



ProMetic
Life Sciences Inc.

Q3



QUARTERLY REPORT

FOR THE PERIOD ENDING
SEPTEMBER 30, 2009

PROMETIC LIFE SCIENCES INC.

A. ProMetic Press Release – November 13, 2009

B. Quarterly Report

Three-month period ended September 30, 2009

This present release constitutes the quarterly report to shareholders.

- 1. Management's Discussion and Analysis of Operating Results and Financial Position**
- 2. Consolidated Balance Sheets**
- 3. Consolidated Statements of Operations and Comprehensive Income**
- 4. Consolidated Statements of Deficit**
- 5. Consolidated Statements of Contributed Surplus**
- 6. Consolidated Statements of Cash Flows**
- 7. Notes to Consolidated Financial Statements**



PROMETIC

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

**PROMETIC REPORTS ITS THIRD QUARTER 2009 HIGHLIGHTS
AND FINANCIAL RESULTS**

- **Net Profit of \$0.2 M in Q3 2009 vs. Net Losses of \$3.6 M in Q3 2008**
- **YTD Sales of \$9.3 M vs. \$6.2 M in 2008, up 50%**
- **YTD Net Losses reduced to \$7.0 M vs. \$15.0 M in 2008, down 53%**
- **Significant YTD reduction of cash used in operations - \$2.5 M vs. \$14.1 M, down 82%**

MONTREAL, QUEBEC, CANADA – November 13, 2009 – ProMetic Life Sciences Inc. (TSX: PLI) (“ProMetic”) today reports business highlights and financial results for the third quarter of 2009. All amounts are in Canadian dollars unless otherwise indicated.

“Responding to the ever changing commercial landscape, ProMetic has tailored the burn to support its revenue generating activities, improved efficiencies, reduced research and development expenses, as well as reduced employee numbers in sectors of activity outside its core objectives,” stated Mr. Pierre Laurin, President and Chief Executive Officer of ProMetic. Mr. Laurin further added: “The dramatic reduction in the use of cash in operations compared to the same period last year is a good indicator that the Company is meeting its objectives of maximizing its cash runway to allow for the achievement of its key drivers”.

Improvements across all business segments

Analysing the business segment performance for the quarter and the year to date, each part of the business is showing significant improvement.

	Quarter ended 30 September 2009			Year to date		
	2009	2008	Change %	2009	2008	Change %
Profit / (Loss)*						
Therapeutics	(485)	(1,049)	53.8%	(1,927)	(3,413)	43.5%
Protein Technologies	781	(944)	182.7%	(1,014)	(5,021)	79.8%
Corporate	(134)	(1,645)	92.0%	(4,026)	(6,570)	38.7%
Total Profit / (Loss)	163	(3,639)	104.5%	(6,967)	(15,003)	53.6%

*in thousands of dollars

Outlook for 2009

Management's outlook for 2009 remains positive. Despite the fact that revenues from our development contracts have been lower than expected, resulting from amendments to the programs requested by our clients, management has been able to control and modulate the cost base of the business to minimise impact on EBITDA forecasts.

Adoption of P-Capt® Filter

The Advisory Committee on the Safety of Blood, Tissues and Organs ("SaBTO") held a closed meeting on the 27th of October 2009. It is the Company's understanding that the adoption of the P-Capt® filter was discussed at that meeting. The committee was expected to make its recommendation on whether or not the filter should be adopted by the UK Blood Service, and at what scale, at that meeting. The minutes have not yet been made public, and neither the Company, nor its marketing partner MacoPharma SA, is aware of the outcome of the meeting. It is expected, based on comments from SaBTO, that the minutes of the meeting will be made public within the next few days.

The P-Capt® filter is the only approved product proven to be effective for the removal of endogenous blood-borne prion infectivity from red blood cell concentrate ("RBC") prior to transfusion. RBC is passed through the filter under gravity and Pathogen Removal and Diagnostic Technologies Inc.'s ("PRDT") highly specific affinity adsorbent material captures and removes variant Creutzfeldt-Jakob Disease ("vCJD") prion protein.

Highlights by business segment

Corporate

- £1,500,000 revenue prepayment against an existing supply contract with Octapharma AG ("Octapharma"), which brings the total prepaid to date to £2,000,000. A further £500,000 is available for drawdown against future milestones presently expected to be achieved in the first half of 2010.
- \$2,250,000 additional loans from long-term stakeholders.
- Repayment of final instalments of \$12,000,000 debt contracted in 2006.
- ProMetic obtained controlling stake in PRDT by exchanging a declining royalty stream based on future revenues for the American Red Cross's 51% share of the common stock. This has increased ProMetic's ownership of common stock in PRDT to 77%.
- Subsequent to the end of the third quarter, ProMetic BioSciences Ltd secured a further interest-free working capital grant from the Isle of Man Department of Trade and Industry ("DTI"), in the sum of £500,000.

Protein Technologies

- Long-term (5-year) supply agreement with major global pharmaceutical company, securing an initial order of \$8.9 M for the supply of a Mimetic Ligand™ product. Deliveries to complete this contract are expected between the last quarter of 2009 and the first half of 2010.

- Long-term (5-year) supply agreement with Halozyme to provide a synthetic ligand affinity adsorbent for use in the manufacture of its rHuPH20 product, a recombinant version of human hyaluronidase enzyme.
- In July, the UK SaBTO published their recommendations which included the use of commercially available pooled Fresh Frozen Plasma (“FFP”) that is pathogen-inactivated to further reduce the risk of vCJD transmission. This announcement had a direct and positive impact to ProMetic and Octapharma. OctaplasLG®, a pooled virally-inactivated and prion-reduced plasma product meets the required specifications recommended by SaBTO, i.e., >5 logs of prion safety compared to UK-sourced FFP.
- OctaplasLG® was licensed in Germany and is presently undergoing regulatory approval for use in various countries.

Therapeutics

- ProMetic was selected by the American Society of Nephrology for multiple presentations regarding PBI-1402 at its 42nd Annual Meeting & Scientific Exposition. These new results presented suggest that:
 - PBI-1402 offers the potential for a novel therapy by prevention and/or reduction of fibrosis and sclerosis in the kidney and therefore preserving the renal function in patients with chronic kidney disease.
 - PBI-1402 has protective effects against drug-induced toxicity to the kidney (such as during chemotherapy) again supporting its potential use as a nephroprotective agent.
 - PBI-1402 offers the potential for a novel therapy of anemia associated with chronic renal failure.
- The recent data generated to support the effect of PBI-1402 on nephroprotection and its unique safety profile for potential use in cancer patients constitute significant milestone achievements both for future regulatory filings and partnering activities.
- Management has acted to cut the burn-rate of this division such that only costs associated with the regulatory and partnering activities for PBI-1402 and its analogues are incurred.

Financials Results

The following information should be read in conjunction with the financial statements for the third quarter ending September 30, 2009, as well as the Management’s Discussion and Analysis for the same period.

The results for the quarter show a net profit of \$0.2 M compared to a net loss of \$3.6 M in the same period in 2008, after taking account of the exceptional gain associated with the PRDT acquisition and the gain on exchange rate. The underlying position remains positive. Revenues for the third quarter 2009 consistent with the same quarter last year at \$3.1 M, but costs significantly down.

For the first nine months of 2009, revenues were \$9.3 million compared to \$6.2 million for the same period last year, while the net losses were reduced by 53%, \$7 M in 2009 versus \$15 M in 2008.

A decrease of \$2.7 M in cash used in operations was recorded during the third quarter 2009, versus the same period in 2008. For the first nine months of 2009, a total decrease of \$11.6 M in cash used for operations was recorded, versus the same period in 2008, mainly due to increased sales and the cost cutting measures initiated by ProMetic's Management team. As already stated, expenditures have been reduced in the non-revenue generating segments of the business.

Balance Sheet and Financing

Throughout 2009, the Company has been successful in securing patient debt, principally from existing shareholders whose interests are aligned with those of the business. In addition, an advance on revenues has been received from Octapharma with whom ProMetic has a long-term supply arrangement, with repayments being made against future sales of product to that customer. Furthermore, working capital grants have been secured from the Isle of Man DTI to assist with the growth of PBL's business.

Certain of these arrangements have required the up-front payment of interest in the form of shares. Therefore, the funding is partially dilutive, but the level of dilution has been minimal in comparison to the dilution level that would have occurred if an equity investment or other more equity-like instruments had been used to finance the Company.

Clearly, the debt financing has had an impact on the balance sheet, increasing liabilities compared with increasing shareholder equity if the financing had been raised through the sale of common stock.

The Company is aware that during the late part of 2009 and into 2010, efforts must be made to strengthen the balance sheet of the business. It is envisaged that this might be achieved through a combination of revenue growth (sales, milestones and licensing revenues) and, if conditions are right, through the issuance of more equity to help with the reduction of liabilities.

ProMetic's MD&A and 2009 Third Quarter Financial Statements have been filed on Sedar (www.sedar.com) and are now available on the Company's web site at www.prometic.com.

Conference Call Details

The Company will be holding a conference call / webcast on Monday, November 16, 2009, at 10:30 (EST).

The numbers to access the conference call are (416) 620-2407 (international) and 1 (800) 215-2393 (toll free). A live audio webcast of the conference call will be available through ProMetic's website at <http://www.prometic.com/en/news-events/events.php>.

A replay of the call will be available by telephone for a period of seven days as of Monday, November 16, 2009, at 12:00 (EST). The numbers to access the audio replay are (416) 626-4100 (international) and 1 (800) 558-5253 (toll free) using access code 21442463. The replay of the web cast may be downloaded directly from ProMetic's web site.

About ProMetic Life Sciences Inc.

ProMetic Life Sciences Inc. ("ProMetic") (www.prometic.com) is a biopharmaceutical company specialized in the research, development, manufacture and marketing of a variety of commercial

applications derived from its proprietary Mimetic Ligand(TM) technology. This technology is used in large-scale purification of biologics and the elimination of pathogens. ProMetic is also active in therapeutic drug development with the mission to bring to market effective, innovative, lower cost, less toxic products for the treatment of hematology and cancer. Its drug discovery platform is focused on replacing complex, expensive proteins with synthetic “drug-like” protein mimetics. Headquartered in Montréal (Canada), ProMetic has R&D facilities in the U.K., the U.S. and Canada, manufacturing facilities in the U.K. and business development activities in the U.S., Europe, Asia and in the Middle-East.

Forward Looking Statements

This press release contains forward-looking statements about ProMetic’s objectives, strategies and businesses that involve risks and uncertainties. These statements are “forward-looking” because they are based on our current expectations about the markets we operate in and on various estimates and assumptions. Actual events or results may differ materially from those anticipated in these forward-looking statements if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. Such risks and assumptions include, but are not limited to, ProMetic’s ability to develop, manufacture, and successfully commercialize value-added pharmaceutical products, the availability of funds and resources to pursue R&D projects, the successful and timely completion of clinical studies, the ability of ProMetic to take advantage of business opportunities in the pharmaceutical industry, uncertainties related to the regulatory process and general changes in economic conditions. You will find a more detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations on page 25 of ProMetic’s Annual Information Form for the year ended December 31, 2008, under the heading “Risk and Uncertainties related to ProMetic’s business”. As a result, we cannot guarantee that any forward-looking statement will materialize. We assume no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, unless required by applicable securities laws and regulations. All amounts are in Canadian dollars unless indicated otherwise.

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MD&A

The Management's Discussion and Analysis of Operating Results and Financial Position, prepared November 13, 2009, aims at helping the reader to better understand the business of the Company and the key elements of its financial results. It explains the trends of the financial situation and the operating results of the Company for the third quarter of 2009 compared to the operating results for the third quarter of 2008

This Management's Discussion and Analysis was prepared in accordance with Regulation 51-102 Respecting Continuous Disclosure Obligations and should be read in conjunction with the 2008 consolidated financial statements and the accompanying notes included in the annual report. These financial statements were prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). Unless otherwise indicated, all figures are expressed in Canadian dollars.

Information as at September 30, 2009 and for the periods ended September 30, 2009 and 2008 are unaudited. These quarterly financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations.

