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**NEWS RELEASE  
FOR IMMEDIATE RELEASE**

**TSX Venture: AMF**

**AMORFIX PROVIDES CORPORATE UPDATE  
AND ANNOUNCES PRIVATE PLACEMENT**

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**TORONTO**, Ontario – February 26, 2007 – Amorfix Life Sciences Ltd. (TSX-V:AMF), a theranostics company developing treatments and diagnostics for aggregated misfolded protein related diseases, today announced a bought deal private placement financing of \$8.0 million and provided a corporate update on the development of its proprietary Epitope Protection diagnostic test for variant Creutzfeldt-Jacob Disease (EP-vCJD™).

**Private Placement Financing**

The Company has entered into an agreement with a syndicate of underwriters for a private placement of \$8.0 million of units (the "Units") from treasury. Each unit will be issued at a price of \$1.30 per unit and will consist of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant will entitle the holder to purchase one common share of Amorfix at a price of \$1.95 for a period of 24 months following the closing date of the offering. The securities issued pursuant to the offering will be subject to a four-month hold period from the date of closing. The price of the offering was established on January 24, 2007 under price protection rules of the TSX Venture exchange.

The offering will be completed through a syndicate of underwriters led by Versant Partners Inc. and including Fraser Mackenzie Limited and Pacific International Securities. The closing of the offering is scheduled to occur on or around March 8, 2007. The private placement is subject to customary conditions, including acceptance by the TSX Venture Exchange. Amorfix plans to use the net proceeds to advance its Alzheimer's diagnostic program, expand its therapeutic pipeline and for working capital and general corporate purposes.

Amorfix has granted the underwriters an option, exercisable at any time until 48 hours prior to closing of the financing and receipt of conditional acceptance of the TSX-V, to purchase up to an additional 1,540,000 Units on the same terms and conditions which would increase the total gross proceeds to \$10.0 million. The Underwriters will receive a 7% selling commission (excluding purchasers designated by the President) and Compensation Warrants for 8% of Units sold, each Compensation Warrant having the same terms as the Unit warrants.

**Corporate Update**

Amorfix published its leading sensitivity and specificity profile in the detection of human vCJD brain and spleen prions spiked into human plasma in a blinded panel conducted by the National Institute for Biological Standards and Control (NIBSC) in the United Kingdom in 2006. The NIBSC final report on the results of the seven academic laboratories or companies that completed the panel has not yet been published. Recently, another company independently

published some of their results from the NIBSC blinded panel demonstrating similar levels of sensitivity with their assay at the Cambridge Health Institute's 11th Annual Conference on TSE Diseases (CHI-TSE) held last week.

"The results published at the CHI-TSE conference have provided insight on the standing of our proprietary Epitope Protection technology relative to other vCJD diagnostic technologies under development," said Dr. George Adams, President and CEO of Amorfix. "While the published results from our competitor are informative, it is too early to draw definitive conclusions as their results deal only with sensitivity. The commercial success of a diagnostic depends on both sensitivity and specificity. Based on these published results we continue to be confident in the sensitivity and specificity of our Epitope Protection system."

The securities offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or any applicable exemption from the registration requirement of such Act. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### **About Amorfix**

Amorfix is an emerging biotechnology 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.**

- 30 -

### **For more information, please contact:**

Dr. George Adams President & Chief Operating Officer Amorfix Life Sciences Ltd. Tel: (416) 482-3813 Fax: (416) 482-3811 george.adams@amorfix.com	James Parsons Chief Financial Officer Amorfix Life Sciences Ltd. Tel: (416) 482-3814 Fax: (416) 482-3811 james.parsons@amorfix.com
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