

YM BIOSCIENCES INC.

Interim Consolidated Balance Sheets
(Expressed in Canadian dollars, unless otherwise indicated)

	December 31, 2009	June 30, 2009
	(Unaudited)	
Assets		
Current assets:		
Cash	\$ 30,728,304	\$ 2,337,716
Short-term deposits	5,173,645	39,713,042
Accounts receivable	441,815	564,584
Prepaid expenses	142,024	352,850
	<u>36,485,788</u>	<u>42,968,192</u>
Property and equipment	80,830	96,876
Intangible assets	2,474,597	3,004,868
	<u>\$ 39,041,215</u>	<u>\$ 46,069,936</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 537,272	\$ 431,028
Accrued liabilities	930,734	486,723
Deferred revenue	2,553,762	2,549,568
	<u>4,021,768</u>	<u>3,467,319</u>
Deferred revenue	1,616,168	2,898,292
Shareholders' equity:		
Share capital	173,023,140	172,921,153
Contributed surplus	13,510,415	13,035,123
Deficit	(153,130,276)	(146,251,951)
	<u>33,403,279</u>	<u>39,704,325</u>
Basis of presentation		
Commitments		
Subsequent event		
	<u>\$ 39,041,215</u>	<u>\$ 46,069,936</u>

YM BIOSCIENCES INC.

Interim Consolidated Statements of Operations and Comprehensive Income and Deficit
(Expressed in Canadian dollars, unless otherwise indicated)

	Three months ended December 31,		Six months ended December 31,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Out-licensing revenue	\$ 697,583	\$ 1,832,224	\$ 1,425,121	\$ 3,047,169
Interest income	13,174	365,067	32,293	807,688
	710,757	2,197,291	1,457,414	3,854,857
Expenses:				
Licensing and product development	2,372,946	4,421,428	4,808,994	8,266,612
General and administrative	1,699,330	1,193,209	3,483,762	2,340,587
	4,072,276	5,614,637	8,292,756	10,607,199
Loss before the undernoted	(3,361,519)	(3,417,346)	(6,835,342)	(6,752,342)
Gain (loss) on foreign exchange	(7,130)	79,684	(33,877)	91,887
Gain (loss) on short-term deposits	(6,888)	163,277	(9,106)	22,718
Other income	—	—	—	307,140
Loss and comprehensive loss for the period	(3,375,537)	(3,174,385)	(6,878,325)	(6,330,597)
Deficit, beginning of period	(149,754,739)	(136,338,697)	(146,251,951)	(133,182,485)
Deficit, end of period	\$ (153,130,276)	\$ (139,513,082)	\$ (153,130,276)	\$ (139,513,082)
Basic and diluted loss per common share	\$ (0.06)	\$ (0.06)	\$ (0.12)	\$ (0.11)
Weighted average number of common shares outstanding	55,888,710	55,835,356	55,862,879	55,835,356
Excludes common shares held in escrow for contingent additional payment related to the acquisition of Delex Therapeutics Inc.	2,380,953	2,380,953	2,380,953	2,380,953

YM BIOSCIENCES INC.

Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars, unless otherwise indicated)

	Three months ended December 31,		Six months ended December 31,	
	2009	2008	2009	2008
	(Unaudited)		(Unaudited)	
Cash provided by (used in):				
Operating activities:				
Loss for the period	\$ (3,375,537)	\$ (3,174,385)	\$ (6,878,325)	\$ (6,330,597)
Items not involving cash:				
Amortization of property and equipment	17,331	18,844	33,583	37,476
Amortization of intangible assets	265,135	265,136	530,271	530,271
Loss (gain) on short-term deposits	6,888	(163,277)	9,106	(22,718)
Stock-based compensation	118,046	189,223	514,690	379,556
Change in non-cash operating working capital:				
Accounts receivable and prepaid expenses	87,560	(191,057)	333,595	(300,897)
Accounts payable, accrued liabilities and deferred revenue	(722,825)	(1,585,637)	(727,675)	(2,268,645)
	(3,603,402)	(4,641,153)	(6,184,755)	(7,975,554)
Financing activities:				
Issuance of common shares on exercise of options	51,165	–	62,589	–
Investing activities:				
Short-term deposits, net	25,422	(174,312)	34,530,291	13,025,814
Additions to property and equipment	(13,974)	(2,332)	(17,537)	(15,036)
	11,448	(176,644)	34,512,754	13,010,778
Increase (decrease) in cash	(3,540,789)	(4,817,797)	28,390,588	5,035,224
Cash, beginning of period	34,269,093	12,972,210	2,337,716	3,119,189
Cash, end of period	\$ 30,728,304	\$ 8,154,413	\$ 30,728,304	\$ 8,154,413