Since inception, the Company has concentrated on research and development. It has had no net earnings, growing revenues which do not yet fully offset the cost base of the Company, resulting in negative operating cash flows. The Company has financed its activities through bank loans, government financial support and the issuance of debt and equity. The Company's ability to continue as a going concern is dependent on obtaining additional investment capital and achieving profitable operations. There can be no assurance that the Company will be successful in increasing revenue or raising additional investment capital to generate sufficient cash flows to continue as a going concern. These financial statements do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities, revenues and expenses and the balance sheet classification used if the Company were unable to continue operations in accordance with this assumption.

More financial information, including the Company's Annual Information Form, is available on SEDAR (www.sedar.com).

Forward-Looking Statements

The information contained in Management's Discussion and Analysis of Operating Results and Financial Position contains statements regarding future financial and operating results. It also contains forward-looking statements with regards to partnerships, joint ventures and agreements and future opportunities based on these. There are also statements related to the discovery and development of intellectual property as well as other statements about future expectations, goals and plans. We have attempted to identify these statements by use of words such as "expect", "believe", "anticipate", "intend", and other words that denote future events. These forward-looking statements are subject to material risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. These risks and uncertainties include but are not limited to the Company's ability to develop, and successfully manufacture pharmaceutical products, and to obtain contracts for its products and services and commercial acceptance of advanced affinity separation technology. Additional information on risk factors can be found in the Company's Annual Information Form for the year ended December 31, 2008. Shareholders are cautioned that these statements are predictions and these actual events or results may differ materially from those anticipated in these forward-looking statements. Any forward-looking statements we may make as of the date hereof are based on assumptions that we believe to be reasonable as of this date and we undertake no obligation to update these statements as a result of future events or for any other reason, unless required by applicable securities laws and regulations.

Executive Summary

The following issue of Management's Discussion and Analysis ("MD&A") has been prepared with reference to Guidance on Preparation and Disclosure of Management's Discussion and Analysis update #3 issued by the Canadian Performance Reporting Board in July 2009.

In adopting this guidance the recommended principles have been followed to provide an MD&A aimed at:

- Enabling readers to view the Company through management's eyes;
- Supplementing and complementing the information in the financial statements;
- Being complete, fair and balanced, and providing information that is material to the decision-making needs of users;
- Having a forward looking orientation;
- Focusing on management's strategy for generating value over time; and
- Being understandable, relevant and comparable.

As this is a quarterly MD&A not all of the recommendations of the guidance have been adopted at this stage. However, management believes that shareholders will appreciate the additional information provided in this format, recognising that further improvement will follow.

Q3 2009 in Summary

Q3 2009 was a productive quarter for the company with many new deals announced regarding revenues, financing and acquisition of Pathogen Reduction and Diagnostic Technologies Inc. ("PRDT").

The results for the quarter show a net profit of \$163,000 after taking account of the exceptional gain associated with the PRDT acquisition and the gain on exchange rate, compared to a net loss of \$3,639,000 in the same period in 2008. The underlying position remains positive.

Revenue in the quarter is consistent with the same quarter last year at \$3,116,000, but costs are down.

Analyzing the business segment performance for the quarter and the year to date, each part of the business is showing significant improvement.

Profit / (Loss)*	Quarter ended 30 September			Year to date		
	2009	2008	Change %	2009	2008	Change %
Therapeutics	(485)	(1,049)	53.8%	(1,927)	(3,413)	43.5%
Protein Technologies	781	(944)	182.7%	(1,014)	(5,021)	79.8%
Corporate	(134)	(1,645)	92.0%	(4,026)	(6,570)	38.7%
Total Profit / (Loss)	163	(3,639)	104.5%	(6,967)	(15,003)	53.6%

* in thousands of dollars

The acquisition of PRDT has also had an impact on the balance sheet, with a shift from proportional consolidation under the Joint-Venture accounting regulations to be fully consolidated as a subsidiary of the corporation on a going forward basis.

The transaction has been accounted for as an acquisition of an increased interest in PRDT's assets in accordance with the CICA Emerging Issues Committee Abstract 124 "Definition of a Business". The assets acquired, consisting mainly of intellectual property, will be recorded at cost equivalent to the cash consideration. A royalty expense will be recognized in the future when the revenues to which the royalties pertain are recognized.

In concurrence with the transaction, the terms of the preferred shares of PRDT were modified and are no longer redeemable solely at the option of the preferred shareholders. Consequently, the preferred shares which were previously classified as a liability (and for which 26% of the American Red Cross' ("ARC") preferred shares were recognized as a liability on the Company's consolidated financial statements as a result of proportionate consolidation) will be considered as share capital of PRDT. It will no longer appear as a liability in the consolidated financial statements of ProMetic. Additionally the change in treatment of the preferred shares also eliminates the asset "Excess of Interest in Joint Venture" from the balance sheet of ProMetic, the net effect resulting in a gain of \$1,257,391 recorded in the period relating to the derecognition of the net investment liability in PRDT.

This transaction is timely as different commercial applications of PRDT prion capture technologies are gaining significant momentum.

The advance of \$4,500,000 provided by Octapharma AG ("Octapharma") on a long term supply agreement for their OctaplasLG® (of which \$3,300,000 has already been received) further validates the market opportunity for prion capture technology and strengthens the Company's relationship with Octapharma.

The UK Advisory Committee on the Safety of Blood, Tissues and Organs ("SaBTO") published their recommendations which include the use of commercially available pooled fresh frozen plasma ("FFP") that is pathogen-inactivated to further reduce the risk of variant Creutzfeldt-Jakob Disease ("vCJD") transmission. This announcement had a direct and positive impact to ProMetic and Octapharma. OctaplasLG®, a pooled virally-inactivated and prion-reduced plasma product meets the required specifications recommended by SaBTO, i.e., >5 logs of prion safety

compared to UK-sourced FFP. OctaplasLG® is presently undergoing regulatory approval for use in various countries.

Adoption of P-Capt® Filter

SaBTO held a closed meeting on the 27th of October 2009. It is our understanding that the adoption of P-Capt® was discussed at that meeting. The committee was expected to make its recommendation on whether or not the filter should be recommended for adoption by the UK Blood Service and at what scale at that meeting. The minutes have not yet been made public, and neither the Company, nor its marketing partner MacoPharma SA (“MacoPharma”), is aware of the outcome of the meeting. It is expected, based on comments from SaBTO, that the minutes of the meeting will be made public within the next few days.

PBI-1402

- Activity also continued in the Therapeutics business, with further progress being made with interested parties toward a licensing transaction for PBI-1402.
- ProMetic was selected by the American Society of Nephrology for multiple presentations regarding PBI-1402 at its 42nd Annual Meeting & Scientific Exposition. These new results presented suggest that:
 - PBI-1402 offers the potential for a novel therapy by prevention and/or reduction of fibrosis and sclerosis in the kidney and therefore preserving the renal function in patients with chronic kidney disease (“CKD”).
 - PBI-1402 has protective effects against drug-induced toxicity to the kidney (such as during chemotherapy) again supporting its potential use as a nephroprotective agent.
 - PBI-1402 offers the potential for a novel therapy of anemia associated with chronic renal failure.

Partnership Agreements

In the past, the company has announced partnership arrangements surrounding its Plasma Protein Purification System (“PPPS”) technology. Specifically, transactions involving Abraxis Bioscience, Inc., Blue Blood Biotech Corporation, Wuhan Institute of Biological Products / CNBG, Kedrion S.p.A. and Sartorius Stedim Biotech. Additionally, the Company has entered into a development agreement with the Instituto de Tecnologia do Parana (“Tecpar”).

Progress against the targets and milestones in the individual contracts is governed by the confidentiality arrangements in place with each client, therefore providing a detailed update on progress is not always within the control of the Company. It is recognized that our shareholders have requested updates so that they can monitor the performance of ProMetic. The Company will endeavour to seek agreement from its partners in the coming quarter to allow an update to our shareholders.

However, in most cases, the confidential obligations pursuant to such type of collaborative agreements is in relation to the fact that disclosure may have a strategic impact on our partners’ respective performance and competitiveness which in turn would also potentially negatively affect the value to our shareholders. Management’s practice to date has always been

transparency provided that our partners consent to the disclosure and that such disclosure does not cause undue prejudice to our stakeholders and shareholders.

Cash Management and Balance Sheet

Cash flow requires continuous monitoring, as a result of a change in revenue forecasts. As stated last quarter, ProMetic anticipated cash burn to ease following repayment of the last instalment of the Long Term Debt contracted in 2006. Indeed, operations used \$610,000 in the quarter compared with a burn of \$3,273,000 in the same quarter of 2008.

In line with earlier commitments to use non-dilutive financing, throughout 2009, the Company has been successful in securing patient debt, principally from existing shareholders whose interests are aligned with those of the business. In addition, funds have been provided as an advance on revenues by Octapharma with whom ProMetic has long-term supply arrangements, which will be offset against future sales of product to that customer.

Subsequent to quarter-end, a further working capital grant of £500,000 was secured from the Isle of Man Department of Trade and Industry ("DTI") to assist with the growth of PBL's business.

Clearly, the debt raised by the Company has had an impact on the balance sheet, increasing liabilities compared with increasing shareholder equity if the finance had been raised through the sale of common stock. The Company is aware that during 2010, efforts must be made to continue to strengthen the balance sheet of the business.

Third Quarter 2009 - Significant Events

Corporate

- £1,500,000 revenue prepayment against an existing supply contract with Octapharma AG ("Octapharma"), which brings the total prepaid to date to £2,000,000. A further £500,000 is available for drawdown against future milestones presently expected to be achieved in the first half of 2010.
- \$2,250,000 additional loans from long-term stakeholders, as described in note 10b of the third quarter 2009 Financial Statements.
- Repayment of final installment of the \$12,000,000 debt contracted in 2006.
- Presentation to investors at Rodman & Renshaw's Eleventh Annual Healthcare Conference.
- ProMetic obtained controlling stake in PRDT by exchanging a declining royalty stream based on future revenues for the ARC's 51% share of the common stock. This brought ProMetic's share of the common stock of PRDT to 77%. (Further details of the accounting for this transaction are disclosed elsewhere in this MD&A)
- Subsequent to the end of the quarter, PBL secured an interest free working capital grant from the Isle of Man DTI for £500,000.

Protein Technologies

- Long-term (5-year) supply agreement with major global pharmaceutical company, securing an initial order of \$8,900,000 for the supply of a Mimetic Ligand™ product. Product deliveries to complete this contract are expected between the last quarter of 2009 and the first half of 2010.
- Long-term (5-year) supply agreement with Halozyme to provide a synthetic ligand affinity adsorbent for use in the manufacture of its rHuPH20 product, a recombinant version of human hyaluronidase enzyme.
- SaBTO's July recommendations favors OctaplasLG®, a pooled virally-inactivated and prion-reduced plasma product for transfusion that meets the required specifications recommended by SaBTO, i.e., >5 logs of prion safety compared to UK-sourced fresh frozen plasma. PRDT's prion capture technology is used at industrial scale by Octapharma for the manufacturing of OctaplasLG®
- OctaplasLG® licensed in Germany and is presently undergoing regulatory approval for use in various countries.

Therapeutics

- ProMetic was selected by the American Society of Nephrology for multiple presentations regarding PBI-1402 at its 42nd Annual Meeting & Scientific Exposition. These new results presented suggest that:
 - PBI-1402 offers the potential for a novel therapy by prevention and/or reduction of fibrosis and sclerosis in the kidney and therefore preserving the renal function in patients with CKD.
 - PBI-1402 has protective effects against drug-induced toxicity to the kidney (such as during chemotherapy) again supporting its potential use as a nephroprotective agent.
 - PBI-1402 offers the potential for a novel therapy of anemia associated with chronic renal failure.
- The recent data generated to support the effect of PBI-1402 on nephroprotection and its unique safety profile for potential use in cancer patients constitute a significant milestone achievement both for future regulatory filings and partnering activities.
- Management has acted to cut the burn-rate of this division such that only costs associated with the regulatory and partnering activities for PBI-1402 and its analogues are incurred.

