash and cash equivalents - End of period | 1,660,594 | 113,794 | 1,660,594 |
| Supplemental cash flow information | | | |
| Common shares, warrants and options issued on reverse takeover | - | 346,459 | 346,204 |
| Common share purchase warrants issued as agents' compensation | 172,346 | 176,858 | 349,204 |
| Promissory note plus accrued interest eliminated on amalgamation | - | 127,673 | 127,673 |
| Non-cash amalgamation costs applied to common shares | - | 141,778 | 141,778 |