

Summary financial statements attached:

YM BIOSCIENCES INC.  
(A DEVELOPMENT STAGE COMPANY)

Interim Consolidated Balance Sheets  
(Expressed in Canadian dollars)

	September 30, 2007	June 30, 2007
	(Unaudited)	
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 20,615,398	\$ 5,847,351
Short-term deposits	50,500,118	69,724,438
Accounts receivable	419,152	370,811
Prepaid expenses	280,877	347,810
	71,815,545	76,288,810
Capital assets	290,893	325,040
Intangible assets	4,860,815	5,125,950
	\$ 76,967,253	\$ 81,739,800
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 1,009,731	\$ 1,169,211
Accrued liabilities	1,195,302	2,103,755
Deferred revenue	4,623,340	4,702,132
	6,828,373	7,975,098
Deferred revenue	7,881,759	8,929,900
<b>Shareholders' equity:</b>		
Share capital	172,921,153	172,921,153
Share purchase warrants	4,553,308	4,553,308
Contributed surplus	6,703,710	5,657,082
Deficit accumulated during the development stage	(121,921,050)	(118,296,741)
	62,257,121	64,834,802
<b>Basis of presentation</b>		
<b>Commitments</b>		
	\$ 76,967,253	\$ 81,739,800

YM BIOSCIENCES INC.  
(A DEVELOPMENT STAGE COMPANY)

Interim Consolidated Statements of Operations and Comprehensive Income  
(Expressed in Canadian dollars)

	Three months ended September 30, 2007		Period from inception on August 17, 1994 to September 30, 2007
	(Unaudited)		(Unaudited)
Revenue	\$ 1,126,933	\$ 860,698	\$ 7,433,978
Interest income	690,392	894,712	8,819,781
	1,817,325	1,755,410	16,253,759
<b>Expenses:</b>			
General and administrative	2,034,010	1,880,889	38,120,545
Licensing and product development	3,544,859	7,864,866	94,341,242
Impairment	-	-	1,829,538
	5,578,869	9,745,755	134,291,325
Loss before the undernoted	(3,761,544)	(7,990,345)	(118,037,566)
Gain (Loss) on foreign exchange	43,905	(85,817)	(319,277)
Gain on short-term deposits	93,330	-	93,330
Loss on marketable securities	-	-	(1,191,329)
Loss before income taxes	(3,624,309)	(8,076,162)	(119,454,842)
Income taxes	-	1,622,695	1,676,075
Loss and comprehensive loss for the period	\$ (3,624,309)	\$ (9,698,857)	\$(121,130,917)
<b>Basic and diluted loss per common share</b>			
	\$ (0.06)	\$ (0.17)	
<b>Weighted average number of common shares outstanding, excluding 2,380,953 common shares held in escrow for contingent additional payment related to the Delux acquisition</b>			
	55,835,356	55,781,996	

YM BIOSCIENCES INC.  
(A DEVELOPMENT STAGE COMPANY)

Interim Consolidated Statements of Deficit Accumulated During the  
Development Stage  
(Expressed in Canadian dollars)

	Three months ended September 30, 2007		Period from inception on August 17, 1994 to September 30, 2007
	(Unaudited)	(Unaudited)	(Unaudited)
Deficit, beginning of period	\$(118,296,741)	\$(86,566,501)	\$ -
Cost of purchasing shares for cancellation in excess of book value	-	-	(790,133)
Loss for the period	(3,624,309)	(9,698,857)	(121,130,917)
Deficit, end of period	\$(121,921,050)	\$(96,265,358)	\$(121,921,050)

YM BIOSCIENCES INC.  
(A DEVELOPMENT STAGE COMPANY)

Interim Consolidated Statements of Cash Flows  
(Expressed in Canadian dollars)

	Three months ended September 30, 2007		Period from inception on August 17, 1994 to September 30, 2007
	(Unaudited)	(Unaudited)	(Unaudited)
Cash provided by (used in):			
Operating activities:			
Loss for the period	\$ (3,624,309)	\$ (9,698,857)	\$(121,130,917)
Items not involving cash:			
Amortization of capital assets	34,147	25,348	472,936
Amortization of intangible assets	265,135	633,051	3,585,093
Impairment of intangible asset	-	-	1,829,538
Loss on marketable securities	-	-	1,191,329
Unrealized gain on financial instruments	(70,377)	-	(70,377)
Stock-based employee compensation	1,046,628	519,214	7,200,104
Stock-based consideration	-	-	292,750
Warrants-based consideration	-	-	54,775
Change in non-cash operating working capital:			
Accounts receivable and prepaid expenses	16,992	868,254	328,693
Accounts payable, accrued liabilities and deferred revenue	(2,194,866)	13,243,503	11,468,488
	(4,526,650)	5,590,513	(94,777,588)
Financing activities:			
Issuance of common shares on exercise of warrants	-	1,875	4,371,555
Repayment of debenture	-	-	(1,469,425)
Net proceeds from issuance of shares and warrants	-	-	123,276,729
Issuance of common shares on exercise of options	-	-	2,516,246
Redemption of preferred shares	-	-	(2,630,372)
Purchase of shares for cancellation	-	-	(1,029,679)
	-	1,875	125,035,054
Investing activities:			
Purchase of short-term deposits, net	19,294,697	33,959,585	(50,235,816)
Proceeds on sale of marketable securities	-	-	1,404,450
Additions to capital and intangible assets	-	(1,630)	(577,315)
	19,294,697	33,957,955	(49,408,681)
Increase (decrease) in cash and cash equivalents	14,768,047	39,550,343	(19,151,215)
Net cash assumed on acquisition	-	-	39,766,613
Cash and cash equivalents, beginning of period	5,847,351	2,735,317	-
Cash and cash equivalents, end of period	\$ 20,615,398	\$ 42,285,660	\$ 20,615,398
Supplemental cash flow information:			
Non-cash items:			
Issuance of shares from escrow on Delex acquisition	\$ -	\$ -	\$ 11,326,981
Issuance of common shares on Eximias acquisition	-	-	35,063,171
Issuance of common shares in exchange for licensed patents	-	-	100,000