Core Business and Strategy

Core Business

ProMetic Life Sciences Inc. is a global biopharmaceutical business, comprised of a group of companies focused on developing technologies which bring pharmaceutical products to market that are safer, cost-effective and more convenient than those already available. ProMetic's business is organized into two distinct operating segments; Protein Technologies and Therapeutics, supported by a Head Office in Montreal, Canada.

On September 23, 2009, the Company acquired ARC's 51% interest in the common stock of PRDT bringing its common share ownership to 77%.

Business Segments

The **Protein Technologies** business segment comprises three operating subsidiaries:

- ProMetic BioSciences Ltd ("PBL"), based in the UK (Isle of Man and Cambridge);
- ProMetic BioTherapeutics Inc ("PBT"), based in Rockville, MD , USA; and
- Pathogen Removal and Diagnostic Technologies Inc. ("PRDT"), a company registered in the United States, operated under the control of ProMetic BioSciences Ltd.

PBL develops and manufactures ProMetic's core bioseparations technologies, its proprietary affinity adsorbents and its Mimetic Ligand™ purification platform are used by numerous pharmaceutical and biopharmaceutical companies. ProMetic's technology allows for the capture of multiple targeted proteins directly from the source product, and then for the separation of these nearly identical proteins to achieve greater yields with high levels of purity. As a result, manufacturing clients using ProMetic's bioseparation technologies experience significant reductions in costs associated to drug purification.

PBT develops processes, based on PBL technology, to provide for total and highly efficient extraction of proteins from human plasma. ProMetic's PPPS originally developed in a co-venture with the ARC, employs powerful affinity separation materials in a multi-step process to extract and purify proteins at high yields.

PRDT develops and commercializes products, through marketing agreements with third parties, arising from the prion reduction technology platform that originated from ProMetic's collaboration with the ARC. The PRDT technology forms the basis of the revolutionary P-Capt® filter, a prion reduction device developed with ProMetic's commercialization partner MacoPharma. P-Capt® has received the CE mark in Europe, and provides blood services agencies with the means of significantly reducing the risk of transmission through blood transfusion of vCJD, a fatal brain disease. This is particularly relevant since there is no commercially available diagnostic test for detection of the blood-borne form of the vCJD agent.

Additionally, PRDT technology has been implemented at bulk scale by Octapharma into the manufacturing process of their OctaplasLG® to further improve the prion safety margin documented for this biopharmaceutical. OctaplasLG® has obtained regulatory approval in Germany.

PRDT's platform technology has demonstrated its potential for additional uses in the purification of donated blood. It may in future be used to reduce or remove other pathogen agents from donated blood. Upwards of forty million units of blood are collected in the world annually, affording ProMetic and its partners enormous market opportunities.

The Second business segment is **Therapeutics** which comprises of one operating subsidiary:

- ProMetic BioSciences Inc ("PBI"), based in Laval, Quebec, Canada

PBI is a small-molecule drug discovery business, with a strong pipeline of products. The lead candidate PBI-1402 demonstrates the following key properties:

- PBI-1402 is orally active, whereas most other drugs treating anemia are injectables.
- PBI-1402 is an affordable low molecular weight synthetic candidate drug, relative to costly recombinant proteins, such as EPO.
- PBI-1402, all the while mimicking EPO's biological activity, has a distinct mechanism of action from EPO, as it does not bind to the same cell surface receptor as EPO. It therefore provides great promise of serving as a stand-alone therapeutic in the treatment of patients with anemia.
- PBI-1402 demonstrates anticancer activity in multiple pre-clinical models, which could make it a drug of choice for the treatment of anemia in cancer patients (Cancer Related Anemia ("CRA"), Chemotherapy Induced Anemia ("CIA")).
- PBI-1402 demonstrates anti-fibrotic activity which supports the potential use for nephroprotection in patients with chronic kidney disease and patients undergoing chemotherapy.
- PBI-1402 addresses a worldwide marketplace that exceeds \$15 billion and several different unmet medical needs.

The initial indication targeted by PBI-1402 is anemia in cancer patients undergoing chemotherapy. Upwards of two thirds of cancer patients treated with chemotherapy develop anemia. Treatment with EPO, the current drug of choice for this indication, is active in only 50 to 60 percent of these patients.

PBI-1402 has reported positive clinical results in the CIA trial and demonstrated excellent safety and tolerability, as well as an impressive efficacy profile. A Phase Ib/IIa trial of PBI-1402 demonstrated a significant increase in the red blood cell count and the hemoglobin level in patients with CIA. In this open-label Phase II trial, patients each received PBI-1402 once daily at doses ranging from 44mg/kg to 88mg/kg. Analysis of the data showed that only 2 patients out of 28 (7%) treated with PBI-1402 required a Red Blood Cell ("RBC") transfusion, a response rate greater than 90% with regards to this clinical objective. In the March 13, 2008 FDA briefing document, the Oncology Drugs Advisory Committee emphasizes that the primary objective of treating CIA patients with erythropoiesis-stimulating agents ("ESAs") as being the ability to reduce the need for RBC transfusion. The Advisory Committee cites that approximately 50% of anemic patients receiving chemotherapy required RBC transfusion, and 20%-25% of patients treated with ESAs still required RBC transfusions.

The encouraging positive results from the CIA clinical trial and the anticancer effects reported in animal models seem to indicate that PBI-1402 is well suited for the treatment of anemia in oncology, resulting in the PBI-1402 clinical platform being extended to patients suffering from cancer-related anemia. Moreover, approximately twenty million patients in the U.S. alone are diagnosed with chronic kidney diseases ("CKD"). Patients diagnosed at severe CKD stages (3 and 4) often develop anemia before they require hemodialysis. CKD patients still at the pre-dialysis stage could greatly benefit from an orally administered drug as a treatment for their anemia.

Recent experiments based on a 5/6 nephrectomized rat model have demonstrated the ability of PBI-1402 to correct anemia. This model simulates chronic renal failure in humans, a condition whereby the kidneys fail to produce sufficient EPO for the

stimulation of red blood cell production. These results indicate additional potential for PBI-1402.

In addition to these indications (CIA, CRA or CKD) other potential applications for PBI-1402 could include the treatment of anemia in the elderly, anemia from bone marrow stem cell transplants, and anemia caused by the use of zidovudine in HIV patients.

PBI has several other compounds in its library at differing stages of development. These represent a complete, well defined platform with the ability to produce high-value drugs. This will allow ProMetic to address unmet medical needs and extremely complex medical conditions associated with certain diseases, for which the market potential is immense.

Business Strategy

ProMetic's strategy in relation to its **Protein Technologies** business segment has always been clear: applying ProMetic's proprietary technologies to new and existing markets for large-scale drug purification, drug development, proteomics (the study of proteins), and the elimination of pathogens. The ultimate benefit that can be derived from ProMetic's Protein Technologies unit is the enabling of our partners to manufacture more affordable and safer therapeutics, thus aligning ProMetic's business perfectly with current market pressures on the healthcare sector.

PBL's bioseparations business is being expanded into a profitable, cash-generative business through the securing of long-term supply agreements with major pharmaceutical and biotech companies. The profits and therefore excess cash generated by this business unit will be used in the short-term to partly finance the losses of ProMetic's other business segments.

The strategy in relation to **PBT** is to establish key relationships with biopharmaceutical companies to co-develop plasma derived therapeutics relying on PBT's proven high yield manufacturing process. Typically through these partnerships, the therapeutics developed are chosen to address totally unmet medical needs or target very large and established markets but with a significant safety and cost leadership advantage.

PRDT's unique prion reduction technology has already been commercialized through a long-term supply agreement with Octapharma, who have incorporated the technology into the manufacturing process of their OctaplasLG® product. The strategy is to expand the commercialization of the PRDT technology into use in RBC concentrate by the sale of the P-Capt® prion filter. Thereafter, the Company will focus on applying PRDT technology to other commercial applications.

On September 23, 2009, the Company acquired ARC's 51% interest in the common stock of PRDT bringing its current ownership at 77% of the common shares. In return, the Company paid a cash amount of \$US 5100 and will pay tapering royalties based on the revenues generated by PRDT from specified technologies over the remaining lives of the patents. PRDT is included in the Protein Technologies business segment.

ProMetic's strategy in relation to the **Therapeutics** business segment has been to develop orally active compounds leading to more convenient and cost-effective treatment regimes in already developed markets or targeting unmet medical needs. ProMetic's Management strongly believes that this strategy is highly relevant in the current market economy where cost pressures, above all else, impact the adoption of new drugs. The business model for this division is to partner promising drug candidates upon completion of *in vivo* proof of concept studies. While the Therapeutics Unit has several of such promising drug candidates,

Management has acted to cut the burn-rate of this division such that only costs associated with the regulatory and partnering activities for PBI-1402 and its analogues are incurred.

These cost-saving measures are clearly reflected in the financial statements accompanying this Discussion and Analysis.

Financing Strategy

Across the business, Management monitors closely the company's financial performance, both actual and forecasted, to ensure that appropriate measures are taken to limit cash burn.

In late 2008, the Company declared that it would seek to finance the business during 2009 using non-dilutive financing, recognizing that shareholders had experienced dilution in the past.

Throughout 2009, the Company has been successful in securing patient debt, principally from existing shareholders whose interests are aligned with those of the business. In addition, funds have been advanced by a customer with whom ProMetic has long-term supply arrangements, with repayments being made against future sales of product to that customer. Furthermore, working capital grants have been secured from the Isle of Man DTI to assist with the growth of PBL's business.

Certain of these arrangements have required the up-front payment of interest in the form of shares. Therefore, the funding is partially dilutive, but the level of dilution has been minimal in comparison to the dilution level that would have been incurred if a straight equity investment or other more commonly available instruments had been used to finance the Company.

Clearly, the contracting of debt has had an impact on the balance sheet, increasing liabilities compared with increasing shareholder equity if the finance had been raised through the sale of common stock.

The Company is aware that during the late part of 2009 and into 2010, efforts must be made to strengthen the balance sheet of the business. It is envisaged that this might be achieved through a combination of revenue growth (sales, milestones and licensing revenues) and, if conditions are right, through the issue of more equity to help with the reduction of liabilities.

Key performance drivers

The company has identified the following list of key performance drivers for the each of the business units. It is the intention of the company to provide status updates and to review the relevance of each performance driver on a quarterly basis in subsequent issues of the MD&A.

PBL

- Maintain a profitable bioseparations business
- Generate positive cash-flow from operations
- Expand affinity adsorbent sales
- Establish long-term supply agreements
- Develop new strategic alliances

PBT

- Drive collaboration programs with existing partners including Abraxis, Chinese National Biotech Group (CNBG), Kedrion, Blue Blood and Sartorius
- Expand the number of strategic partners and products developed
- Build a solid pipeline of products
- Expand business to include manufacturing of bulk active for existing partners and others

PRDT

- Adoption of P-Capt ® in UK
- Adoption of P-Capt ® in Ireland as well as other European countries
- Expand commercial use of prion reduction resin in bulk applications

PBI

- Partner PBI-1402 and or analogues
- New data to support expanded potential uses
- Regulatory milestones in key markets

Capability to Deliver Results

Operating in a Difficult Economic Environment

Since mid-2008, the Company has made a number of public statements commenting on the strength of its upcoming revenue streams and the actions being taken by Management in relation to driving efficiencies and cost savings in the business, allowing the Company to extend its cash runway, and weather the current economic situation without going to the public market to raise funds for operations.

While the Company was able to achieve this through 2008 and into the first three-quarters of 2009, the worsening of the global economic situation began to impact, in early 2009, on the ability of our contracted customers to progress certain service agreements according to previously anticipated timelines. This, we believe, is no reflection on ProMetic's technologies, rather a consequence of customers altering their strategic focus. Notably, demand for ProMetic's unique affinity resins for prion removal and other bioseparation applications has increased as a result of their uniqueness and robustness, which deliver cost of goods savings for the user.

Responding to the ever changing commercial landscape, ProMetic has extended its cost-reduction program, tailored the burn to revenue generating activities, improved efficiencies, reduced research and development expenses, and reduced, in some instances temporarily, employee numbers in sectors of activity outside its core objectives.

