



NEWS RELEASE  
FOR IMMEDIATE RELEASE

TSX: AMF

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

**TORONTO, Ontario – November 6, 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 and six months ended September 30, 2008.

### **Q2-2009 Development and Corporate Highlights**

- During the quarter, Amorfix made solid progress in the UK National Institute for Biological Standards and Control (NIBSC) process to verify the performance of an acceptable blood test for vCJD. The NIBSC invited Amorfix to test 1,000 normal and spiked fresh plasma samples from UK blood donors within the NIBSC laboratories. Amorfix completed the testing, subsequent to the quarter end, demonstrating 100% sensitivity for all spiked samples down to a 1 in 100,000 dilution of 10% brain homogenate (1/1,000,000 dilution of vCJD brain). The specificity for all samples was 99.3% on initial testing and 100% on repeat reactive testing.
- On October 20, 2008, Amorfix announced the achievement of the second milestone under the Biogen Idec (Biogen) research and option agreement. The study showed that monoclonal antibody treatments demonstrated statistically significant improvement in survival over controls in a mouse model of Amyotrophic Lateral Sclerosis (ALS). With the achievement of this second milestone, Biogen must invest a further US\$150,000 in Amorfix to maintain its rights to license the antibodies for use in ALS.
- On September 12, 2008, Amorfix reported that its EP-vCJD™ Blood Screening Assay can detect sporadic Creutzfeldt-Jakob Disease (sCJD) prions using brain material spiked into human plasma at the same sensitivity as vCJD prions. This provides an additional commercial opportunity for the company if this result can be validated using blood from sCJD patients.
- On October 7, 2008, Amorfix attended the EU Commission's vCJD Expert's Group Meeting in Brussels, Belgium held to discuss comments received on the European Diagnostic Manufacturers' Association's June 2008 proposal on standards for vCJD Blood Screening Devices. Reviewer comments will be summarized in a guidance document that will be considered in November 2008 at the next EU In Vitro Diagnostic Technical Group meeting for the drafting of a Common Technical Specification for vCJD tests.

"We are very pleased with the excellent performance of our EP-vCJD™ Blood Screening Assay in its first beta-site setting. We will continue to move ahead as quickly as possible to reach the final validation step of accessing and testing human vCJD patient samples with our assay." said George Adams, President & Chief Executive Officer of Amorfix. "Having established the proof of concept for our approach of targeting disease-causing misfolded regions of proteins with Disease Specific Antibodies, we are considering other diseases where we can apply our

technology and expertise, and we await Biogen's decision to exercise its option and take over our promising ALS therapy program."

### **Financial Results**

For the three months ended September 30, 2008 the Company reported a net loss of \$1,147,947 (\$0.03 per share) compared to a net loss of \$2,007,422 (\$0.05 per share) for the comparable period last year. For the six months ended September 30, 2008 the Company reported a net loss of \$2,754,131 (\$0.07 per share) compared to a net loss of \$3,792,278 (\$0.09 per share) for the six months ended September 30, 2007.

Research and development expenditures for the three months ended September 30, 2008 were \$890,514 compared to \$1,669,098 for the three months ended September 30, 2007, and for the six months ended September 30, 2008 were \$2,257,681 compared to \$3,201,522 for the comparable period last year. The decrease in both current year periods was due to lower vCJD program expenses associated with scale up and commercialization in fiscal 2008 and lower expenses due to staffing reductions made in June 2008 related to the deferral of commercialization work for vCJD until the UK NIBSC process is complete, and other cash conservation initiatives.

General and administration costs for the three months ended September 30, 2008 were \$253,814 compared to \$423,947 for the three months ended September 30, 2007, and for the six months ended September 30, 2008 were \$517,438 compared to \$785,698 for the comparable period last year. Lower expenses for the three and six months ended September 30, 2008 resulted mainly from lower stock-based compensation expense and lower exchange filing fees. In July 2007, the company graduated to the TSX exchange and incurred significant exchange filing fees associated with that transaction.

Cash burn (cash used in operating activities) was \$1,036,042 for the three months ended September 30, 2008 compared to \$1,484,151 for the three months ended September 30, 2007. For the six months ended September 30, 2008, the company's cash burn was \$2,718,488 as compared with \$2,976,781 in the comparable period last year. The decreased cash burn for the three and six months ended September 30, 2008 from the comparable periods in 2007 was due mostly from lower development and operating costs, offset by a higher amount of accounts payable that was paid out in the current periods ended September 30, 2008.

As at September 30, 2008 Amorfix had working capital of \$5,808,725 compared to \$8,119,896 as at March 31, 2008.

As at September 30, 2008 the Company had 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
- validate its Alzheimer's diagnostic test using AD blood and spinal fluid.

