

Summary financial statements attached:

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YM BIOSCIENCES INC.  
(A DEVELOPMENT STAGE COMPANY)

Interim Consolidated Balance Sheets  
(Expressed in Canadian dollars)

	December 31, 2007	June 30, 2007
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,519,666	\$ 5,847,351
Short-term deposits	54,374,575	69,724,438
Accounts receivable	893,868	370,011
Prepaid expenses	233,683	347,010
	67,021,792	76,288,810
Capital assets	166,251	325,040
Intangible assets	4,595,679	5,125,950
	\$ 71,783,722	\$ 81,739,800
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 618,030	\$ 1,169,211
Accrued liabilities	1,582,535	2,103,755
Deferred revenue	4,623,340	4,702,132
	6,823,905	7,975,098
Deferred revenue	6,725,925	8,929,900
Shareholders' equity:		
Share capital	172,921,153	172,921,153
Share purchase warrants	4,553,308	4,553,308
Contributed surplus	7,160,369	5,657,082
Deficit accumulated during the development stage	(126,400,938)	(118,296,741)
	58,233,892	64,834,802
Basis of presentation Commitments		
	\$ 71,783,722	\$ 81,739,800

YM BIOSCIENCES INC.  
(A DEVELOPMENT STAGE COMPANY)

Interim Consolidated Statements of Operations  
(Expressed in Canadian dollars)

	Three months ended December 31, 2007		2006
	(Unaudited)		
Out-licensing revenue	\$ 1,155,833	\$ 1,196,126	
Interest income	727,242	801,673	
	1,883,075	1,997,799	
Expenses:			
General and administrative	2,075,506	1,950,975	
Licensing and product development	4,220,627	8,466,106	
Impairment	-	-	
	6,296,133	10,417,081	
Loss before the undernoted	(4,413,058)	(8,419,282)	
Gain (loss) on foreign exchange	(29,773)	112,891	
Gain on short-term deposits	33,086	-	
Loss on marketable securities	-	-	
Loss on disposal of capital assets	(70,143)	-	
Loss before income taxes	(4,479,888)	(8,306,391)	
Income taxes	-	46,080	
Loss and comprehensive loss for the period	\$ (4,479,888)	\$ (8,352,471)	
Basic and diluted loss per common share	\$ (0.08)	\$ (0.15)	
Weighted average number of common shares outstanding, excluding 2,380,953 common shares held in escrow for contingent additional payment related to the Delex acquisition	55,835,356	55,782,023	

	Six months ended December 31, 2007		2006	Period from inception on August 17, 1994 to December 31, 2007
	(Unaudited)			(Unaudited)
Out-licensing revenue	\$ 2,282,766	\$ 2,056,824	\$ 8,589,811	
Interest income	1,417,634	1,696,385	9,547,023	
	3,700,400	3,753,209	18,136,834	
Expenses:				
General and administrative	4,109,516	3,831,865	40,196,051	

Licensing and product development	7,765,486	16,330,971	98,561,869
Impairment	-	-	1,829,538
	11,875,002	20,162,836	140,587,458
Loss before the undernoted Gain (loss) on foreign exchange	(8,174,602)	(16,409,627)	(122,450,624)
Gain on short-term deposits	14,132	27,074	(349,050)
Loss on marketable securities	126,416	-	126,416
Loss on disposal of capital assets	-	-	(1,191,329)
	(70,143)	-	(70,143)
Loss before income taxes	(8,104,197)	(16,382,553)	(123,934,730)
Income taxes	-	1,668,775	1,676,075
Loss and comprehensive loss for the period	\$ (8,104,197)	\$ (18,051,328)	\$(125,610,805)
Basic and diluted loss per common share	\$ (0.15)	\$ (0.32)	
Weighted average number of common shares outstanding, excluding 2,380,953 common shares held in escrow for contingent additional payment related to the Delex acquisition	55,835,356	55,782,009	

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

	Three months ended December 31,	
	2007	2006
	(Unaudited)	
Deficit accumulated during the development stage, beginning of period	\$(121,921,050)	\$ (96,265,358)
Cost of purchasing shares for cancellation in excess of book value	-	-
Loss for the period	(4,479,888)	(8,352,471)
Deficit accumulated during the development stage, end of period	\$(126,400,938)	\$(104,617,829)

	Six months ended December 31,		Period from inception on August 17, 1994 to December 31,
	2007	2006	2007
	(Unaudited)		(Unaudited)
Deficit accumulated during the development stage, 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	(8,104,197)	(18,051,328)	(125,610,805)
Deficit accumulated during the development stage, end of period	\$(126,400,938)	\$(104,617,829)	\$(126,400,938)

YM BIOSCIENCES INC.  
(A DEVELOPMENT STAGE COMPANY)

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

	Three months ended December 31,	
	2007	2006
	(Unaudited)	
Cash provided by (used in):		
Operating activities:		
Loss for the period	\$ (4,479,888)	\$ (8,352,471)
Items not involving cash:		
Amortization of capital assets	51,436	25,352
Amortization of intangible assets	265,136	633,050
Impairment of intangible asset	-	-
Loss on disposal of capital assets	70,143	-
Loss on marketable securities	-	-
Unrealized gain on financial instruments	77,251	-
Stock-based employee compensation	456,659	473,369
Stock-based consideration	-	-
Warrants-based consideration	-	-
Change in non-cash operating working capital:		
Accounts receivable and prepaid expenses	(427,522)	(193,290)



	2007	2006	2007
	(Unaudited)		(Unaudited)
Cash provided by (used in):			
Operating activities:			
Loss for the period	\$ (8,104,197)	\$ (18,051,328)	\$(125,610,805)
Items not involving cash:			
Amortization of capital assets	85,583	50,699	524,372
Amortization of intangible assets	530,271	1,266,101	3,850,229
Impairment of intangible asset	-	-	1,829,538
Loss on disposal of capital assets	70,143	-	70,143
Loss on marketable securities	-	-	1,191,329
Unrealized gain on financial instruments	6,874	-	6,874
Stock-based employee compensation	1,503,287	992,584	7,656,763
Stock-based consideration	-	-	292,750
Warrants-based consideration	-	-	54,775
Change in non-cash operating working capital:			
Accounts receivable and prepaid expenses	(410,530)	674,964	(98,829)
Accounts payable, accrued liabilities and deferred revenue	(3,355,168)	12,790,945	10,308,186
	(9,673,737)	(2,276,035)	(99,924,675)
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 and sale of short-term deposits, net	15,342,989	20,071,471	(54,187,524)
Proceeds on sale of marketable securities	-	-	1,404,450
Additions to capital and intangible assets	(35,933)	(68,277)	(613,248)
Proceeds from sale of capital assets	38,996	-	38,996
	15,346,052	20,003,194	(53,357,326)

Increase (decrease) in cash and cash equivalents	5,672,315	17,729,034	(28,246,947)
Net cash assumed on acquisition	-	-	39,766,613
Cash and cash equivalents, beginning of period	5,847,351	2,735,317	-
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Cash and cash equivalents, end of period	\$ 11,519,666	\$ 20,464,351	\$ 11,519,666
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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
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