ProMetic's overriding objective is to ensure that it responds to delays by its customers in their development programs, by adjusting its cost base in line with the revised revenue forecast to

ensure that the Company respects its EBITDA (“earnings before interest, tax, depreciation and amortization”), projections as far as possible. Further comment on this is given in the Outlook section of this MD&A

Despite illiquidity in the financial markets and strict lending controls enforced by financial institutions, ProMetic has been offered conventional debt financing through reputable chartered banks. Although at the time of writing this has not been taken up due to operational reasons, the offers are still open.

ProMetic continues to work with certain long-standing shareholders to extend the patient-debt facility, as announced in previous quarters. Specifically \$4,970,000 has now been raised through this mechanism since the beginning of 2009.

Subsequent to quarter-end, in early November, ProMetic BioSciences Ltd secured a further interest-free working capital grant from the Isle of Man DTI, in the sum of £500,000. This has a payment holiday for 5 months, with the first payment falling due on 31 March 2010 followed by five further equal payments at the end of each subsequent month, with the last payment falling due on 31 August 2010.

Also, the company has secured a total of £2,000,000 in advances on revenue for an existing supply contract with Octapharma. A further £500,000 is available for drawdown against future milestones presently expected to be achieved in the first half of 2010.

In Q3, further financing of \$250,000 was advanced to the Company by one of its Directors. In addition, an officer of the company is providing a personal guarantee for a \$350,000 overdraft facility.

ProMetic is also actively pursuing further financing through industry-specific initiatives provided by the government of Quebec and Canada.

Capital Resources

The Company has no commitments for capital expenditure at the date of the financial statements.

Over coming periods, it may be necessary for the Company to invest in further capital expenditure in order to service the requirements of some of its contracts. It is important to note however that PBL’s current manufacturing capacity far exceeds its current level of sales. At the present time, the resources are being fully employed, but are manufacturing batch sizes which are below the optimal size. PBL’s current manufacturing capacity can therefore accommodate significant revenue growth such that there is no linear relationship between the incremental costs and revenue growth.

As the Company grows and develops a sustainable revenue line and resulting positive cash flow, it should be possible for the business to raise cash for expansion through debt facilities.

Liquidity

Current assets totalled \$6.4 million as at September 30, 2009, and \$8.1 million as at December 31, 2008. As outlined earlier, this is mainly related to the impact of the PRDT transaction and is further explained in note 4 accompanying the interim financial statements for the quarter.

Accounts receivable were \$1.6 million at September 30, 2009, compared to \$4.4 million at December 31, 2008. Accounts receivable consist mostly of trade receivables related to the sale of resin, as well as research and development tax credits receivable related to the activities of our Therapeutics Unit. The net capital assets decrease to \$1.3 million as at September 30, 2009, from \$2.4 million as at December 31, 2008. This is a combined effect of the impact of depreciation and the change in foreign exchange method for consolidating the United Kingdom subsidiary.

Cash was \$2.3 million as at September 30, 2009. In the third quarter of 2009, the Company issued 10,316,666 shares relating to interest payments on loan arrangements. The year-to-date value of loans advanced under these arrangements amounts to \$5.0 million.

Attention is drawn to the Post-balance Sheet Events section of this Managements' Discussion and Analysis relating to additional financing secured since September 30, 2009.

Clearly, the issuance of debt has an impact on the balance sheet, increasing liabilities compared with increasing shareholder equity if the finance had been raised through the sale of common stock.

The Company is aware that during 2010, efforts must be made to strengthen the balance sheet of the business. It is envisaged that this might be achieved through a combination of revenue growth (sales, milestones and licensing revenues) and, if conditions are right, through the issue of more equity to help with the reduction of liabilities.

Intellectual Property and Technology

The Company and each of its business segments are entirely reliant on its Intellectual Property ("IP") assets in the form of Patents and Trademarks, as well as know-how. The Company employs an in-house Senior Legal Counsel and a Patent & Trademark Coordinator who administer the IP portfolio. A significant budget is allocated each year for the creation, maintenance and protection of the IP portfolio. Know-how is protected by confidentiality arrangements and staff with said know-how is regarded as an important asset for the ProMetic group.

Human Capital

The most vital non-capital resource is the know-how the Company has in its employees. ProMetic has a talented team of staff and an experienced management team that share in the company's vision and recognise its potential. All employees participate in the Company's Stock Option Plan.

Results and outlook

Results of Operations

Quarter ended September 30, 2009, compared to quarter ended September 30, 2008

Revenues

Total revenues for the third quarter of 2009, which were derived from the Protein Technologies unit, were \$3.1 million compared with \$3.3 million in the same quarter of 2008. For the first nine months of 2009, revenues were \$9.3 million compared to \$6.1 million for the same period last year.

The growth in revenue came primarily from sales of affinity adsorbents to major pharmaceutical companies as well as the increase in service fees associated with development agreements with various customers.

There were no significant revenues associated with the Therapeutics business unit.

Costs of Goods Sold and Rechargeable Research and Development Expenses

The combined costs of goods sold and rechargeable research and development expenses for the quarter ended September 30, 2009, totalled \$1.8 million compared to \$1.1 million in the same period of the previous year. For the first nine months of 2009, it totalled \$5.2 million compared with \$2.1 million in 2008. This difference is explained by the mix of product sales from period to period and by the volumes of individual products sold within that mix.

Based on the combined cost of goods sold and the rechargeable research and development expenses, a gross profit of 44.2 % was achieved in the first nine months 2009 compared to 65.7% for first nine months of 2008. The difference is due to differing mix of products and services sold. In 2009 a greater value was attributable to contract research and development services which are undertaken at a lower margin on the basis that the Company retains manufacturing rights and is often entitled to milestone payments during development.

Research and Development Expenses – Non rechargeable

Non rechargeable research and development expenses were \$1.4 million for the quarter ended September 30, 2009, compared to \$3.8 million for the same period in 2008. For the first nine months of 2009, research and development expenses were \$6.4 million versus \$11.5 million for the same period in 2008. The variance is mainly attributable to the ongoing strategic cost reduction program implemented by Management in late 2008, and the fact that a significant portion of the Q3 revenue came from R&D services rather than product sales, resulting in the associated costs being classified as Rechargeable Research & Development Expenses.

Administrative and Marketing Expenses

Administrative and marketing expenses were \$1.0 million for the third quarter of 2009 compared to \$1.1 million for the same period in 2008. For the first nine months of 2009, these expenses totalled \$3.5 million compared to \$3.9 million for 2008. No specific reasons other than the cost-cutting measures implemented by Management are responsible for this decrease.

Exchange Rate Movement

In the first quarter of 2009, the method of consolidating the results of the United Kingdom subsidiary was changed. The sub-group headed by ProMetic BioSciences Ltd has been determined to be autonomous within the definition of Chapter 1651, "Foreign currency translation", of the CICA Handbook. This change has necessitated a different foreign exchange treatment resulting in an adjustment of the balance sheet of \$926,000. Having an autonomous affiliate impacts the treatment of the gain or the loss on exchange rate, which will be part, going forward, of the shareholders' equity identified as a "Currency translation adjustment" while the gain or loss on exchange rate for integrated affiliates is showing in the statement of operations and comprehensive income. The net results in the shareholders' equity remain the same.

Amortization Expenses

Amortization expenses for the third quarter of 2009 were \$0.6 million compared to \$0.4 million in the third quarter of 2008. For the first nine months of 2009, these expenses totalled \$1.2 million compared to \$1.1 million for 2008.

Net Results

The Company generated a net profit of \$163,000 or \$0.00 per share (basic and diluted), for the quarter ended September 30, 2009, as compared to a net loss of \$3,639,000 or \$0.01 per share (basic and diluted) for the quarter ended September 30, 2008.

For the first nine months of 2009, the net loss totalled \$6,967,000, or \$0.02 per share (basic and diluted), compared to a net loss of \$15,003,000, or \$0.05 per share (basic and diluted) in the same period in 2008. The decrease in net loss is due to higher revenues as well as cost reductions implemented by Management, as well as the gain resulting from the change in ownership of PRDT.

EBITDA by Business Units

Third quarter 2009 - In millions of dollars

	Protein Technologies	Therapeutics	Corporate	Intersegments transactions	Total
Revenues	3.1	-	-	-	3.1
Cost	3.4	-	0.8	-	4.2
EBITDA	(0.3)	-	(0.8)	-	(1.1)

Cash Flows

Cash flows used in operating activities amounted to \$2.5 million for the first nine months ended September 30, 2009, compared with \$14.1 million for the same period in 2008. Cash flows used by operating activities amounted to \$0.6 million for the quarter ended September 30, 2009, compared with \$3.3 million used in the same period in 2008.

Cash flows received from financing activities amounted to \$3.4 million for the quarter ended September 30, 2009. This compares to cash flows generated of \$6.2 million for the same period in 2008 resulting from the proceeds from an issue of shares netted with the repayment of long-term debt.

Cash flows used in investing activities amounted to \$0.08 million compared with \$0.6 million for the same quarter in 2008.

Summary of Quarterly Results

The following unaudited quarterly information is presented in millions of Canadian dollars except for per share amounts.

	2009	2009	2009	2008	2008	2008	2008	2007
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Revenues	3.1	2.3	3.8	4.0	3.3	1.1	1.8	1.7
Net Profit/(loss)	0.2	(5.1)	(2.0)	(5.2)	(3.6)	(5.6)	(5.8)	(5.8)
Net loss per share (basic and diluted)	0.00	0.02	0.01	0.02	0.01	0.02	0.02	0.02
Weighted average number of outstanding shares	327	320	317	294	286	286	266	260

Related Party Transaction

On December 5, 2008, the Company entered into an agreement to provide a guarantee (the "Guarantee") in favor of Camofi Master LDC ("Camofi"), relating to an amended and restated loan agreement (the "Loan") that Camofi had provided to a company ("the borrower") wholly owned by a senior officer of the Company. The Loan was originally contracted in December 2007 for the purposes of purchasing shares of the Company.

The Guarantee provides that the Company must be prepared to fulfill the borrower's obligations with respect to the full payment of capital and interest for the Loan if the borrower is unable to do so. Any such payment shall be made within two days of receipt of notice of default from Camofi. Alternatively, the borrower can force Camofi to liquidate some or all of the shares of the Company that are held as collateral to cover the Loan. If called upon under the Guarantee, the Company may choose either to pay in cash or request that the borrower instruct Camofi to liquidate up to 2,300,000 shares of the Company to repay the Loan.

In conjunction with the above, the Company has entered into an agreement with the borrower providing that any payment made by the Company under the Guarantee immediately triggers an equivalent receivable from the borrower. This receivable bears interest at 10% per annum, is evidenced by a demand promissory note and, upon termination of the Loan and the pledge agreement, will be secured by 2,300,000 shares of the Company until all payments of principal and interests owed to the Company are made. This receivable will be recorded at fair value by the Company only when its collectability is reasonably assured.

The Company risks losing a maximum amount of \$1.87 million plus interest and penalties, without taking into consideration the net proceeds arising from the disposal of the security pledged. The Company has not required any consideration in exchange for this Guarantee. As at December 31, 2008, the Loan had an outstanding balance of \$1.68 million and is repayable in full by December 11, 2009. As at December 31, 2008, the Company had recognized an amount of \$0.2 million as a loss for amounts already disbursed to the borrower and in addition, estimated that there was a likelihood of having to make additional payments under the Guarantee which would amount to \$0.95 million. As such, a total amount of \$0.95 million was accrued as at December 31, 2008, under accounts payable and accrued liabilities.

Since December 31, 2008, the Company has made payments under the Guarantee amounting to \$0.4 million. These payments have been adjusted against the year-end accrual. An additional accrual of \$0.36 million was made in the quarter, leaving a sum of \$0.83 million in accruals as at September 30, 2009, relating to potential future payments under the Guarantee.

In addition to the foregoing an officer of the Company has provided a personal guarantee for an overdraft facility of \$0.35 million on behalf of the Company.

