



NEWS RELEASE
FOR IMMEDIATE RELEASE

TSX: AMF

AMORFIX ANNOUNCES 2008 YEAR END RESULTS

TORONTO, Ontario – June 13, 2008 – Amorfix Life Sciences, a company focused on treatments and diagnostics for brain wasting diseases, today announced its operational and financial results for the year ended March 31, 2008, as well as financial results for the fourth quarter.

2008 Development and Corporate Highlights

- In February 2008, the UK National Institute for Biological Standards and Control (NIBSC) established a process to verify the performance of an acceptable blood test for vCJD. Based on performance of its EP-vCJD™ Blood Screening Assay in previous tests, Amorfix received and accepted an invitation from the British government to further qualify the assay using British blood samples. The NIBSC will provide blood samples from scrapie-infected sheep, normal human controls and patients with vCJD. Amorfix submitted the first blinded panel of sheep scrapie and normal sheep plasma samples for evaluation subsequent to year end.
- In February 2008, Amorfix received the results of a second blinded panel of spiked human vCJD brain and spleen prions provided by NIBSC which demonstrated a 10-fold improved sensitivity and improved reproducibility than the previous blinded panel results obtained with an earlier version of the assay. The Amorfix EP-vCJD™ Blood Screening Assay was able to detect with 100% accuracy spiked blood samples up to a 1:1,000,000 (1:100,000 of 10% homogenate) dilution of vCJD brain in blood.
- Amorfix developed a test that uses larger volumes of blood and can detect a 1:20,000,000 (1:2,000,000 of a 10% homogenate) dilution of brain in blood. This test could be used to verify the initial positive reaction of the screening assay and confirm the results.
- Demonstrated ability to detect endogenous scrapie prions in blood plasma from symptomatic sheep using the EP-TSE™ sheep scrapie assay on testing of a blinded panel provided by an independent third-party laboratory. Subsequent to year end, the company announced that the EP-TSE™ sheep scrapie assay could also detect endogenous prions in the blood plasma of preclinical (asymptomatic) scrapie infected sheep that were as young as 17 months of age.
- Completed the first development milestone of its Amyotrophic Lateral Sclerosis (ALS) program with Biogen Idec and established the proof of concept for both passive and active immunization approaches for the treatment of ALS in pilot animal studies. Amorfix subsequently initiated expanded preclinical animal studies using mouse models of ALS disease. Biogen Idec subscribed for 91,445 shares of Amorfix at a price of Cdn\$1.76 per share for gross proceeds to Amorfix of US\$150,000.

- Announced the discovery of misfolded superoxide dismutase-1 (SOD1) protein in the brain of Alzheimer's Disease patients which suggests that SOD1 is a common link between Alzheimer's and ALS. Based on these findings, Amorfix expanded its research and development program to include a therapy for Alzheimer's Disease.
- Amorfix's ALS technology was published in Nature Medicine in May 2007.
- Achieved ISO 14385:2003 certification in preparation for the commercialization of its EP-vCJD™ Blood Screening Assay.
- Graduated to the TSX on July 25, 2007.

"Amorfix has achieved significant progress in fiscal 2008 in the development and validation of the vCJD assay. The UK process we entered in February 2008 provides a clear path to access human vCJD samples for assay validation. Using our experience gained in vCJD, Amorfix quickly developed a sheep scrapie diagnostic assay that can detect prions in both preclinical and clinical animals opening up a potential additional market opportunity," said George Adams, President & Chief Executive Officer of Amorfix. "We also advanced our therapeutic pipeline by meeting the first Biogen Idec milestone, initiating larger preclinical studies in ALS and using our technology to discover a link between ALS and Alzheimer's Disease that has generated a new therapeutic program."

Financial Results

For the three months ended March 31, 2008 the Company reported a net loss from operations of \$1,920,439 (\$0.05 per share) compared to net loss of \$1,829,533 (\$0.05 per share) for the three months ended March 31, 2007.

For the year ended March 31, 2008 the Company reported a net loss from operations of \$7,189,981 (\$0.17 per share) compared to a net loss of \$4,233,754 (\$0.13 per share) for the year ended March 31, 2007.

Research and development (R&D) expenses for the three months ended March 31, 2008 were \$1,680,454 compared with \$1,429,122 for the three months ended March 31, 2007. The increase was due mainly to additional R&D personnel hired in 2008, partially offset by lower stock-based compensation expenses.

R&D expenses for the year ended March 31, 2008 were \$6,240,108 compared with \$3,407,098 for the corresponding period in 2007. The increase was due mainly to increased R&D staffing, higher expenditures related to scale-up and commercialization of the EP-vCJD™ Blood Screening Assay, development of the EP-TSE™ sheep scrapie assay, and progress on the ALS therapeutic and AD diagnostic programs.

General and administrative expenses for the three months ended March 31, 2008 were \$283,435 compared with \$457,195 for the corresponding period in 2007. The decrease was due mainly to lower stock-based compensation expenses partially offset by higher personnel costs and professional fees.

General and administrative expenses for the year ended March 31, 2008 were \$1,259,197 compared with \$1,021,478 for the corresponding period in 2007. The increase resulted mainly from additional staffing to support R&D activities, and legal and filing fees associated with graduating to the TSX exchange in July 2007.

