



NEWS RELEASE  
FOR IMMEDIATE RELEASE

TSX: AMF

## **AMORFIX ANNOUNCES FISCAL 2009 FIRST QUARTER RESULTS**

**TORONTO, Ontario – August 07, 2008** – Amorfix Life Sciences, a company focused on treatments and diagnostics for brain wasting diseases, today announced its operational and financial results for the three months ended June 30, 2008.

### **Q1-2009 Development and Corporate Highlights**

- Amorfix has entered the UK National Institute for Biological Standards and Control (NIBSC) process to verify the performance of an acceptable blood test for vCJD. 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 and is waiting for confirmation to progress to test a large number of normal human plasma samples to demonstrate the specificity of Amorfix's EP-vCJD™ Blood Screening Assay.
- Amorfix attended the EU Commission's In Vitro Diagnostic Technical Group meeting in Brussels, Belgium on June 12, 2008 as a representative of the European Diagnostic Manufacturer's Association (EDMA). The meeting was attended by representatives of many of the EU member country Competent Authorities to address regulatory issues including establishing a Common Technical Specification (CTS) for an in vitro diagnostic test for vCJD.
- Using our EP-TSE™ sheep scrapie assay and testing a third-party supplied blinded panel, endogenous scrapie prions were detected in blood plasma from asymptomatic sheep as young as 17 months of age. Scrapie, a disease in sheep similar to mad cow disease, is infectious and has resisted years of attempts to eradicate the disease amongst the 1 billion sheep in the world. Detection of infected sheep 2 to 3 years prior to symptoms will allow effective removal of infected animals before they have the ability to infect other sheep in the flock. A simple blood test could be used for surveillance as well as eradication and would lead to the identification of infected animals earlier.
- Amorfix's Alzheimer's disease diagnostic test has achieved its target sensitivity and the company is now testing patient samples of blood plasma and cerebral spinal fluid. The test is designed to detect aggregated Abeta proteins, the characteristic feature of Alzheimer's disease.
- The ALS therapeutics program in collaboration with Biogen Idec (NASDAQ: BIIB) is progressing on schedule with completion of antibody infusion studies expected in September with data and final analysis of results expected in the fourth quarter of 2008.
- Subsequent to the quarter end, announced the receipt of a Canadian Institutes of Health Research (CIHR) grant of \$227,500 to support preclinical studies to evaluate Amorfix's

Disease Specific Epitope (DSE) antibodies and vaccines for the treatment of Alzheimer's Disease.

- Amorfix presented at the Rodman & Renshaw 5<sup>th</sup> Annual Global Healthcare Conference in Monte Carlo, Monaco an important conference to connect to life science investors from Europe and North America.

"Amorfix continues to make progress in the validation and regulatory process for the vCJD assay. We are fully engaged with the UK and EU authorities and have confidence we will continue to move ahead in both processes." said George Adams, President & Chief Executive Officer of Amorfix. "With our Alzheimer's disease assay achieving its target sensitivity, we are beginning to test patient samples to look for aggregated A-beta protein as a positive indicator of disease."

### **Financial Results**

For the three months ended June 30, 2008 the Company reported a net loss from operations of \$1,606,184 (\$0.04 per share) compared to net loss of \$1,784,856 (\$0.04 per share) for the three months ended June 30, 2007.

Research and development (R&D) expenses for the three months ended June 30, 2008 were \$1,367,167 compared with \$1,532,424 for the three months ended June 30, 2007. The decrease was due mainly to lower vCJD program external commercialization expenses compared to the three months ended June 30, 2007, partially offset by salary costs for personnel hired during fiscal 2008 to develop the sheep scrapie assay, to support commercialization of the EP-vCJD<sup>TM</sup> test, and to carry out the ALS research program in conjunction with Biogen.

General and administrative expenses for the three months ended June 30, 2008 were \$263,624 compared with \$361,751 for the corresponding period in 2007. The decrease was due mainly to lower stock-based compensation expense.

At June 30, 2008, the Company had working capital of \$6,690,481 and 41,678,380 common shares outstanding.