Post Balance Sheet Events

On 10 November, ProMetic BioSciences Limited secured a further interest-free working capital grant from the Isle of Man DTI, in the sum of £500,000. This has a payment holiday for five months, with the first payment due on 31 March 2010 followed by five further equal payments at the end of each subsequent month, with the last payment falling due on 31 August 2010.

Capital Stock Information

Authorized Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares, and an unlimited number of preferred shares issuable in series.

Issued and Outstanding Share Capital

The following details the issued and outstanding equity securities of the Company:

Common Shares

As at September 30, 2009, the capital stock issued and outstanding consisted of 330,300,546 common shares (317,401,768 as at December 31, 2008).

As at November 13 2009, the capital stock issued and outstanding consisted of 330,300,546 common shares.

Outlook

Management's outlook for 2009 remains positive. Despite the fact that revenues from our development contracts have been lower than expected, resulting from amendments to the programs requested by our clients, management has been able to control and modulate the cost base of the business to respect previous EBITDA forecasts.

We eagerly anticipate the outcome of the SaBTO meeting regarding the timing and scale of the implementation of the P-Capt® filter. Clearly, the delay in the P-Capt® adoption has had a significant impact on our previous revenue forecasts, and a decision to implement will have a major impact on the revenue forecasts for 2010 and beyond. Given the significant variability driven by the parameters of timing and scale of adoption, it is not yet possible to give an accurate assessment of the impact on revenues for 2010.

As evidenced by recent press announcements, disclosing the long-term supply arrangements for our bioseparations products, demand for our affinity adsorbent products is strong and growing, and we anticipate an increased turnover from PBL in 2010.

Discussions with PBT's partners will continue in the fourth quarter of 2009 and will drive the level of anticipated business for that subsidiary. In addition, partnering discussions continue with regard to PBI-1402, however, until a deal is signed, we will exclude revenues from this activity in our projections.

Finally, and in line with earlier commitment, management will continue to control costs with a view to driving profitability.

Risk

Since inception, the Company has concentrated on research and development. It has had no net earnings, growing revenues which do not yet fully offset the cost base of the Company, resulting in negative operating cash flows. The Company has financed its activities through bank loans, government financial support and the issuance of debt and equity. The Company's ability to continue as a going concern is dependent on obtaining additional investment capital and achieving profitable operations. There can be no assurance that the Company will be successful in increasing revenue or raising additional investment capital to generate sufficient cash flows to continue as a going concern. These financial statements do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities,

revenues and expenses and the balance sheet classification used if the Company were unable to continue operations in accordance with this assumption.

Financing Risk

Until each of the units is independently financed, the success of the Company is dependent on its ability to support the development of its two operating units and its ability to bring its products to market, obtain the necessary regulatory approvals, and achieve future profitable operations. This is dependent on the Company's ability to obtain adequate financing through a combination of financing activities and operations. It is not possible to predict either the outcome of future research and development programs nor the Company's ability, nor its operating units' ability, to fund these programs going forward.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash, short-term investments and receivables. The carrying amount of the financial assets represents the maximum credit exposure.

The financial instruments that potentially expose the Company to credit risk are primarily cash and trade accounts receivables

The Company places its cash in titles of high quality issued by government agencies and financial institutions and diversifies its investment in order to limit its exposure to credit risk, while applying implemented investment guidelines in place.

The Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Management considers securing additional funds through equity, debt or partnering transactions. The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flows.

Accounts payable and accrued liabilities are due within the current operating period.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its financial instruments.

Interest Risk

The majority of the Company's debt is at fixed rate, there is limited exposure to interest rate risk.

Foreign Exchange Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in the United Kingdom and in the U.S. and portion of its expenses incurred and revenues generated are in US dollar and in Sterling Pound. Financial instruments potentially exposing the Company to foreign exchange risk consist principally of cash, receivables, accounts payable and accrued liabilities and long-term debt. The Company manages the foreign exchange risk by holding foreign currencies on hand to support foreign currencies forecasted cash outflows, and the majority of the Company's revenues are in US dollar and in Sterling Pound which mitigates the foreign exchange risk.

Equity Risk

The changes in the Company's equity price could impact its ability to raise additional capital.

Oversight of reliability of disclosures

Management has developed and maintains effective systems, controls and procedures to ensure that information used internally and disclosed externally is reliable and timely. During the past year, the control framework has once again been tested against the requirements of COSO, a recognised control model. The Chief Executive Officer and Chief Financial Officer certify the filings as required in Canada by Multilateral Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings)

The Board of Directors oversees management's responsibilities for financial reporting through the Audit Committee, which is composed of three Independent Directors who are not officers or employees of the Company. The Audit Committee meets regularly with management and reviews the Company's interim and annual consolidated financial statements and MD&A and recommends them for approval to the Board of Directors. Other key responsibilities of the Audit Committee include monitoring the Company's system of internal control, monitoring its compliance with legal and regulatory requirements selecting the shareholders' auditors and reviewing the qualifications, independence and performance of the shareholders' auditors.

Raymond Chabot Grant Thornton, the shareholders' auditors obtain an understanding of the Company's internal controls and procedures for financial reporting to plan and conduct such tests and other audit procedures as they consider necessary in the circumstances to express their opinion in any audit report they issue in relation to the Company. The shareholders' auditors have full independent access to the Audit Committee to discuss their audit and related matters.

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED BALANCE SHEETS
(In thousands of Canadian dollars)

	September 30, 2009 (Unaudited)	December 31, 2008 (Audited)
ASSETS		
Current assets		
Cash	\$ 2,325	\$ 917
Accounts receivable (note 5)	1,606	4,414
Inventories (note 6)	2,386	2,567
Prepaid expenses	120	239
	6,437	8,137
Investments (note 7)	617	3,585
Capital assets	1,264	2,403
Licenses and patents	4,261	5,027
	\$ 12,579	\$ 19,152
LIABILITIES		
Current liabilities		
Bank loan (note 8)	\$ 911	\$ 911
Accounts payable and accrued liabilities (note 9)	6,953	7,112
Current portion of other loans (note 10)	3,000	-
Advance on revenues from a supply agreement (note 11)	570	-
Deferred revenues	1,775	1,419
Current portion of long-term debt	23	3,906
	13,232	13,348
Other loans (note 10)	1,010	-
Long-term portion of advance on revenues from a supply agreement (note 11)	2,872	-
Long-term debt	22	43
Preferred shares, retractable at the holder's option	-	4,348
	17,137	17,739
SHAREHOLDERS' EQUITY		
Share capital (note 12)	212,398	210,972
Contributed surplus	9,877	9,338
Currency translation adjustment (note 2)	(926)	-
Deficit	(225,907)	(218,897)
	(4,558)	1,413
	\$ 12,579	\$ 19,152

The accompanying notes are an integral part of the consolidated financial statements.

PROMETIC LIFE SCIENCES INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(In thousands of Canadian dollars except for per share amounts)

(Unaudited)

	Quarter ended September 30,		Nine month ended September 30,	
	2009	2008	2009	2008
Revenues	\$3,116	\$3,332	\$9,300	\$6,173
Charges				
Costs of good sold	464	371	2,003	893
Research and development expenses rechargeable	1,353	707	3,190	1,227
Research and development expenses non rechargeable	1,407	3,782	6,419	11,450
Administration and marketing expenses	1,020	1,091	3,513	3,936
(Gain) Loss on exchange rate	(1,321)	87	(658)	490
Amortization of capital assets	178	259	603	792
Amortization of license and patents	404	112	606	328
	3,506	6,409	15,677	19,115
Loss before the following items	(\$390)	(\$3,077)	(\$6,377)	(\$12,942)
Gain on disposal of capital assets	-	-	-	356
Gain on derecognition of net investment liability in PRDT (note 4)	1,257	-	1,257	-
Charges related to a guarantee (note 13)	(357)	-	(357)	-
Interests and penalties related to a lawsuit	-	(25)	-	(581)
Net interest expenses	(348)	(537)	(1,491)	(1,836)
Net profit (loss) and comprehensive income	\$163	(\$3,639)	(\$6,967)	(\$15,003)
Net loss per share (basic and diluted)	0.00	(0.01)	(0.02)	(0.05)
Weighted average number of outstanding shares (in thousands)	326,939	286,262	321,633	288,778

For supplemental operations information, see note 15

The accompanying notes are an integral part of the consolidated financial statements.

PROMETIC LIFE SCIENCES INC.

CONSOLIDATED STATEMENTS OF DEFICIT

(In thousands of Canadian dollars)

(Unaudited)

	Quarter ended September 30,		Nine month ended September 30,	
	2009	2008	2009	2008
Deficit, beginning of the period	\$226,048	\$209,547	\$218,897	\$197,475
Net Loss	(163)	\$3,638	6,967	15,003
Share issue expenses	22	539	43	1,246
Deficit, end of period	\$225,907	\$213,724	\$225,907	\$213,724

The accompanying notes are an integral part of the consolidated financial statements.

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED STATEMENT OF CONTRIBUTED SURPLUS
(In thousands of Canadian dollars)
(Unaudited)

NINE MONTH ENDED SEPTEMBER 30, 2009

	Stock-based compensation	Warrants	Other	Total contributed surplus
CONTRIBUTED SURPLUS, AT BEGINNING OF PERIOD	\$ 1,064	\$ 6,138	\$ 2,136	\$ 9,338
Stock-based compensation	258	-	-	258
Issuance of warrants	-	281	-	281
CONTRIBUTED SURPLUS, AS AT SEPTEMBER 30, 2009	\$ 1,322	\$ 6,419	\$ 2,136	\$ 9,877

NINE MONTH ENDED SEPTEMBER 30, 2008

	Stock-based compensation	Warrants	Other	Total contributed surplus
CONTRIBUTED SURPLUS, AT BEGINNING OF PERIOD	\$ 757	\$ 3,860	\$ 2,136	\$ 6,753
Stock-based compensation	162	-	-	162
Issuance of warrants	-	2,277	-	2,277
CONTRIBUTED SURPLUS, AS AT SEPTEMBER 30, 2008	\$ 919	\$ 6,137	\$ 2,136	\$ 9,192

QUARTER ENDED SEPTEMBER 30, 2009

	Stock-based compensation	Warrants	Other	Total contributed surplus
CONTRIBUTED SURPLUS, AT BEGINNING OF PERIOD	\$ 1,258	\$ 6,345	\$ 2,136	\$ 9,739
Stock-based compensation	64	-	-	64
Issuance of warrants	-	74	-	74
CONTRIBUTED SURPLUS, AS AT SEPTEMBER 30, 2009	\$ 1,322	\$ 6,419	\$ 2,136	\$ 9,877

QUARTER ENDED SEPTEMBER 30, 2008

	Stock-based compensation	Warrants	Other	Total contributed surplus
CONTRIBUTED SURPLUS, AT BEGINNING OF PERIOD	\$ 879	\$ 3,942	\$ 2,136	\$ 6,957
Stock-based compensation	40	-	-	40
Issuance of warrants	-	2,195	-	2,195
CONTRIBUTED SURPLUS, AS AT SEPTEMBER 30, 2008	\$ 919	\$ 6,137	\$ 2,136	\$ 9,192

The accompanying notes are an integral part of the consolidated financial statements.

