

Summary financial statements attached:

YM BIOSCIENCES INC.
(A DEVELOPMENT STAGE COMPANY)

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

June 30, 2007 and 2006

	2007	2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,847,351	\$ 2,735,317
Short-term deposits	69,724,438	85,606,117
Accounts receivable	370,011	2,214,775
Prepaid expenses	347,010	318,338
	76,288,810	90,874,547
Property and equipment	325,040	304,985
Intangible assets	5,125,950	8,868,528
	\$ 81,739,800	\$ 100,048,060
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,169,211	\$ 2,367,042
Accrued liabilities	2,103,755	1,350,923
Deferred revenue	4,702,132	738,297
	7,975,098	4,456,262
Deferred revenue	8,929,900	844,275
Shareholders' equity:		
Share capital	172,921,153	172,771,544
Share purchase warrants	4,553,308	4,597,988
Contributed surplus	5,637,082	3,944,432
Deficit accumulated during the development stage	(118,296,741)	(86,566,501)
	64,834,802	94,747,523
Basis of presentation		
Commitments		
	\$ 81,739,800	\$ 100,048,060

YM BIOSCIENCES INC.
(A DEVELOPMENT STAGE COMPANY)

Consolidated Statements of Operations and
Deficit Accumulated During the Development Stage
(Amounts in Canadian dollars, unless otherwise noted)

	Years ended June 30,			Period from inception on August 17, 1994 to June 30, 2007
	2007	2006	2005	
Revenue	\$ 4,407,890	\$ 1,151,135	\$ 748,020	\$ 6,307,045
Interest income	3,239,540	1,397,558	703,873	8,129,389
	7,647,430	2,548,693	1,451,893	14,436,434
Expenses:				
General and administrative	6,978,336	7,951,470	6,314,357	36,086,535
Licensing and product development	28,758,469	20,188,577	10,981,950	90,796,383
Impairment of intangible assets	1,829,538	-	-	1,829,538
	37,566,343	28,140,047	17,296,307	128,712,456
Loss before the under-noted	(29,918,913)	(25,591,354)	(15,844,414)	(114,276,022)
Loss on foreign exchange	(142,552)	(220,630)	-	(363,182)
Loss on marketable securities	-	(2,623)	(14,881)	(1,191,329)
Loss before income taxes	(30,061,465)	(25,814,607)	(15,859,295)	(115,830,533)
Income taxes	1,668,775	-	-	1,676,075
Loss for the period	(31,730,240)	(25,814,607)	(15,859,295)	(117,506,608)
Deficit, beginning of period	(86,566,501)	(60,751,894)	(44,319,267)	-
Cost of purchasing shares for cancellation in excess of book value	-	-	(573,332)	(790,133)
Deficit, end of period	\$(118,296,741)	\$(86,566,501)	\$(60,751,894)	\$(118,296,741)

Basic and diluted loss per common share	\$	(0.57)	\$	(0.59)	\$	(0.47)
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Weighted average number of common shares outstanding	55,804,674	43,755,160	34,046,450
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Excludes common shares held in escrow for contingent additional payment related to the acquisition of Delex Therapeutics Inc.	2,380,953	2,380,953	2,777,778
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YM BIOSCIENCES INC.
(A DEVELOPMENT STAGE COMPANY)

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

	2007	Years ended June 30, 2006	2005	Period from inception on August 17, 1994 to June 30, 2007
Cash provided by (used in):				
Operating activities:				
Loss for the period	\$ (31,730,240)	\$ (25,814,607)	\$ (15,859,295)	\$(117,506,608)
Items not involving cash:				
Depreciation of property and equipment	107,107	61,017	11,717	438,789
Amortization of intangible assets	1,913,040	1,269,158	137,760	3,319,958
Impairment of intangible assets	1,829,538	-	-	1,829,538
Loss on sale of marketable securities	-	2,623	14,881	1,191,329
Stock-based compensation	1,716,913	2,588,413	1,278,955	6,153,476
Stock-based consideration	-	100,000	192,750	292,750
Warrants-based consideration	-	54,775	-	54,775
Change in non-cash operating working capital:				
Accounts receivable and prepaid expenses	1,816,092	(672,639)	(367,916)	311,701
Accounts payable and accrued liabilities and deferred revenue	11,604,460	(1,599,032)	2,396,216	13,663,354
	(12,743,090)	(24,010,292)	(12,194,932)	(90,250,938)
Financing activities:				
Repayment of debentures	-	-	(1,469,425)	(1,469,425)
Issuance of common shares on exercise of options	11,232	851,322	109,318	2,516,246
Issuance of common shares on exercise of warrants	89,375	3,627,430	432,402	4,371,555
Redemption of preferred shares	-	-	-	(2,630,372)
Purchase of shares for cancellation	-	-	(779,909)	(1,029,679)
Net proceeds from issuance of shares and warrants	-	42,622,618	18,884,120	123,276,729
	100,607	47,101,370	17,176,506	125,035,054
Investing activities:				
Short-term deposits, net	15,881,679	(55,529,720)	(14,988,521)	(69,530,513)
Proceeds on sale of marketable securities	-	2,211	-	1,404,450
Additions to property and				

equipment and intangible assets	(127,162)	(54,791)	(27,034)	(577,315)
	15,754,517	(55,582,300)	(15,015,555)	(68,703,378)

Increase (decrease) in cash and cash equivalents	3,112,034	(32,491,222)	(10,033,981)	(33,919,262)
Net cash assumed on acquisition	-	34,540,166	5,226,447	39,766,613
Cash and cash equivalents, beginning of period	2,735,317	686,373	5,493,907	-

Cash and cash equivalents, end of period	\$ 5,847,351	\$ 2,735,317	\$ 686,373	\$ 5,847,351

Non-cash items:				
Issuance of common shares on Delex acquisition	\$ -	\$ 1,464,284	\$ 9,862,697	\$ 11,326,981
Issuance of common shares on Eximtas acquisition	-	35,063,171	-	35,063,171
Issuance of common shares in exchange for licensed patents	-	100,000	-	100,000