At March 31, 2008, the Company had working capital of \$8,119,896 and 41,678,380 common shares outstanding.

Outlook

The Company's fiscal 2009 diagnostic priorities are to:

- complete the NIBSC process to verify the performance of the EP-vCJD™ Blood Screening Assay which would lead to commercialization of the test;
- continue development and complete the assessment of the market opportunity for the EP-TSE™ sheep scrapie assay and engage a partner to assist in commercializing the test; and
- complete development of its Alzheimer's diagnostic test and validate its utility using AD blood.

The Company's 2009 therapeutic priorities are to:

- complete the remaining two milestones under the Biogen Idec agreement and
- initiate preclinical studies for Alzheimer's Disease targeting misfolded SOD1.

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 programs are a diagnostic blood screening test for vCJD and a therapy for ALS.

The TSX 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 -

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Amorfix Life Sciences Ltd.

(a development stage company)

Balance Sheets

As at March 31

	2008 \$	2007 \$
Assets		
Current assets		
Cash and cash equivalents	2,212,776	1,660,594
Marketable securities	6,467,490	12,192,600
Amounts receivable	198,026	229,692
Tax credits receivable	400,082	283,527
Prepaid expenses and deposits	136,855	132,312
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Total current assets	9,415,229	14,498,725
Property and equipment, net	575,053	204,732
Technology rights, net	-	30,873
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	9,990,282	14,734,330
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Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,295,333	663,482
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Total current liabilities	1,295,333	663,482
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Shareholders' Equity		
Common shares	19,194,840	18,028,305
Warrants and options	2,815,838	2,404,259
Contributed surplus	187,777	4,056
Accumulated other comprehensive income	2,247	-
Deficit	(13,505,753)	(6,365,772)
	<hr/>	<hr/>
	8,694,949	14,070,848
	<hr/>	<hr/>
	9,990,282	14,734,330
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Amorfix Life Sciences Ltd.

(a development stage company)

Statements of Operations and Comprehensive Loss

	Year ended March 31, 2008 \$	Year ended March 31, 2007 \$	Period from January 23, 2004 (inception) to March 31, 2008 \$
Revenue			
Interest earned	477,615	253,701	767,823
Expenses			
Research and development	6,240,108	3,407,098	10,814,976
General and administrative	1,259,197	1,021,478	2,740,494
Amortization of property and equipment	122,418	48,439	182,100
Amortization of technology rights	45,873	10,440	56,313
	<u>7,667,596</u>	<u>4,487,455</u>	<u>13,793,883</u>
Loss before the undernoted	(7,189,981)	(4,233,754)	(13,026,060)
Costs related to reverse takeover	-	-	479,693
Loss for the period	<u>(7,189,981)</u>	<u>(4,233,754)</u>	<u>(13,505,753)</u>
Other comprehensive income			
Unrealized gain on available-for-sale marketable securities	<u>52,247</u>		
Comprehensive loss for the period	<u>(7,137,734)</u>		
Basic and diluted loss per common share	<u>(0.17)</u>	<u>(0.13)</u>	
Weighted average number of common shares outstanding	<u>41,297,742</u>	<u>31,757,381</u>	

Amorfix Life Sciences Ltd.

(a development stage company)

Statements of Cash Flows

	Year ended March 31, 2008 \$	Year ended March 31, 2007 \$	Period from January 23, 2004 (inception) to March 31, 2008 \$
Cash provided by (used in)			
Operating activities			
Loss for the period	(7,189,981)	(4,233,754)	(13,505,753)
Amortization of property and equipment	122,418	48,439	182,100
Amortization of technology rights	45,873	10,440	56,313
Stock-based compensation	916,983	862,586	1,928,538
Other non-cash expenses	-	50,000	235,115
Changes in non-cash working capital	542,419	(133,340)	469,908
	<u>(5,562,288)</u>	<u>(3,395,629)</u>	<u>(10,633,779)</u>
Investing activities			
Purchase of marketable securities	(1,608,840)	(13,715,070)	(21,673,910)
Sale of marketable securities	7,386,197	6,724,405	15,208,667
Purchase of property and equipment	(492,739)	(168,082)	(757,153)
Purchase of technology rights	(15,000)	(41,313)	(56,313)
	<u>5,269,618</u>	<u>(7,200,060)</u>	<u>(7,278,709)</u>
Financing activities			
Issuance of common shares, net of cash issue costs	160,944	422,213	4,383,129
Issuance of common share units, net of cash issue costs	-	9,228,884	11,973,069
Issuance of common shares on exercise of agent options and warrants	568,408	2,126,524	2,980,920
Issuance of common shares on exercise of options	115,500	364,868	521,368
Other financing activities	-	-	266,778
	<u>844,852</u>	<u>12,142,489</u>	<u>20,125,264</u>
Net increase (decrease) in cash	552,182	1,546,800	2,212,776
Cash - Beginning of period	1,660,594	113,794	-
Cash - End of period	<u>2,212,776</u>	<u>1,660,594</u>	<u>2,212,776</u>