

PROMETIC LIFE SCIENCES INC.

Investor Update
April to June 2001

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

1. Press release of August 29, 2001, with second quarter results.
2. Consolidated Balance Sheets.
3. Consolidated Statements of Operations and Deficit.
4. Consolidated Statements of Cash Flows
5. Notes to consolidated financial statements



PROMETIC
LIFE SCIENCES INC.

For immediate release

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**ProMetic announces its results for the
second quarter ending June 30, 2001**

**- Key corporate Agreements underscoring value of ProMetic's core technology and
Therapeutics moving toward clinical trials sooner than expected -**

Montreal, August 29, 2001- ProMetic Life Sciences Inc. (TSE: PLI), today announced its results for the second quarter ending June 30, 2001. The Company has experienced an exciting second quarter punctuated by significant agreements underscoring the relevance and value of ProMetic's technology and track record in product development. We have worked diligently to strategically and financially position the company to benefit from market opportunities in the use of its core technologies in both bioseparation and therapeutic drug development. Key events occurring in Q2 included:

- Formation of a Joint Venture with the **American Red Cross** involving the detection and removal of prions and viruses.
- Achievement of milestone in collaboration with **Genzyme Transgenics**, for the ton-scale purification of Albumin.
- Entering into a global Strategic Alliance with **Merck** targeting the rapidly growing Monoclonal Antibodies market.

Outlook:

- With progress made this year, ProMetic anticipates that 2 of its lead compounds, recombinant Alpha1-antitrypsin (inflammation) and PBI-1402 (Cancer) will be in clinical trials over the next 6 months.
- Over the next 12 months, ProMetic anticipates receiving in excess of \$ 4 million resulting from the license of its technology to clients in the development of commercial applications.
- Funding from licensing activities combined with anticipated external financing will provide ProMetic with a good cash position to further accelerate the pace of high value development projects.

Second quarter results:

Second quarter revenues amounted to \$446,752, compared with \$346,134 for the second quarter of 2000. Net loss for the quarter ending June 30, 2001 was \$2,158,067 or \$0.04 per share, compared with \$1,337,089 or \$0.03 per share for the second quarter of 2000. The Corporation said results reflect an increase in R&D investment which will accelerate clinical development of its two leading therapeutic compounds, PBI 1402 for cancer indications and rAAT for inflammation. Development expenses increased to \$1,402,027 during the quarter, compared with \$865,616 for the quarter ending June 30, 2000.

Total expenses before research and development, depreciation of capital assets and financial expenses came to \$1,038,987 for the quarter ending June 30, 2001 compared to \$667,085 for the same quarter of 2000. This is attributed to investments related to corporate and business development activities associated with the execution of strategic agreements, including those recently signed with American Red Cross («ARC») and Merck.

Cash-Flow

During the quarter ended June 30, 2001, cash-flows from financing activities were mainly generated by the issuance of Subordinate Voting Shares valued at \$1,760,000. Cash-flows from investing activities amounted to \$812,335 compared to \$1,040,572 for the same quarter last year. A \$316,000 technology investment in the Arriva-ProMetic Joint Venture for the recombinant Alpha1- Antitrypsin has been made during the second quarter and has been included in the \$592,478 investment in capital assets.

Commenting on the results for the quarter, Mr. Andre Bedard, Executive VP and CFO of ProMetic, stated, “The results reflect our continued efforts to strengthen ProMetic’s position and accelerate products into the clinic. We are confident that this R&D investment will increase the value of our product pipeline to both potential corporate partners and investors.”

6 months period ending June 30, 2001

For the 6 months period ending June 30, 2001, revenues totalled \$824,245 compared to \$1,217,420 for the same period last year. This is essentially a timing variance and we are confident that 2001 revenues will slightly increased compared to last year revenues.

Total expenses before research and development , depreciation of capital assets and financial expenses came to \$ 1,871,859 for the 6 months period ending June 30, 2001 compared to \$ 1,420,097 for the same period of 2000.

