

YM BIOSCIENCES INC.

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

June 30, 2009 and 2008

	2009	2008
Assets		
Current assets:		
Cash	\$ 2,337,716	\$ 3,119,189
Short-term deposits	39,713,042	54,981,737
Accounts receivable	564,584	403,371
Prepaid expenses	352,850	375,133
	<u>42,968,192</u>	<u>58,879,430</u>
Property and equipment	96,876	128,400
Intangible assets	3,004,868	4,065,409
	<u>\$ 46,069,936</u>	<u>\$ 63,073,239</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 431,028	\$ 307,588
Accrued liabilities	486,723	1,715,024
Deferred revenue	2,549,568	4,623,340
	<u>3,467,319</u>	<u>6,645,952</u>
Deferred revenue	2,898,292	4,414,256
Shareholders' equity:		
Share capital	172,921,153	172,921,153
Share purchase warrants	—	3,150,539
Contributed surplus	13,035,123	9,123,824
Deficit	(146,251,951)	(133,182,485)
	<u>39,704,325</u>	<u>52,013,031</u>
Basis of presentation		
Commitments		
	<u>\$ 46,069,936</u>	<u>\$ 63,073,239</u>

YM BIOSCIENCES INC.

Consolidated Statements of Operations and Comprehensive Loss and Deficit
(Expressed in Canadian dollars, unless otherwise noted)

	Years ended June 30,		
	2009	2008	2007
Out-licensing revenue	\$ 4,543,280	\$ 4,859,085	\$ 4,407,890
Interest income	1,070,264	2,584,080	3,239,540
	5,613,544	7,443,165	7,647,430
Expenses:			
Licensing and product development	14,172,845	15,631,550	28,758,469
General and administrative	4,839,870	6,831,955	6,978,336
Impairment of intangible assets	–	–	1,829,538
	19,012,715	22,463,505	37,566,343
Loss before the undernoted	(13,399,171)	(15,020,340)	(29,918,913)
Gain (loss) on foreign exchange	67,075	32,463	(142,552)
Gain (loss) on short-term deposits	(40,200)	172,276	–
Loss on disposal of property and equipment	–	(70,143)	–
Other income	307,140	–	–
Loss before income taxes	(13,065,156)	(14,885,744)	(30,061,465)
Current income taxes	4,310	–	1,668,775
Loss and comprehensive loss for the year	(13,069,466)	(14,885,744)	(31,730,240)
Deficit, beginning of year	(133,182,485)	(118,296,741)	(86,566,501)
Deficit, end of year	\$ (146,251,951)	\$ (133,182,485)	\$ (118,296,741)
Basic and diluted loss per common share	\$ (0.23)	\$ (0.27)	\$ (0.57)
Weighted average number of common shares outstanding	55,835,356	55,835,356	55,804,674
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

YM BIOSCIENCES INC.

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

	Years ended June 30,		
	2009	2008	2007
Cash provided by (used in):			
Operating activities:			
Loss for the year	\$ (13,069,466)	\$ (14,885,744)	\$ (31,730,240)
Items not involving cash:			
Amortization of property and equipment	91,896	125,271	107,107
Amortization of intangible assets	1,060,541	1,060,541	1,913,040
Impairment of intangible assets	–	–	1,829,538
Loss on disposal of property and equipment	–	70,143	–
Unrealized loss on short-term deposits	41,912	–	–
Stock-based compensation	760,760	2,063,973	1,716,913
Change in non-cash operating working capital:			
Accounts receivable and prepaid expenses	(138,930)	(61,483)	1,816,092
Accounts payable, accrued liabilities and deferred revenue	(4,694,597)	(5,844,790)	11,604,460
	(15,947,884)	(17,472,089)	(12,743,090)
Financing activities:			
Issuance of common shares on exercise of options	–	–	11,232
Issuance of common shares on exercise of warrants	–	–	89,375
	–	–	100,607
Investing activities:			
Short-term deposits, net	15,226,783	14,742,701	15,881,679
Additions to property and equipment	(60,372)	(37,770)	(127,162)
Proceeds from sale of property and equipment	–	38,996	–
	15,166,411	14,743,927	15,754,517
Increase (decrease) in cash and cash equivalents	(781,473)	(2,728,162)	3,112,034
Cash and cash equivalents, beginning of year	3,119,189	5,847,351	2,735,317
Cash and cash equivalents, end of year	\$ 2,337,716	\$ 3,119,189	\$ 5,847,351