

For Your Information
FOR IMMEDIATE RELEASE
Bioniche Secures Final Financing
to Scale-up *E. coli* O157:H7 Vaccine Production

- full \$25 million of required financing now in place -

BELLEVILLE, ON, June 25, 2008 – Bioniche Life Sciences Inc. (TSX: BNC), a research-based, technology-driven Canadian biopharmaceutical company, today announced that it has secured an amendment to a pre-existing \$7.6 million contribution agreement with the Industrial Technologies Office of Industry Canada that will support the scale-up of its vaccine production facility in Belleville, Ontario. The amended agreement extends the timeline for completion of work on the production scale-up to March 31, 2013. See below

Note: Bioniche has said that a French version of this press release will be up shortly on their website .
www.Bioniche.com.

Sincerely
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This funding will be combined with the \$10 million in Ontario government financing through the Ministry of Economic Development and Trade (MEDT)'s Advanced Manufacturing Investment Strategy (AMIS), \$5 million in federal government financing through the Agri-Opportunities Program of the Department of Agriculture and Agri-Food (Canada) (AAFC), both announced in December, 2007, and a loan of \$5 million from the Business Development Bank of Canada (BDC) announced in February, 2008. With \$25 million in funding now in place, the Company has the required financing to complete the scale-up of vaccine production at its Belleville facility over the next two years. This will provide capacity of a minimum of 40 million doses of the *E. coli* O157:H7 vaccine. It is part of a long-term, \$107 million project to create a state-of-the-art Animal Health and Food Safety Vaccine Manufacturing Centre in Belleville.

“We are pleased to have all of the necessary financing now in place to complete the first phase of production scale-up in Belleville,” said Graeme McRae, President & CEO of Bioniche Life Sciences Inc. “The assistance of these programs has provided a favourable weighted average cost of capital and the terms of the funding will permit repayment from vaccine revenues. The fact that the majority of this financing is coming from various levels of government demonstrates recognition of the public health importance of the *E. coli* O157:H7 vaccine and future food safety vaccines that will be produced in our Belleville facility.”

This first phase of the project will take place within the Company's current 137,000 square foot manufacturing and head office complex in Belleville. The planning and engineering of this project has been ongoing. With the full funding now in place, Bioniche expects to recover its prior outlays, complete detailed engineering drawings, begin physical construction, and complete and validate this scale-up in the second half of 2010.

Bioniche has developed the world's first cattle vaccine that may be used as an on-farm intervention to reduce the amount of *E. coli* O157:H7 shed by cattle. This will be the first product manufactured in the scaled-up production facility in Belleville. The vaccine is unique in that it helps to reduce shedding of an organism that, while potentially lethal to humans, causes no disease in cattle. The Company obtained approval to distribute its vaccine under the *Permit to Release Veterinary Biologics* regulations by the Canadian Food Inspection Agency (CFIA) in December, 2006. In February of this year, the United States Department of Agriculture (USDA) granted eligibility for conditional licensing of the vaccine.

It remains very clear that there is a pressing need to reduce the amount of *E. coli* O157:H7 shed into the environment by cattle. Food recalls continue to occur on a regular basis in beef, produce and prepared food. On-farm interventions to reduce the shedding of *E. coli* O157:H7 by cattle, such as vaccination, may assist in reducing the potential for food and water contamination and the resulting human illnesses and deaths.

Approximately 100,000 cases of human infection with the *E. coli* O157:H7 organism are reported each year in North America. 2% to 7% of those people develop hemolytic uremic syndrome (HUS), a disease characterized by kidney failure (in recent outbreaks, this percentage has risen to as high as 16%). Five percent of HUS patients die, many of them children and senior citizens, whose kidneys are more sensitive to damage.

Beyond consumption of contaminated food or water, individuals can become infected from *E. coli* O157:H7 by visiting animal exhibits. Petting zoos, fairs, and agricultural exhibits provide many possible routes of transmission for *E. coli*. Direct animal contact is the obvious route, but contact with contaminated products (e.g., sawdust, shavings, soiled clothing or shoes) can also lead to human infection.

About the *E. coli* O157:H7 Cattle Vaccine

This vaccine received international recognition in September, 2007 by the Animal Pharm Industry Excellence Awards as the best new veterinary product for livestock globally. The vaccine has been developed by a strategic alliance formed in 2000 between the University of British Columbia (UBC), the Alberta Research Council (ARC), the University of Saskatchewan's Vaccine & Infectious Disease Organization (VIDO), and Bioniche, which holds the rights for worldwide commercialization of the vaccine. The vaccine prevents the *E. coli* O157:H7 bacteria from attaching to the intestines of vaccinated cattle, thereby reducing their reproduction within the animal, and reducing the amount of bacteria that can be released through cattle manure in the environment. More than 30,000 cattle have been involved in clinical testing of the vaccine over the past five years.

About Bioniche Life Sciences Inc.

Bioniche Life Sciences Inc. is a research-based, technology-driven Canadian biopharmaceutical company focused on the discovery, development, manufacturing, and marketing of proprietary products for human and animal health markets worldwide. The fully-integrated company employs approximately 200 skilled personnel and has three operating divisions: Human Health, Animal Health, and Food Safety. The Company's primary goal is to develop proprietary cancer therapies supported by revenues from marketed

products in human and animal health. Bioniche has been named one of Canada's Top Ten Life Sciences Companies for 2008. For more information, please visit www.Bioniche.com.

Except for historical information, this news release may contain forward-looking statements that reflect the Company's current expectation regarding future events. These forward-looking statements involve risk and uncertainties, which may cause, but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process, and other risks detailed from time to time in the Company's ongoing quarterly and annual reporting.

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