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of Canadian dollars)
(Unaudited)

	Quarter ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
Cash flows used in operating activities				
Net (loss) profit and comprehensive income	\$ 163	\$ (3,639)	\$ (6,967)	\$ (15,003)
Adjustments to reconcile net loss to cash flows used in operating activities				
Issuance of warrants and rights	(206)	-	-	-
Gain on derecognition of the net liability in PRDT	(1,257)	-	(1,257)	-
Fair value of the interests on the long term debt	203	-	876	-
Proceeds from share issues	-	-	-	-
Gain on disposal of capital assets	-	-	-	(356)
Charges paid with shares	-	1,025	352	1,467
Stock-based compensation	68	40	262	162
Unrealized (gain) loss on exchange rate	(89)	190	(291)	438
Amortization of capital assets	178	259	603	792
Amortization of licenses and patents	404	112	606	328
	(537)	(2,013)	(5,816)	(12,171)
Change in working capital items (note 17)	(73)	(1,260)	3,327	(1,880)
	(610)	(3,273)	(2,489)	(14,051)
Cash flows from financing activities				
Proceeds from share issues and rights to acquire shares	-	7,618	-	19,476
Share issue expenses	(30)	(543)	(49)	(1,084)
Loan from directors	-	13	-	313
Bank loan	-	-	-	706
Other loan	2,147	-	4,970	-
Advance on revenues from existing supply agreement	2,483	-	3,442	-
Repayment of long-term debt	(1,248)	(917)	(4,282)	(2,434)
	3,353	6,171	4,081	16,977
Cash flows used in investing activities				
Acquisition of an investment	5	-	50	-
Disposal of capital assets	-	59	-	461
Additions to capital assets	(76)	(11)	(105)	(34)
Additions to licenses and patents	(10)	(629)	(118)	(697)
	(81)	(581)	(173)	(270)
Net increase in cash	2,661	2,320	1,420	2,657
Net effect of currency exchange rate on cash	(918)	127	(12)	149
Cash, beginning of period	581	2,522	917	2,163
Cash, end of period	\$ 2,325	\$ 4,969	\$ 2,325	\$ 4,969

For supplemental cash flow information, see note 17

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

1. Governing statutes, nature of operations and going concern

ProMetic Life Sciences Inc. ("ProMetic" or the "Company"), incorporated under the Canada Business Corporations Act, is an international biopharmaceutical company engaged in the research, development, manufacturing and marketing of a variety of applications developed from its own exclusive technology platform. The Company owns proprietary technology essential for use in the large-scale purification of drugs, genomics and proteomics products as well as medical and therapeutic applications.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and on the basis of the going concern assumption which assumes that the Company will continue in operation for the foreseeable future and accordingly, will be able to realize its assets and discharge its liabilities in the normal course of operations. Since inception, the Company has concentrated its resources on research and development. It has had no net earnings, growing revenues which do not yet fully offset the cost base of the Company, resulting in negative operating cash flows. The Company has financed its activities through bank loans, government financial support and the issuance of debt and equity. The Company's ability to continue as a going concern is dependent on raising additional funds either from the issuance of shares or long-term debt and achieving profitable operations. Raising funds in the current economic environment is proving difficult and the cost of accessing capital has increased. The Company's Management is currently in discussion with certain shareholders, financial institutions and other debt providers to obtain additional funds. The Company's ability to increase revenue or raise additional capital to generate sufficient cash flows to continue as a going concern is subject to significant risks, including those described above. These financial statements do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities and revenues and expenses and the balance sheet classification used if the Company were unable to continue operations in accordance with this assumption.

2. Basis of presentation

The unaudited consolidated balance sheet as at September 30, 2009 and the related unaudited consolidated statements of operations and comprehensive income, deficit, contributed surplus and cash flows, for the quarter ended September 30, 2009 and 2008, have been prepared using accounting principles and practices consistent with those used and described in the annual financial statements with the exception of the changes in accounting policies described in note 3.

The consolidated financial statements include the accounts of ProMetic Life Sciences Inc., of its subsidiaries ProMetic BioSciences Inc., ProMetic BioSciences (USA), Inc., ProMetic BioSciences Ltd., ProMetic BioTherapeutics Inc., ProMetic Manufacturing Inc. as well as those of its joint venture Arriva-ProMetic Inc. (hereinafter referred to as "A-P") which are accounted for on a proportionate consolidation basis whereby the Company's proportionate share of its joint ventures' revenues, expenses, assets and liabilities are consolidated (for 2008). Following the acquisition of control of Pathogen Removal and Diagnostic Technologies Inc. ("PRDT") on September 23, 2009 (note 4), PRDT is considered a subsidiary of the Company and its accounts are fully reflected in the consolidated financial statement. Prior to the change of control, PRDT was accounted for on a proportionate consolidation basis. All significant intercompany transactions and balances have been eliminated.

In addition, the sub-group headed by ProMetic BioSciences Ltd has been determined to be autonomous within the definition of Chapter 1651, Foreign currency translation, of the CICA Handbook. This change has necessitated different foreign exchange treatment resulting in an adjustment of the balance sheet of \$926. Having an autonomous affiliate impacts the treatment of the gain or the loss on exchange rate,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

which will be part, going forward, of the shareholders' equity identified as a "Currency translation adjustment" while the gain or loss on exchange rate for integrated affiliates is showing in the statement of operations and comprehensive income. The net results in the shareholders' equity remain the same.

The interim financial statements do not include all disclosures required for annual financial statements. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements and notes thereto as at and for the year ended December 31, 2008 included in the Company's annual report to shareholders. Information as at September 30, 2009 and for the quarters ended September 30, 2009 and 2008 are unaudited.

3. Changes in accounting policies

Goodwill and intangible assets

In February 2008, the Canadian Institute of Chartered Accountants (CICA) published new Section 3064, Goodwill and Intangible Assets, to replace Section 3062, Goodwill and Other Intangible Assets. Publication of this new section resulted in the withdrawal of Section 3450, Research and Development Costs, and consequential amendments to certain recommendations in the CICA Handbook.

The new section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. This new section is effective for fiscal years beginning on or after October 1, 2008 and the Company has implemented it as of January 1, 2009. This change had no significant impact on the financial statements as at September 30, 2009.

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In January 2009, the CICA issued Section 1582 Business Combinations, Section 1601 Consolidated Financial Statements and Section 1602 Non-Controlling Interests, which supersede 1581 Business Combinations and Section 1600 Consolidated Financial Statements. The standards apply to annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1582 establishes standards for the accounting for a business combination. It provides the Canadian GAAP equivalent to IFRS 3, Business Combinations (January 2008) and applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Section 1601, together with Section 1602, establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27, Consolidated and Separate Financial Statements (January 2008). Earlier application of the standards is permitted. If an entity applies the Sections before January 1, 2011, it shall disclose that fact and apply Sections 1582, 1601 and 1602 at the same time. The Company is currently evaluating the impact of adopting the standards as part of its IFRS conversion plan.

International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board (AcSB) announced that, as of January 1, 2011, publicly-accountable enterprises will have to adopt IFRS. Accordingly, the Company will adopt these new standards during its fiscal year beginning on January 1, 2011. The AcSB also stated that,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

during the transition period, enterprises will be required to provide comparative figures in accordance with the IFRS. The IFRS will require additional financial statement disclosure and, while the Company's conceptual framework is similar to Canadian generally accepted accounting principal, enterprises will have to take account of differences in accounting principles. The Company is currently assessing the impact of these new standards on its consolidated financial statements, however, at this time, it is not possible to reasonably determine the impact of this accounting change on the Company's financial reporting.

Other new standards have been published, but they should not have a significant impact on the Company's financial statements.

4. Asset acquisition

On September 23, 2009, the Company acquired American Red Cross' 51% interest in the common stock of PRDT bringing its current ownership to 77% of the common shares. In return, the Company paid a cash amount of \$5 and will pay tapering royalties based on the revenues generated by PRDT from specified technologies over the remaining lives of the patents.

Although the Company has obtained control over PRDT as a result of its increased common share ownership and the modification of the partners agreement, and as such PRDT will be consolidated as a subsidiary on a going forward basis, this transaction has been accounted as an acquisition of an increased interest in PRDT's assets in accordance with the CICA Emerging Issues Committee Abstract 124 "Definition of a Business". The assets acquired, consisting mainly of intellectual property, are recorded at cost. A royalty expense will be recognized in the future when the revenues to which the royalties pertain are recognized.

Concurrent with the acquisition, the terms of the preferred shares of PRDT were modified and are no longer redeemable at the option of the preferred shareholders. Accordingly, the preferred shares which were previously classified as a liability, and for which 26% of ARC's preferred shares were recognized as a liability on the Company's consolidated financial statements as a result of proportionate consolidation, will be considered as share capital of PRDT.

At the date of the acquisition the carrying valuing of PRDT's net assets was nil, as a result, the amount attributable to the non-controlling is nil. Consequently, as a result of the change in consolidation method, the asset acquisition and the modification of PRDT's preferred share terms, the balance sheet items presented under proportionate consolidation are removed and replaced by the intellectual property recognized in this transaction resulting in a gain of \$1,257 recorded in the period relating to the derecognition of the net investment liability in PRDT.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

4. Asset acquisition (continued)

Consolidation of PRDT's net assets as of September 23, 2009	\$	-
Asset acquisition cost		5
Derecognition of balance of net investment in PRDT as at September 22, 2009 from proportionate consolidation		
Excess of interest in PRDT over proportionate share in consolidated net assets		(2,959)
Preferred shares, retractable at the holder's option		4,217
Gain on derecognition of net investment liability in PRDT		(1,257)
Consideration paid	\$	<u>5</u>

On a going forward basis and until PRDT generates profits, the Company will assume 100% of the losses of the subsidiary.

5. Accounts receivable

	September 30, 2009	December 31, 2008
Trade	\$ 523	\$ 2,759
Taxes receivable (note 8)	968	1495
Other	115	160
	\$ 1,606	\$ 4,414

6. Inventories

	September 30, 2009	December 31, 2008
Raw materials	\$ 324	\$ 165
Work in progress and finished goods	2,062	2,402
	\$ 2,386	\$ 2,567

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

7. Investments

	September 30, 2009	December 31, 2008
Cash subject to certain limitations	\$ 70	\$ 72
Guaranteed investment certificates, 0.20 % and 0.60 % pledged as security of letters of credit to suppliers expiring in November 2010 and July 2012	290	360
Convertible preferred shares of AM-Pharma Holding B.V.	257	268
Excess of interest in the joint venture Pathogen Removal and Diagnostic Technologies (PRDT) over proportionate share in consolidated net assets	-	2,885
	\$ 617	\$ 3,585

a) The Company was a partner in a joint venture with the American Red Cross and two other partners under the legal name Pathogen Removal and Diagnostic Technologies Inc. ("PRDT") in which the Company owned 26% of the voting shares. PRDT is engaged in the research, development and commercialization of pathogen removal and diagnostic systems.

Under the terms of the joint venture agreement, ProMetic and the American Red Cross contributed intellectual property and technology to develop Pathogen Removal and Diagnostics Systems. Up to April 30, 2008, both parties equally assumed the direct costs to the joint venture. Effective May 1, 2008, ProMetic assumed most of the expenses.

As of September 23, 2009, the Company acquired a majority interest in PRDT and the partners' agreement was modified such that the investment in PRDT is no longer accounted as an investment in a joint venture but rather as a subsidiary of the Company prospectively from that date (note 4).

b) The PRDT joint venture issued preferred shares in consideration of the proportionate share of each partner in direct and indirect costs. The shares received by the Company were presented as excess of the interest in the joint venture PRDT over proportionate share in consolidated net assets. The preferred shares which were retractable at the holder's option until the amendment of their terms on September 23, 2009 (note 4) include a 14% cumulative dividend effective January 1, 2003. Because the shares issued by the joint venture were retractable at the holder's option, they were considered as debt rather than share capital. Thus, as part of the proportionate consolidation of the joint venture, the Company recognized 26% of the shares issued to the American Red Cross as a debt to a third party.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

8. Bank loan

	September 30, 2009	December 31, 2008
Bank loan for an authorized amount of \$ 915 related to research and development tax credits, secured by a hypothec on research and development tax credits bearing interest at prime plus 2 % (4.25% as at September 30, 2009; 5.5% as at December 31, 2008) and repayable upon receipt of tax credits.	\$ 911	\$ 911

9. Accounts payable and accrued liabilities

	September 30, 2009	December 31, 2008
Accounts payables	\$ 4,078	\$ 3,160
Accruals related to a guarantee (note 13)	833	951
Accrued liabilities	2,042	3,001
	\$ 6,953	\$ 7,112

10. Other loans

	Current Portion	September 30, 2009	December 31, 2008
Promissory note (note a)	\$ 232	\$ 232	\$ -
Other loans (note b)	2,769	3,778	-
	3,000	4,010	
Current portion		(3,000)	
		\$ 1,010	\$ -

Note a) Promissory note:

Promissory note of \$223, bearing interest at an annual rate of 15% and repayable on demand.

