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NEWS RELEASE
FOR IMMEDIATE RELEASE

TSX: AMF

AMORFIX ANNOUNCES FIRST QUARTER FISCAL 2008 RESULTS

- For the three months ended June 30, 2007 -

TORONTO, Ontario – August 14, 2007 – Amorfix Life Sciences (TSX: AMF), a company focused on diagnostics and treatments for brain-wasting diseases, reported today in its first quarter operating results that the Company continues to progress in all three of its programs; development of blood tests for variant Creutzfeldt-Jacob Disease (vCJD) and Alzheimer's disease, and a therapy for Amyotrophic Lateral Sclerosis (ALS).

The Company successfully completed the first milestone in its ALS therapy program with Biogen Idec and is on schedule to select a lead agent in the first half of 2008, as well as expand its therapeutics program to a second brain-wasting disease. The completion of ISO 13485:2003 certification, a critical step toward the commercialization of our EP-vCJD™ blood test, enabled the Company to plan with European blood transfusion services to begin prevalence testing by the end of the year and routine testing in 2008.

"The milestones we achieved this quarter provide validation of our approach to diagnose and treat aggregated misfolded protein diseases and demonstrate the potential of our novel technologies as we continue to expand our pipeline into therapeutics," said Dr. George Adams, President & Chief Executive Officer of Amorfix. "We continue to drive our products forward while efficiently managing our financial resources. We also continue to look at opportunities that have the potential to create significant additional value for our shareholders."

Other achievements and milestones in the first quarter of fiscal 2008:

- Presented sensitivity, specificity and reproducibility data for the Company's proprietary test for the in vitro detection of vCJD at the International Transmissible Spongiform Encephalopathies (TSE) Conference held in Berlin, Germany.
- Manufactured with OEM vendors the first lot of EP-vCJD™ kits and began shelf-life testing.
- Launched marketing of EP-vCJD™ blood test for research purposes only.
- Completed the first of three development milestones related to its ALS program with Biogen Idec (NASDAQ: BIIB) and, subsequent to quarter end Biogen Idec exercised the first US\$150,000 milestone investment under the August 2006 research and investment agreement.
- Published animal data in Nature Medicine on approach to treating ALS.
- Appointed Dr. Joseph Beckman, an expert in ALS, to Amorfix's Scientific Advisory Board.
- Graduated to the Toronto Stock Exchange on July 25, 2007.

Financial Results

For the three months ended June 30, 2007 the Company reported a net loss from operations of \$1,784,856 (\$0.04 per share) compared to net loss of \$764,369 (\$0.03 per share) for the three months ended June 30, 2006.

Research and development expenses for the three months ended June 30, 2007 were \$1,532,424 compared to \$623,859 for the three months ended June 30, 2006. The difference was attributable mainly to an increase in vCJD diagnostic program costs associated with scale up and pre-commercialization activities, ALS therapeutic program development costs and higher personnel costs due to the larger number of development programs operating in the current period.

General and administrative expenses for the three months ended June 30, 2007 were \$361,751 compared to \$181,835 for the corresponding period in 2006. The majority of the increase was due to higher stock-based compensation expense and higher shareholder relations costs in the current period.

Cash burn (cash used in operating activities) was \$1,492,630 for the three months ended June 30, 2007 compared to \$639,945 for the corresponding period in 2006. The increase in cash burn was as planned reflecting the pre-commercialization activity of the vCJD blood screening assay, the advancement of the Alzheimer's blood test, completion of pilot studies using our disease-specific antibodies in the treatment of an ALS animal model and early therapeutic research into another brain-wasting disease.

For the three months ended June 30, 2007, Amorfix received cash proceeds of \$351,513 through the issuance of common shares on the exercise of warrants and options.

As at June 30, 2007, the Company had working capital of \$12,591,509 compared to \$13,835,243 at March 31, 2007.

As at June 30, 2007 the Company had 41,052,647 common shares outstanding.

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

About Amorfix

Amorfix Life Sciences Ltd. (TSX:AMF) is a theranostics company developing therapeutic products and diagnostic devices targeting brain-wasting diseases including ALS, Alzheimer's Disease, Parkinson's Disease and variant Creutzfeldt-Jakob Disease (vCJD). Amorfix's proprietary Epitope Protection™ (EP) technology enables it to specifically identify very low levels of aggregated misfolded proteins (AMP) in a sample of normal protein. Aggregated misfolded proteins are a common element of many brain wasting diseases and the ability to identify AMPs and understand their structure and mechanism of folding are the first steps to developing new treatments for these devastating diseases. Amorfix's lead program is a diagnostic blood screening test for vCJD.