### **Outlook**

The Company's fiscal 2009 diagnostic priorities are to:

- complete development of its Alzheimer's diagnostic test and validate its utility using AD blood.
- complete the NIBSC process to verify the performance of the EP-vCJD<sup>TM</sup> 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<sup>TM</sup> sheep scrapie assay and engage a partner to assist in commercializing the test; and

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](http://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.*

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### For more information, please contact:

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Financial results included below :

## Amorfix Life Sciences Ltd.

(a development stage company)

### Balance Sheets

	June 30, 2008 \$ (unaudited)	March 31, 2008 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	594,168	2,212,776
Marketable securities	6,308,088	6,467,490
Amounts receivable	209,176	198,026
Tax credits receivable	475,082	400,082
Prepaid expenses and deposits	81,295	136,855
<b>Total current assets</b>	<b>7,667,809</b>	<b>9,415,229</b>
Property and equipment, net	612,745	575,053
	<b>8,280,554</b>	<b>9,990,282</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	977,328	1,295,333
<b>Total current liabilities</b>	<b>977,328</b>	<b>1,295,333</b>
<b>Shareholders' Equity</b>		
Common shares	19,194,840	19,194,840
Warrants and options	3,012,075	2,815,838
Contributed surplus	212,627	187,777
Accumulated other comprehensive income (loss)	(4,379)	2,247
Deficit	(15,111,937)	(13,505,753)
	<b>7,303,226</b>	<b>8,694,949</b>
	<b>8,280,554</b>	<b>9,990,282</b>

## Amorfix Life Sciences Ltd.

(a development stage company)

### Statements of Operations and Comprehensive Loss

(Unaudited)

	Three months ended June 30, 2008 \$	Three months ended June 30, 2007 \$	Period from January 23, 2004 (inception) To June 30, 2008 \$
<b>Revenue</b>			
Interest earned	75,853	135,117	843,676
<b>Expenses</b>			
Research and development	1,367,167	1,532,424	12,182,143
General and administrative	263,624	361,751	3,004,118
Amortization of property and equipment	51,246	18,079	233,346
Amortization of technology rights	-	7,719	56,313
	<u>1,682,037</u>	<u>1,919,973</u>	<u>15,475,920</u>
<b>Loss before the undernoted</b>	(1,606,184)	(1,784,856)	(14,632,244)
<b>Costs related to reverse takeover</b>	-	-	479,693
<b>Loss for the period</b>	<u>(1,606,184)</u>	<u>(1,784,856)</u>	<u>(15,111,937)</u>
<b>Other comprehensive income (loss)</b>			
Unrealized loss on available-for-sale marketable securities	(6,626)	(33,657)	
<b>Comprehensive loss for the period</b>	<u>(1,612,810)</u>	<u>(1,818,513)</u>	
<b>Basic and diluted loss per common share</b>	<u>(0.04)</u>	<u>(0.04)</u>	
<b>Weighted average number of common shares outstanding</b>	<u>41,678,380</u>	<u>40,881,750</u>	

## Amorfix Life Sciences Ltd.

(a development stage company)

### Statements of Cash Flows

(Unaudited)

	Three months ended June 30, 2008 \$	Three months ended June 30, 2007 \$	Period from January 23, 2004 (inception) to June 30, 2008 \$
<b>Cash provided by (used in)</b>			
<b>Operating activities</b>			
Loss for the period	(1,606,184)	(1,784,856)	(15,111,937)
Amortization of property and equipment	51,246	18,079	233,346
Amortization of technology rights	-	7,719	56,313
Stock-based compensation	221,087	307,983	2,149,625
Other non-cash expenses	-	-	235,115
Changes in non-cash working capital	(348,595)	(41,555)	121,313
	<u>(1,682,446)</u>	<u>(1,492,630)</u>	<u>(12,316,225)</u>
<b>Investing activities</b>			
Purchase of marketable securities	(1,714,463)	-	(23,388,373)
Sale of marketable securities	1,867,239	695,658	17,075,906
Purchase of property and equipment	(88,938)	(110,515)	(846,091)
Purchase of technology rights	-	-	(56,313)
	<u>63,838</u>	<u>585,143</u>	<u>(7,214,871)</u>
<b>Financing activities</b>			
Issuance of common shares, net of cash issue costs	-	-	4,383,129
Issuance of common share units, net of cash issue costs	-	-	11,973,069
Issuance of common shares on exercise of agent options and warrants	-	333,513	2,980,920
Issuance of common shares on exercise of options	-	18,000	521,368
Other financing activities	-	-	266,778
	<u>-</u>	<u>351,513</u>	<u>20,125,264</u>
<b>Net (decrease) increase in cash and cash equivalents during the period</b>	<u>(1,618,608)</u>	<u>(555,974)</u>	<u>594,168</u>
<b>Cash and cash equivalents - Beginning of period</b>	<u>2,212,776</u>	<u>1,660,594</u>	<u>-</u>
<b>Cash and cash equivalents - End of period</b>	<u>594,168</u>	<u>1,104,620</u>	<u>594,168</u>