Note b) Other loans:

- 1) Loan made to ProMetic, in the first quarter of 2009, for an aggregate amount that could reach \$5,000. The initial loan was made for \$2,000. Each additional loan, other than the initial loan, shall be for a minimum principal amount of \$500. In consideration of the initial loan, ProMetic has issued to the lender 4,025,000 fully paid common shares and, in consideration of the loan, ProMetic has granted 3,750,000 warrants at an exercise price of \$0.12 per share and exercisable

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

for a period of three years. The subsequent loans will be disbursed to ProMetic should ProMetic's share closing price reach certain levels on the stock market.

No interest is applicable on the initial loan. ProMetic shall repay the principal amount of the initial loan to the lender on the first anniversary of the disbursement of funds or on such other date mutually agreed upon by the parties. The loan is secured by a hypothec on ProMetic and its subsidiary's universality of movable property.

For accounting purposes, the loan contains both a liability component and an equity component (the shares and the warrants). The Company hired the services of a corporate evaluation expert to determine the range of amounts for fair value. The Company discounted expected future cash flows in accordance with the loan agreements in effect using rates which the Company could use at the balance sheet date for loans with similar terms and conditions and maturity dates. The fair value of the loan is \$1,417. It has been determined that the fair value of the shares and the warrants are respectively \$411 and \$172.

- 2) Loan made to ProMetic, in the second quarter of 2009, for an aggregate amount that could reach \$1,000. The initial loan was made for \$500. The additional loan shall be for a minimum principal amount of \$500. In consideration of the initial loan, ProMetic has issued to the lender 416,666 fully paid common shares and in consideration of the loan, ProMetic has granted 500,000 warrants at an exercise price of \$0.18 per share and exercisable for a period of three years. The additional loan will be disbursed to ProMetic should ProMetic's share closing price reach certain levels on the stock market.

No interest is applicable on the initial loan. ProMetic shall repay the principal amount of the initial loan to the lender on the first anniversary of the disbursement of funds or on such other date mutually agreed upon by the parties. The loan is secured by a hypothec on ProMetic and its subsidiary's universality of movable property.

For accounting purposes, the loan contains both a liability component and an equity component (the warrants). The Company hired the services of a corporate evaluation expert to determine the range of amounts for fair value. The Company discounted expected future cash flows in accordance with the loan agreements in effect using rates which the Company could use at the balance sheet date for loans with similar terms and conditions and maturity dates. The fair value of the loan is \$402. It has also been determined that the fair value of the shares and the warrants are respectively \$63 and \$35.

- 3) Loan made to ProMetic, in the third quarter of 2009, for an aggregate amount of \$500. In consideration of this loan, ProMetic has issued to the lender 1,375,000 fully paid common shares and 375,000 warrants at an exercise price of \$0.12 per share and exercisable for a period of three years.

No interest is applicable on the loan. ProMetic shall repay the principal amount of the loan to the lender on the first anniversary of the disbursement of funds or on such other date mutually agreed upon by the parties. The loan is secured by a hypothec on ProMetic and its subsidiaries' universality of movable property.

For accounting purposes, the loan contains both a liability component and an equity component (the warrants). The Company hired the services of a corporate evaluation expert to determine the range of amounts for fair value. The Company discounted expected future cash flows in accordance with the loan agreements in effect using rates which the Company could use at the balance sheet date for loans with similar terms and conditions and maturity dates. The fair value of the loan is \$341. It has also been determined that the fair value of the shares and the warrants are respectively \$140 and \$19.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Quarter periods ended September 30, 2009 and 2008

(In thousands of Canadian dollars except for number of shares)

(Unaudited)

- 4) Loan made to ProMetic, in the third quarter of 2009, for an aggregate amount of \$1,500. In consideration of this loan, ProMetic has issued to the lender 4,500,000 fully paid common shares and 1,125,000 warrants at an exercise price of \$0.12 per share and exercisable for a period of three years.

No interest is applicable on the loan. ProMetic shall repay the principal amount of the loan to the lender on the second anniversary of the disbursement of funds or on such other date mutually agreed upon by the parties. The loan is secured by a hypothec on ProMetic and its subsidiaries' universality of movable property.

For accounting purposes, the loan contains both a liability component and an equity component (the warrants). The Company hired the services of a corporate evaluation expert to determine the range of amounts for fair value. The Company discounted expected future cash flows in accordance with the loan agreements in effect using rates which the Company could use at the balance sheet date for loans with similar terms and conditions and maturity dates. The fair value of the loan is \$985. It has also been determined that the fair value of the shares and the warrants are respectively \$459 and \$56.

- 5) Loan from a director of the Company, made in the third quarter of 2009, for an amount of \$250 bearing interests at a rate of 15 %, repayable on demand.

11. Advance on revenues from a supply agreement

Advance on revenues from an existing supply agreement amounting to 2 million pounds sterling, which is also deemed to be the fair value, and bearing interests at 5% per annum. This advance will be amortized against the revenues received under the supply agreement as products are supplied.

12. Share capital

	September 30, 2009		December 31, 2008	
	Number	Amount	Number	Amount
Issued and fully paid common shares	330,300,546	\$ 212,848	317,401,768	\$ 211,422
Share purchase loan to an officer, without interest and due no later than December 31, 2009		(450)		(450)
Balance at end of period		\$ 212,398		\$ 210,972

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

a) Share issue

Changes in the number and amount of the issued common shares were as follows:

	Number		Amount
Balance as at December 31, 2008	317,401,768	\$	210,972
Shares issued	12,898,778		1,426
Balance as at September 30, 2009	330,300,546	\$	212,398

b) Stock options

The Company has a stock option plan for its directors, officers and employees or service providers. In May, 2008, the Board of directors approved that the maximum number of common shares reserved for issuance under the option plan increased from 6,000,000 to 15,913,317. The following table summarizes the changes in the number of stock options outstanding:

	Options		Weighted average exercise price per share
Number of options outstanding as at December 31, 2008	7,956,417	\$	0.64
2009 Granted	3,023,000		0.17
Forfeited	(585,216)		0.41
Expired	(202,700)		1.57
Number of options outstanding as at September 30, 2009	10,191,501	\$	0.49

c) Stock-based compensation and other stock-based payments

The Company uses the Black-Scholes option valuation model to calculate the fair value of options at the date of grant, using the following assumptions:

	September 30, 2009	December 31, 2008
Risk-free interest rate	1.26 %	3.44%
Dividend yield	0%	0%
Expected volatility of share price	87.82%	78.22%
Expected life	5 years	5 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Quarter periods ended September 30, 2009 and 2008

(In thousands of Canadian dollars except for number of shares)

(Unaudited)

The estimated fair value of options granted during the year ended December 31, 2008 is \$0.21. During the period ended September 30, 2009, the fair value was \$0.06

d) Equity draw down facility

On December 7, 2007, the Company entered into a securities purchase agreement in respect of an equity draw down facility. The facility will terminate in December 2009, and it provides the Company with access to financing of up to \$15,000 in return for the issuance of common shares at a discount of 4% to 7% to market price based upon the VWAP of the common shares over a specific period preceding the draw down.

Under the commitment, these resources may be drawn at Company's sole discretion, with Company determining the timing, minimum dollar amount and price per share of each draw under this facility, subject to certain conditions including a market price greater than \$0.45.

ProMetic is under no obligation to draw from this facility and will remain at all times free to enter into other financing transactions.

No draw down was done during the first nine months of 2009 and during the year of 2008.

13. Related party transaction

On December 5, 2008, the Company entered into an agreement to provide a guarantee ("The Guarantee") in favour of Camofi Master LDC ("Camofi"), relating to an amended and restated loan agreement that Camofi had provided to a company wholly owned by a senior officer of the Company. The Loan was originally contracted in December 2007 for the purposes of purchasing shares of the Company.

The Guarantee provides that the Company must be prepared to fulfill the borrower's obligations with respect to the full payment of capital and interest for the Loan if the borrower is unable to do so. Any such payment shall be made within two days of receipt of notice of default from Camofi. Alternatively, the borrower can force Camofi to liquidate some or all of the shares of the Company that are held as collateral to cover the Loan. If called upon under the Guarantee, the Company may chose either to pay in cash or request that the borrower instruct Camofi to liquidate up to 2,300,000 shares of the Company to repay the Loan.

In conjunction with the above, the Company has entered into an agreement with the borrower providing that any payment made by the Company under the Guarantee immediately triggers an equivalent receivable from the borrower. This receivable bears interest at 10% per annum, is evidenced by a demand promissory note and, upon termination of the Loan and the pledge agreement, will be secured by 2,300,000 shares of the Company until all payments of principal and interests owed to the Company are made. This receivable will be recorded at fair value by the Company only when its collectability is reasonably assured.

The Company risks losing a maximum amount of \$1,873 plus interest and penalties, without taking into consideration the net proceeds arising from the disposal of the security pledged. The Company has not required any consideration in exchange for this Guarantee. As at December 31, 2008, the Loan had an outstanding balance of \$1,683 and is repayable in full by December 11, 2009. As at December 31, 2008, the Company had recognized an amount of \$189 as a loss for amounts already disbursed to the borrower and in addition, estimated that there was a likelihood of having to make additional payments under the Guarantee which would amount to \$951. As such, a total amount of \$951 had been accrued as at December 31, 2008, under accounts payable and accrued liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

Since December 31, 2008, the Company has made payments under the Guarantee amounting to \$ 401. These payments have been adjusted against the year-end accrual. An additional accrual of \$357 was made as at September 30, 2009 leaving a sum of \$833 in accruals relating to potential future payments under the Guarantee.

An officer of the Company has provided a personal guarantee of an overdraft facility for \$350 on behalf of the Company.

14. Capital disclosures

The Company's capital consists of cash, bank loan, loans payable, advance on revenues from a supply agreement, long-term debt and shareholders' equity.

	September 30, 2009	December 31, 2008
Bank loan	\$ 911	\$ 911
Loans payable	4,010	-
Advance on revenues from a supply agreement	3,442	-
Long-term debt	45	3,949
Equity	(4,558)	1,413
Cash	(2,325)	(917)
	\$ 1,525	\$ 5,356

The Company's objectives in managing capital is to ensure a sufficient liquidity position to finance its research and development activities, administration and marketing expenses, working capital and overall capital expenditures, including those associated with patents and trademarks. The Company makes every effort to manage its liquidity to minimize dilution to its shareholders, whenever possible.

To meet the objectives in managing capital, the Company may attempt to issue new shares, to draw cash under the equity draw down facility or to seek additional debt financing. The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 2008.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

15. Information included in the consolidated statement of operations and comprehensive income

	Quarter ended		Nine months ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Gross research and development expenses	\$ 3,172	\$ 4,811	\$ 10,179	\$ 13,314
Research and development tax credits	(412)	(322)	(570)	(637)
Interest on long term debt	41	1	45	4
Interest on bank loan and other interests expenses	311	545	1,454	1,851
	<u>352</u>	<u>546</u>	<u>1,499</u>	<u>1,855</u>
Interests income on financial assets held for trading	(4)	(9)	(8)	(19)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

16. Financial Instruments and financial risk management

a) Financial instruments: The Company has classified its financial instruments as follows:

	September 30, 2009	December 31, 2008
Financial assets		
Held for trading		
Cash measured at fair value	\$ 2,325	\$ 917
Cash subject to certain limitation, measured at fair value	<u>70</u>	<u>72</u>
	2,395	989
Loans and receivables		
Accounts receivable, recorded at amortized cost	638	2,919
Excess of the interest in the joint venture of Pathogen Removal and Diagnostic Technologies, measured at amortized cost	<u>-</u>	<u>2,885</u>
	638	5,804
Held to maturity		
Guaranteed investment certificates, recorded at amortized cost	290	360
Available-for-sale		
Convertible preferred shares of AM-Pharma, recorded at cost	257	268
Financial liabilities		
Other financial liabilities		
Bank loan, accounts payable and accrued liabilities, measured at amortized cost	\$ 7,864	\$ 8,023
Other loans, measured at fair value	4,010	-
Advance on revenues measured at amortized cost	3,442	-
Long-term debt, measured at amortized cost	45	3,949
Preferred shares retractable at the holder's option, measured at amortized cost	<u>-</u>	<u>4,348</u>
	15,361	16,320

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

b) Fair value

The carrying value of cash, accounts receivable, guaranteed investment certificate, cash subject to certain limitations, bank loan, accounts payable and accrued liabilities, and advance on revenues from a supply agreement equal their fair value because of the near-term maturity of these instruments.