The Company's 2009 therapeutic priorities are to:

- complete the remaining milestone 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.*

- 30 -

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

Dr. George Adams President & Chief Executive Officer Amorfix Life Sciences Ltd. Tel: (416) 847-6959 Fax: (416) 847-6899 <a href="mailto:george.adams@amorfix.com">george.adams@amorfix.com</a>	James Parsons Chief Financial Officer Amorfix Life Sciences Ltd. Tel: (416) 847-6929 Fax: (416) 847-6899 <a href="mailto:james.parsons@amorfix.com">james.parsons@amorfix.com</a>
---	--

Financial results included below :

## Amorfix Life Sciences Ltd.

(a development stage company)

### Balance Sheets

	September 30, 2008 \$ ( unaudited)	March 31, 2008 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,213,107	2,212,776
Marketable securities	4,637,815	6,467,490
Amounts receivable	92,946	198,026
Tax credits receivable	550,082	400,082
Prepaid expenses and deposits	72,638	136,855
<b>Total current assets</b>	<b>6,566,588</b>	<b>9,415,229</b>
Property and equipment, net	572,602	575,053
	<b>7,139,190</b>	<b>9,990,282</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	757,863	1,295,333
<b>Total current liabilities</b>	<b>757,863</b>	<b>1,295,333</b>
<b>Shareholders' equity</b>		
Common shares	19,194,840	19,194,840
Warrants and options	3,222,577	2,815,838
Contributed surplus	221,464	187,777
Accumulated other comprehensive income	2,330	2,247
Deficit	(16,259,884)	(13,505,753)
	<b>6,381,327</b>	<b>8,694,949</b>
	<b>7,139,190</b>	<b>9,990,282</b>

## Amorfix Life Sciences Ltd.

(a development stage company)

### Statements of Operations and Comprehensive Loss

(Unaudited)

	Three months ended		Six months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Revenues</b>				
Interest earned	58,525	124,805	134,378	259,922
<b>Expenses</b>				
Research and development	890,514	1,669,098	2,257,681	3,201,522
General and administrative	253,814	423,947	517,438	785,698
Amortization of property and equipment	62,144	26,462	113,390	44,541
Amortization of technology rights	-	12,720	0	20,439
	1,206,472	2,132,227	2,888,509	4,052,200
Loss before the undernoted	(1,147,947)	(2,007,422)	(2,754,131)	(3,792,278)
Costs related to reverse takeover	-	-	-	-
Loss for the period	(1,147,947)	(2,007,422)	(2,754,131)	(3,792,278)
Other comprehensive income (loss)				
Unrealized gain (loss) on available-for-sale marketable securities	6,709	23,578	83	(10,079)
Comprehensive loss for the period	(1,141,238)	(1,983,844)	(2,754,048)	(3,802,357)
Basic and diluted loss per common share	(0.03)	(0.05)	(0.07)	(0.09)
Weighted average number of common shares outstanding	41,678,380	41,157,982	41,678,380	41,020,621

## Amorfix Life Sciences Ltd.

(a development stage company)

### Statements of Cash Flows

(Unaudited)

	Three months ended September 30,		Six months ended September 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>Cash provided by (used in)</b>				
<b>Operating activities</b>				
Loss for the period	(1,147,947)	(2,007,422)	(2,754,131)	(3,792,278)
Amortization of property and equipment	62,144	26,462	113,390	44,541
Amortization of technology rights	-	12,720	-	20,439
Stock-based compensation	219,339	297,595	440,426	605,578
Other non-cash expenses	-	-	-	-
Changes in non-cash working capital	(169,578)	186,494	(518,173)	144,939
	(1,036,042)	(1,484,151)	(2,718,488)	(2,976,781)
<b>Investing activities</b>				
Purchase of marketable securities	(1,840,819)	-	(3,555,282)	-
Maturity or sale of marketable securities	3,517,801	3,375,752	5,385,040	4,071,410
Purchase of property and equipment	(22,001)	(34,640)	(110,939)	(145,155)
Purchase of technology rights	-	(15,000)	-	(15,000)
	1,654,981	3,326,112	1,718,819	3,911,255
<b>Financing activities</b>				
Issuance of common shares, net of cash issue costs	-	160,944	-	160,944
Issuance of common share units, net of cash issue costs	-	-	-	-
Issuance of common shares on exercise of warrants	-	189,895	-	523,408
Issuance of common shares on exercise of options	-	-	-	18,000
Other financing activities	-	-	-	-
	-	350,839	-	702,352
Net increase (decrease) in cash	618,939	2,192,800	(999,669)	1,636,826
Cash - beginning of period	594,168	1,104,620	2,212,776	1,660,594
Cash - end of period	1,213,107	3,297,420	1,213,107	3,297,420