

PROMETIC LIFE SCIENCES INC.

Investor Update
January to March 2000

This present release must be considered as the quarterly report to shareholders.

1. Press release of May 24, 2000, with first quarter results.
2. Consolidated Balance Sheets.
3. Consolidated Statements of Operations and Deficit.
4. Consolidated Statements of Cash Flows

Consolidated Financial Statements of March 31, 2000
(unaudited)

PROMETIC LIFE SCIENCES INC.

For the first quarter and the three-month period ended
March 31, 2000

PROMETIC LIFE SCIENCES INC.

(unaudited)

For the first quarter and the three-month period ended March 31, 2000

Financial Statements

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PROMETIC LIFE SCIENCES INC.
CONSOLIDATED BALANCE SHEETS

	March 31,	December 31,
	2000	1999
	(unaudited)	(audited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,958,999	\$ 781,662
Accounts receivable	626,460	235,888
Inventories	249,394	519,597
Prepaid expenses	110,292	155,335
	<hr/> 3,945,147	<hr/> 1,692,482
Investment	741,900	741,900
Capital assets	3,545,070	3,367,994
Deferred development costs	1,819,054	1,665,433
	<hr/> \$ 10,051,171	<hr/> \$ 7,467,809
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,731,096	\$ 2,247,229
Current portion of long-term debt	196,134	196,308
	<hr/> 1,927,230	<hr/> 2,443,537
Long-term debt	90,609	115,114
Due to shareholders	1,035,000	1,035,000
Shareholders' equity		
Share capital	53,944,880	49,659,979
Deficit	(46,946,548)	(45,785,821)
	<hr/> 6,998,332	<hr/> 3,874,158
Contingencies (note 1)		
Subsequent event (note 2)		
	<hr/> \$ 10,051,171	<hr/> \$ 7,467,809

PROMETIC LIFE SCIENCES INC.
(unaudited)

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

	Quarters Ended March 31		Three month periods ended March 31	
	2000	1999	2000	1999
Net Sales	\$ 872,683	\$ 466,006	\$ 872,683	\$ 466,006
Licensing and contract R&D revenues	12,438	26,825	12,438	26,825
Total Revenues	885,121	492,831	885,121	492,831
Cost of sales and expenses before the undernoted items:	1,406,679	1,679,807	1,406,679	1,679,807
Research and development expenses	359,941	383,475	359,941	383,475
Depreciation of capital assets	115,120	131,863	115,120	131,863
Financial expenses	34,905	17,156	34,905	17,156
Loss from continuing operations	1,031,525	1,719,470	1,031,525	1,719,470
Loss from the discontinuation of the generic pharmaceutical segment	-	2,964,637	-	2,964,637
Net loss	1,031,525	4,684,107	1,031,525	4,684,107
Deficit, beginning of period	45,785,821	16,300,223	45,785,821	16,300,223
Share and warrant issue expenses	129,202	-	129,202	-
Deficit, end of period	\$ 46,946,548	\$ 20,984,330	\$ 46,946,548	\$ 20,984,330
Loss per share from continuing operations	0.02	0.04	0.02	0.04
Net loss per share	0.02	0.12	0.02	0.12
Weighted average number of outstanding shares (in thousands)	50,362	40,232	50,362	40,232

PROMETIC LIFE SCIENCES INC.
(unaudited)

CONSOLIDATED STATEMENTS CASH FLOWS

	Three month period ended March 31 2000	Three month period ended March 31 1999
Cash flows from operating activities:		
Net loss	\$ (1,031,525)	\$ (4,684,107)
Adjustments to reconcile net loss to cash flows used by operating activities:		
Loss from discontinued segment	-	2,964,637
Depreciation of capital assets	115,120	131,863
Cash flows used in operating activities	(916,405)	(1,587,607)
Net change in non-cash operating working capital items	(591,459)	381,156
	(1,507,864)	(1,206,451)
Cash flows from financing activities:		
Proceeds from share issues and subscription	4,284,901	-
Share issue expenses	(129,202)	-
Repayment of long-term debt	(24,679)	(28,745)
Increase in bank overdraft	-	21,486
	4,131,020	(7,259)
Cash flows from investing activities:		
Additions to tangible assets	(292,198)	(118,584)
Deferred development costs	(153,621)	(145,545)
	(445,819)	(264,129)
Cash used by the discontinued segment	-	(2,603,439)
Increase (decrease) in cash and cash equivalents	2,177,337	(4,081,278)
Cash and cash equivalents, beginning of period	781,662	4,535,377
Cash and cash equivalents, end of period	\$ 2,958,999	\$ 454,099
Other information related to cash flows:		
Interests paid during the period	\$ 9,349	\$ 17,156
Interests received during the period	3,449	32,705

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Discontinuation of the generic pharmaceutical segment:

On September 30, 1999, the subsidiary ProMetic Pharma Inc. (“the Subsidiary”) has assigned its assets for the general benefit of creditors under Section 49 of the Bankruptcy and Insolvency Act. This Subsidiary represented the generic pharmaceutical segment of the Company.

Pursuant to a guarantee agreement, ProMetic Life Sciences (ProMetic) had provided a guarantee for up to \$1 million for a term loan of its subsidiary, ProMetic Pharma Inc., on December 21, 1999, the lender indicated that it was demanding payment on this guarantee. Pursuant to a subrogation document signed by ProMetic, this lender is also demanding payment for an additional amount of \$918,654, representing advances made by ProMetic Pharma Inc. to ProMetic. In addition, certain creditors of the subsidiary, ProMetic Pharma Inc. have instituted a claim against the Company, subsequent to the bankruptcy, in order to obtain the amounts that they were owed which amounted to approximately \$550,000. After obtaining representations from their legal counsellors, management is of the opinion that the outcome of these claims will have no negative impact on cash flows, results and the financial position of the Company.

2. Subsequent event:

On May 15, 2000, the Company closed a private placement of 357 143 units for \$500,000. Each unit is comprised of one Subordinate Voting Share and 40% of a warrant. Each whole warrant entitles the holder thereof to purchase one Subordinate Voting Share at any time between the date of issuance and a period of 12 months thereafter, at a price of \$1.75 per share. The Company had received the total amount relating to this private placement.