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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Amorfix Life Sciences Ltd.

(a development stage company)

Interim Balance Sheets

	June 30, 2007 \$ (unaudited)	March 31, 2007 \$ (audited)
Assets		
Current assets		
Cash and cash equivalents	1,104,620	1,660,594
Marketable securities	11,463,285	12,192,600
Amounts receivable	280,801	229,692
Tax credits receivable	250,082	283,527
Prepaid expenses	92,950	132,312
Total current assets	13,191,738	14,498,725
Property and equipment, net	297,168	204,732
Technology rights, net	23,154	30,873
	13,512,060	14,734,330
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	600,229	663,482
Total current liabilities	600,229	663,482
Shareholders' Equity		
Common shares	18,507,758	18,028,305
Warrants and options	2,582,056	2,404,259
Contributed surplus	6,302	4,056
Accumulated other comprehensive loss	(83,657)	-
Deficit	(8,100,628)	(6,365,772)
	12,911,831	14,070,848
	13,512,060	14,734,330

Amorfix Life Sciences Ltd.
(a development stage company)
Interim Statements of Operations
(Unaudited)

	Three Months Ended		Period from
	June 30,		January 23,
	2007	2006	(inception)
	\$	\$	to June 30,
			2007
			\$
Revenue			
Interest earned	135,117	47,977	425,325
Expenses			
Research and development	1,532,424	623,859	6,107,292
General and administrative	361,751	179,916	1,893,048
Amortization of property and equipment	18,079	8,220	77,761
Amortization of technology rights	7,719	351	18,159
	<u>1,919,973</u>	<u>812,346</u>	<u>8,096,260</u>
Loss before the undernoted	(1,784,856)	(764,369)	(7,670,935)
Costs related to reverse takeover of Luxor	-	-	479,693
Loss for the period	<u>(1,784,856)</u>	<u>(764,369)</u>	<u>(8,150,628)</u>
Basic and diluted loss per common share	<u>(0.04)</u>	<u>(0.03)</u>	
Weighted average number of common shares outstanding	<u>40,881,750</u>	<u>29,436,072</u>	

Amorfix Life Sciences Ltd.
(a development stage company)
Interim Statements of Cash Flows
(Unaudited)

	Three Months Ended June 30, 2007	2006	Period from January 23, 2004 (inception) to June 30, 2007
	\$	\$	\$
Cash provided by (used in)			
Operating activities			
Loss for the period	(1,784,856)	(764,369)	(8,100,628)
Amortization of property and equipment	18,079	8,220	77,761
Amortization of technology rights	7,719	351	18,159
Stock-based compensation	307,983	172,413	1,319,538
Non-cash interest expense	-	-	2,673
Non-cash costs related to reverse takeover of Luxor	-	-	232,442
Changes in non-cash working capital (note 5)	(41,555)	(56,560)	(114,066)
	<u>(1,492,630)</u>	<u>(639,945)</u>	<u>(6,564,121)</u>
Investing activities			
Purchase of marketable securities	-	(987,380)	(20,065,070)
Sale of marketable securities	695,658	5,176,935	8,518,128
Purchase of property and equipment	(110,515)	(83,056)	(374,929)
Purchase of technology rights	-	(7,000)	(41,313)
	<u>585,143</u>	<u>4,099,499</u>	<u>(11,963,184)</u>
Financing activities			
Issuance of common shares, net of cash issue costs	-	-	4,222,185
Issuance of common share units, net of cash issue costs	-	-	11,973,069
Issuance of common shares on exercise of warrants	333,513	555,175	2,746,025
Issuance of common shares on exercise of options	18,000	66,778	423,868
Cash acquired on reverse takeover of Luxor	-	-	141,778
Issuance of promissory note	-	-	125,000
	<u>351,513</u>	<u>621,963</u>	<u>19,631,925</u>
Net increase (decrease) in cash and cash equivalents during the period	<u>(555,974)</u>	<u>4,081,517</u>	<u>1,104,620</u>
Cash and cash equivalents - Beginning of period	<u>1,660,594</u>	<u>113,794</u>	<u>-</u>
Cash and cash equivalents - End of period	<u>1,104,620</u>	<u>4,195,311</u>	<u>1,104,620</u>