The fair value of the investment AM-Pharma Holding B.V. was not readily determinable because it is a private company.

For 2008, the fair value of the excess of the interest in the joint venture PRDT over proportionate share in consolidated net assets and preferred shares retractable at the holder's option cannot be determined because these are shares of a private joint venture company at the pre-commercial stage and because it is not possible to determine in which period these shares may be redeemed.

c) Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk.

The Company's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks are appropriately managed.

i) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash, investments and receivables. The carrying amount of the financial assets represents the maximum credit exposure.

The financial instruments that potentially expose the Company to credit risk are primarily cash, trade accounts receivable and the excess of interest in the joint venture PRDT over proportionate share in consolidated net asset.

The Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

The company places its cash in titles of high quality issued by government agencies and financial institutions and diversifies its investment in order to limit its exposure to credit risk while applying implemented investment guidelines in place.

The reserve for doubtful accounts as at September 30, 2009 totals \$ 575. As at December 31, 2008, it amounted to \$ 620.

The Trade accounts receivable include amounts from three customers which represents approximately 92 % (55%, 20% and 16% respectively) of the Company's total trade accounts receivable as at September 30, 2009 and four customers representing 78 % (31 % 18 %, 15 % and 14 % respectively) of total trade receivable as at December 31, 2008.

The Company derives significant revenues from certain customers. As at September 30, 2009 there were three customers who individually accounted for 36%, 19% and 18% of revenues respectively. As at September 30, 2008, three customers represented 18%, 15% and 13 %.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the management considers securing additional funds through equity, debt or partnering transactions. The Company manages its liquidity risk by continuously monitoring forecasts and actual cash flows.

The cash flows payable in respect to the contractual terms of the financial liabilities at the balance sheet date are as follows:

	As at September 30, 2009				
	Less than 3 months	3 - 6 months	6 months to 1 year	More than 1 year	Total
Bank loan	\$911	-	-	-	\$911
Accounts payable and accrued liabilities	6,953	-	-	-	6,953
Other loans	232	-	2,769	1,010	4,010
Advance on revenues from a supply agreement	96	158	316	2,872	3,442
Long-term debt	5	6	12	22	45
	\$8,196	\$164	\$3,097	\$3,905	\$15,361

This table only covers liabilities and obligations, and does not anticipate any of the income associated with assets or rights.

iii) Market risk:

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income or the value of its financial instruments.

a) Interest risk

The majority of the Company's debt is at fixed rate, there is limited exposure to interest rate risk.

b) Foreign exchange risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in the United Kingdom and in the United States and portion of expenses incurred and revenues generated are in US dollar and in sterling pound. Financial instruments potentially exposing the Company to foreign exchange risk consist principally of cash, receivables, accounts payable and accrued liabilities and long-term debt. The Company manages the foreign exchange risk by holding foreign currencies on hand to support foreign currencies forecasted cash outflows and the majority of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Quarter periods ended September 30, 2009 and 2008

(In thousands of Canadian dollars except for number of shares)

(Unaudited)

Company's revenues are in US dollar and in sterling pound which mitigates the foreign exchange risk.

As at September 30, 2009, the Company is exposed to currency risk through the following assets and liabilities denominated respectively in US dollar and sterling pound.

In US dollar	September 30, 2009	December 31, 2008
Cash	8,558	418,952
Accounts receivable	236,239	2,083,503
Accounts payable and accrued liabilities	(2,984,368)	(2,785,866)
Long term debt	(22,784)	(3,199,789)
Net exposure	(2,762,355)	(3,483,200)

In sterling pound	September 30, 2009	December 31, 2008
Cash	1,546,561	199,661
Accounts receivable	207,891	68,142
Accounts payable and accrued liabilities	(801,919)	(636,156)
Advance on revenues from a supply agreement	(2,006,301)	-
Net exposure	(1,053,768)	(368,353)

Based on the above net exposures as at September 30, 2009, and assuming that all other variables remain constant, a 10 % depreciation or appreciation of the Canadian dollar against the US dollar would result in a decrease or an increase of the net loss of US\$276,236.

A 10 % depreciation or appreciation of the sterling pound would result in a decrease or an increase of the net loss of 105,377 sterling pounds.

The Company has not hedged its exposure to currency fluctuations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

17. Additional information on the consolidated statement of cash flow

	Quarter ended September 30, 2009		2008		Nine months ended September 30, 2009		2008	
a) Change in working capital items								
Accounts receivable	\$	1,022	\$	(158)	\$	2,808	\$	73
Inventories		360		(87)		175		(566)
Prepaid expenses		61		70		119		371
Accounts payable and accrued liabilities		(462)		(266)		(131)		362
Payable related to a lawsuit		-		(176)		-		(1,241)
Deferred revenues		(1,054)		(643)		356		(879)
	\$	(73)	\$	(1,260)	\$	3,327	\$	(1,880)

	Quarter ended September 30, 2009		2008		Nine months ended September 30, 2009		2008	
b) Non-cash transaction								
Unpaid additions to capital assets and licenses and patents	\$	4	\$	(781)	\$	197	\$	87
Excess of the interest in the joint venture PRDT over the proportionate share in the consolidated net assets		(2,744)		200		(2,959)		636
Preferred shares retractable at the holder's option		(4,132)		274		(4,217)		759
Unpaid share issue expenses		9		78		120		279

18. Segmented information:

The financial information is presented in two different operating segments.

The two operating segments are: Therapeutics and Protein Technologies

Therapeutics: This operating segment has two lead compounds, PBI-1402 and PBI-1393, in progressing clinical trials, both of which address unmet needs of cancer patients undergoing chemotherapy.

Protein Technologies: This operating segment contains the financial information of these activities:

BioTherapeutics: It is the developer of a unique, validated, state-of-the-art solution for plasma fractionation, the Plasma Protein Purification System (PPPS).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

Bioseparation: It develops and markets bioseparation products based on applications of its patented Mimetic Ligand™ technology.

Animal Care: The long term goal is to use the validated PRDT technology for prion reduction in the search for a diagnostic that would certify live cattle as BSE-tested.

a) Revenues and expenses by operating segments

Nine months ended September 30, 2009

	Therapeutics	Protein Technology	Corporate	Total
Revenues	38	9,262	-	9,300
Costs of good sold	-	2,003	-	2,003
Research and development expenses rechargeable	-	3,190	-	3,190
Research and development expenses	1,348	5,071	-	6,419
Administration and marketing expenses	-	521	2,992	3,513
Amortization of capital assets	116	459	28	603
Amortization of licenses and patents	400	206	-	606
Gain on derecognition of a net investment liability in PRDT	-	(1,257)	-	(1,257)
Charges related to a guarantee	-	-	357	357
Interest expenses	106	88	1,305	1,499
Interest revenues	(4)	(4)	-	(8)
Gain on exchange rate	-	-	(658)	(658)
Net loss	1,927	1,014	4,026	6,967

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

Quarter ended September 30, 2009

	Therapeutics	Protein Technology	Corporate	Total
Revenues	4	3,112	-	3,116
Costs of good sold	-	464	-	464
Research and development expenses rechargeable	-	1,353	-	1,353
Research and development expenses	48	1,359	-	1,407
Administration and marketing expenses	-	181	839	1,020
Amortization of capital assets	42	127	9	178
Amortization of licenses and patents	332	72	-	404
Gain on derecognition of a net investment liability in PRDT	-	(1,257)	-	(1,257)
Charges related to a guarantee	-	-	357	357
Interest expenses	71	32	249	352
Interest revenues	(4)	-	-	(4)
Gain on exchange rate	-	-	(1,321)	(1,321)
Net loss (profit)	485	(781)	134	(163)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

Nine months ended September 30, 2008

	Therapeutics	Protein Technology	Corporate	Total
Revenues	24	6,149	-	6,173
Costs of good sold	-	893	-	893
Research and development expenses rechargeable	-	1,227	-	1,227
Research and development expenses	3,511	7,939	-	11,450
Administration and marketing expenses	-	258	3,678	3,936
Amortization of capital assets	130	618	44	792
Amortization of licenses and patents	96	232	-	328
Interest expenses including penalties related to lawsuit	66	13	2,358	2,437
Interest revenues	(10)	(10)	-	(20)
Loss on exchange rate	-	-	490	490
Gain on disposal of capital assets	(356)	-	-	(356)
Net loss	3,413	5,021	6,570	15,003

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

Quarter ended September 30, 2008

	Therapeutics	Protein Technology	Corporate	Total
Revenues	9	3,323	-	3,332
Costs of good sold	-	371	-	371
Research and development expenses rechargeable	-	707	-	707
Research and development expenses	971	2,811	-	3,782
Administration and marketing expenses	-	94	997	1,091
Amortization of capital assets	39	206	13	258
Amortization of licenses and patents	34	78	-	112
Interest expenses including penalties related to lawsuit	21	3	548	572
Interest revenues	(7)	(3)	-	(10)
Loss on exchange rate	-	-	87	87
Net loss	1,049	944	1,645	3,639

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

b) Revenues by geographic segment ⁽¹⁾

	Quarter ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
United States	\$ 2,126	\$ 2,146	\$ 6,663	\$ 3,070
Austria	842	113	1,656	1,038
United Kingdom	80	73	479	139
Australia	-	-	150	-
Switzerland	62	25	123	25
Italy	-	441	102	979
Canada	4	8	38	70
Denmark	-	36	35	68
India	-	-	19	-
Germany	2	3	7	55
France	-	-	-	-
Brazil	-	391	-	616
Other	-	96	30	113
	\$ 3,116	\$ 3,332	\$ 9,300	\$ 6,173

(1) Revenues are attributed to countries based on location of customer and not on location of subsidiaries

c) Assets by operating segments

	September 30, 2009	December 31, 2008
Therapeutics	\$ 3,239	\$ 4,268
Protein Technologies	9,492	11,043
Corporate	(151)	3,841
	\$ 12,579	\$ 19,152

d) Assets by geographic segment

	September 30, 2009	December 31, 2008
Canada	\$ 3,985	\$ 9,453
United States	1,307	1,567
United Kingdom	7,287	8,132
	\$ 12,579	\$ 19,152

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Quarter periods ended September 30, 2009 and 2008
(In thousands of Canadian dollars except for number of shares)
(Unaudited)

e) Capital assets and licenses and patents by operating segments

	September 30, 2009	December 31, 2008
Therapeutics	\$ 2,071	\$ 2,469
Protein Technologies	3,336	4,814
Corporate	119	147
	\$ 5,525	\$ 7,430

f) Capital assets and licenses and patents by geographic segment

	September 30, 2009	December 31, 2008
Canada	\$ 2,351	\$ 2,807
United States	1,067	1,140
United Kingdom	2,108	3,483
	\$ 5,525	\$ 7,430

g) Acquisition of capital assets and licenses and patents by operating segments

	September 30, 2009	December 31, 2008
Therapeutics	\$ 109	\$ 347
Protein Technologies (note 1)	(1,350)	266
Corporate	-	22
	\$ (1,241)	\$ 635

Note 1: Included in Protein Technologies is a sum of \$1,456 resulting from the adjustment related to Foreign Exchange method described in note 2

h) Acquisition of capital assets and licenses and patents by geographic segment

	September 30, 2009	December 31, 2008
Canada	\$ 109	\$ 369
United States	2	20
United Kingdom (note 1)	(1,352)	246
	\$ (1,241)	\$ 635

Note 1: Included in Protein Technologies is a sum of \$1,456 resulting from the adjustment related to Foreign Exchange method described in note 2