Development expenses increased to \$2,525,233 during the first 6 months of 2001, compared with \$1,879,225 for the same period last year. This increase in R&D activities have contributed to advancing all key projects according to plan and bringing two therapeutic compounds closer to clinical trial phases sooner than expected.

Net loss for the semester ending June 30, 2001 was \$3,829,979 or \$0.06 per share, compared with \$2,368,614 or \$0.05 per share for the same semester of 2000.

ProMetic Life Sciences Inc. (TSE: PLI) has headquarters in Montreal, Quebec, additional facilities in the UK and a Development and Marketing team in USA. ProMetic owns proprietary enabling technology essential for use in therapeutics, large-scale drug purification, chemical genomics and proteomics, drug delivery and drug development. This existing technology can dramatically lower costs, increase yield, and improve efficacy of existing and new bio-pharmaceutical products. ProMetic accomplishes this through strategic partnerships and in-house therapeutic development. Additional information is available on the company's website: www.prometic.com.

This press release contains forward-looking statements that involve risks and uncertainties, including, but not limited to the Company's ability to develop, manufacture, and successfully commercialize value-added pharmaceutical products and to obtain contracts for its products and services and commercial acceptance of advanced affinity separation technology. 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.

PROMETIC LIFE SCIENCES INC.

CONSOLIDATED BALANCE SHEETS

	June 30,		December 31,
	2001		2000
	(unaudited)		(audited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,201,863	\$	2,270,316
Short-term Investments	-		2,000,000
Accounts receivable	548,871		524,133
Inventories	255,273		300,594
Prepaid expenses	340,296		172,659
	2,346,303		5,267,702
Capital assets	4,020,033		3,620,386
Deferred development costs	3,300,606		3,018,104
Investment	2,281,245		2,281,245
	\$ 11,948,187	\$	14,187,437
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,688,666	\$	1,741,756
Current portion of long-term debt	61,432		110,758
	1,750,098		1,852,514
Shareholders' equity			
Share capital	66,192,379		64,432,379
Deficit	(55,994,290)		(52,097,456)
	10,198,089		12,334,923
Note 4: Subsequent event			
	\$ 11,948,187	\$	14,187,437

PROMETIC LIFE SCIENCES INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

(unaudited)

	Quarters ended		Six-Month period ended	
	June 30.		June 30.	
	2001	2000	2001	2000
Revenues	\$ 446,752	\$ 346,134	\$ 824,245	\$ 1,217,420
Expenses before the undernoted items:	1,038,987	667,085	1,871,859	1,420,097
Research and development expenses	1,402,027	865,616	2,525,233	1,879,225
Depreciation of capital assets	157,073	146,493	306,728	261,613
Net financial expenses (revenues)	6,732	4,029	(49,596)	25,099
Net loss	2,158,067	1,337,089	3,829,979	2,368,614
Deficit, beginning of the period	53,769,368	46,946,548	52,097,456	45,785,821
Share issue expenses	66,855	8,903	66,855	138,105
Deficit, end of period	\$ 55,994,290	\$ 48,292,540	\$ 55,994,290	\$ 48,292,540
Net loss per share	0.04	0.03	0.06	0.05
Weighted average number of outstanding shares (in thousands)	60.675	51,391	61.064	50,577

PROMETIC LIFE SCIENCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Three-month period ended June 30,		Six-month period ended June 30,	
	2001	2000	2001	2000
Cash flows from operating activities:				
Net loss	\$ (2,158,067)	\$ (1,337,089)	\$ (3,829,979)	\$ (2,368,614)
Adjustments to reconcile net loss to cash flows used by operating activities:				
Loss (gain) on disposal of tangible assets	-	(3,770)	-	3,739
Amortization and write-off of deferred development costs	6,117	-	11,740	-
Depreciation of capital assets	157,073	146,493	306,728	261,613
Cash flows used in operating activities	(1,994,877)	(1,194,366)	(3,511,511)	(2,103,262)
Net change in non-cash operating working capital items				
	(50,810)	(279,015)	(200,144)	(870,474)
	(2,045,687)	(1,473,381)	(3,711,655)	(2,973,736)
Cash flows from financing activities:				
Proceeds from share issues and subscription	1,760,000	500,000	1,760,000	4,784,901
Share issue expenses	(66,855)	(8,903)	(66,855)	(138,105)
Bank indebtedness	-	51,554	-	51,554
Repayment of long-term debt	(26,129)	(30,127)	(49,326)	(54,806)
	1,667,016	512,524	1,643,819	4,643,544
Cash flows from investing activities:				
Acquisition of an investment	-	(370,725)	-	(370,725)
Disposal of short-term investments	-	-	2,000,000	-
Additions to capital assets	(592,478)	(308,097)	(706,375)	(619,910)
Proceeds from disposal of capital assets	-	15,500	-	27,606
Deferred development costs	(219,857)	(377,250)	(294,242)	(530,871)
	(812,335)	(1,040,572)	999,383	(1,493,900)
Cash used by the discontinued segment				
	-	-	-	-
Increase in cash and cash equivalents	(1,191,006)	(2,001,429)	(1,068,453)	175,908
Cash and cash equivalents, beginning of period	2,392,869	2,958,999	2,270,316	781,662
Cash and cash equivalents, end of period	\$ 1,201,863	\$ 957,570	\$ 1,201,863	\$ 957,570
Other information related to cash flows:				
Interests paid during the period	\$ 1,823	\$ 6,087	\$ 5,237	\$ 15,436
Interests received during the period	86,844	31,121	120,272	34,570

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1- Basis of presentation:

The unaudited consolidated balance sheet as of June 30, 2001 and the related unaudited consolidated statements of earnings and retained earnings and cash flows for the six month periods ended June 30, 2000 and 2001, have been prepared using accounting principles and practices consistent with those used and described in the annual financial statements, but do not include all disclosures required by generally accepted accounting principles. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2000 included in the Company's annual report to shareholders.

2- Comparative figures:

Comparative figures have been reclassified in order to conform with the current period's presentation.

3- Segmented information:

ProMetic is a leading biopharmaceutical company engaged in the research, development, manufacturing and commercialisation of a variety of commercial applications from its platform technology. ProMetic owns proprietary enabling technology essential for use in large-scale drug purification proteomics, medical applications and therapeutics.

Revenues by geographic segment are as follows:

	2001	2000	2001	2000
	Quarter	Quarter		
United States	\$ 289,737	\$ 183,754	\$ 520,176	\$ 646,693
United Kingdom	120,200	204,034	169,553	731,399
Europe (excluding United Kingdom)	-	15,375	59,422	15,375
Other	7,749		46,028	
Canada	29,066		29,066	
Intersegment sales		(57,029)		(176,047)
	\$ 446,752	\$ 346,134	\$ 824,245	\$ 1,217,420

Net losses from the continuing operations by geographic segment are as follows:

	2001		2000	
	Quarter		Quarter	
Canada	\$	1,020,571	\$	527,001
United States		(71,409)		(11,629)
United Kingdom		1,208,905		821,717
	\$	2,158,067	\$	1,337,089
			\$	3,829,979
			\$	2,368,614

Assets by geographic segment are as follows:

	2001	2000
Canada	\$ 43,040,480	\$ 38,650,917
United States	3,715,784	3,304,807
United Kingdom	3,977,327	3,913,571
Intersegment eliminations	(38,785,404)	(31,681,858)
	\$ 11,948,187	\$ 14,187,437

Capital assets by geographic segment are as follows:

	2001	2000
Canada	\$ 1,467,209	\$ 973,143
United States	34,564	47,677
United Kingdom	2,518,260	2,599,566
	\$ 4,020,033	\$ 3,620,386

Capital expenditures by geographic segment are as follows:

	2001		2000	
	Quarter		Quarter	
Canada	\$	560,561	\$	60,088
United States		6,990		(2,681)
United Kingdom		24,927		250,690
	\$	592,478	\$	308,097
			\$	706,375
			\$	619,910

4- Subsequent events

On August 10, 2001, the Company proceeded to the issue of 666,667 Subordinate Voting Shares for gross proceeds of \$1,000,000 as part of a larger financing which the Company anticipates closing in September 2001.