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Canadian Venture Exchange: FYT

FYTOKEM PRODUCTS INC. ANNOUNCES 2000 YEAR-END FINANCIAL RESULTS

-- Sales up 103% over the same period in 1999 --

Saskatoon, Saskatchewan, March 26, 2001 – Fytokem Products Inc. (Fytokem), a leading discoverer and developer of therapeutic plant extracts and bioactive molecules, today announced its year-end 2000 financial results for the period ended December 31, 2000.

Highlights of 2000

- Overall sales increased 103% over 1999
- Refined commercialization strategy to target Personal Care market aggressively
- Permanent President of Fytokem Products Inc. appointed

For the year ended December 31, 2000, Fytokem's sales rose by 103% to \$289,176 from \$142,319 as at December 31, 1999. Overall revenue climbed to \$429,184 or 40% over the overall revenue recorded for the twelve-month period ended December 31, 1999. This increase in overall revenue is a direct result of the Company's increased focus on generating sales revenue rather than revenue generated by research. Loss per share for the twelve-month period ended December 31, 2000 was (\$.07), up from (\$.09) at December 31, 1999.

These financial results illustrate the steady progress Fytokem has made in expanding the commercialization of its current products while refining its focus on higher margin products and markets

“We have made significant progress in executing our plan to grow and create value for our shareholders,” said President and CEO of Fytokem, Mr. Art Hesje. “To continue this progress, our Company remains focused on enhancing our strengths, namely, our scientific expertise and ability, while forging ahead with the successful commercialization of our current and future products. To achieve this we intend to build on our existing strategic partnerships and pursue new alliances that provide both direction and funding for our research program and allow us instant access to world markets.”

During 2001 we will continue to focus on increased sales through a combination of:

- Expanding our product line to the Personal Care Industry,
- Taking advantage of the overall therapeutic market trend toward plant-based products, and
- Developing and expanding our strategic relationships in several sectors, particularly, animal health, pharmaceutical and bio-industrial.

About Fytokem Products Inc.

Fytokem Products Inc. is a Canadian life sciences company engaged in the discovery and commercialization of novel Function-Certified™ plant-based substances – extracts, phytochemicals and bioactive molecules – for use as ingredients in personal care, nutraceutical, pharmaceutical and bio-industrial products, both domestically and internationally.

Fytokem has applied for several scientific patents, and has developed a proprietary commercial scale manufacturing process.

Fytokem's common shares trade on the Canadian Venture Exchange under the symbol FYT; the Company has 14,462,121 shares outstanding.

The Canadian Venture Exchange has neither approved nor disapproved the information herein contained.

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FYTOKEM PRODUCTS INC
STATEMENTS OF LOSS AND DEFICIT

Years ended December 31, 2000 and 1999

	2000	1999
REVENUE		
Sales	\$289,176	\$142,319
Cost of sales	93,983	32,756
Gross margin	195,193	109,563
Project revenue	103,914	149,545
Other	36,094	14,163
	335,201	273,271
 EXPENSES		
Product development	333,130	344,507
Marketing	213,687	240,580
Finance and administration	511,444	537,106
Depreciation (Note 4)	35,775	26,511
Interest on debt (Note 5)	105,763	63,435
	1,199,799	1,212,139
 NET LOSS	864,598	938,868
 DEFICIT, BEGINNING OF YEAR	2,255,632	1,316,764
 DEFICIT, END OF YEAR	\$ 3,120,230	\$ 2,255,632
 LOSS PER SHARE Basic (Note 8)	\$ 0.07	\$ 0.09

**FYTOKEM PRODUCTS INC.
BALANCE SHEETS**

December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
CURRENT ASSETS		
Cash and temporary investments	\$ 561,869	\$523,576
Accounts receivable	53,516	58,790
Inventories (Note 3)	355,958	171,553
Prepaid expenses	19,995	10,626
	<u>991,338</u>	<u>764,545</u>
DEFERRED FINANCE CHARGES		
	28,434	25,850
EQUIPMENT (Note 4)	212,815	124,007
	<u>\$ 1,232,587</u>	<u>\$ 914,402</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 76,192	\$ 118,114
Deferred project revenue	-	2,352
Current portion of long term debt	129,690	25,114
	<u>205,882</u>	<u>145,580</u>
LONG TERM DEBT (Note 5)		
	390,505	453,604
	<u>596,387</u>	<u>599,184</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	3,692,446	2,506,866
Equity portion of convertible debt (Note 5)	63,984	63,984
Deficit	(3,120,230)	(2,255,632)
	<u>636,200</u>	<u>315,218</u>
	<u>\$ 1,232,587</u>	<u>\$ 914,402</u>

**FYTOKEM PRODUCTS INC.
STATEMENTS OF CASH FLOWS**

Years ended December 31, 2000 and 1999

	2000	1999
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss	\$ (864,598)	\$ (938,868)
Items not affecting cash		
Depreciation	35,775	26,511
Non-cash interest expense	97,415	58,400
Gain on sale of equipment	(203)	-
	(731,611)	(853,957)
Changes in non-cash working capital		
Accounts receivable	5,274	(30,524)
Inventories	(184,405)	(37,769)
Prepaid expenses	(9,369)	11,956
Accounts payable and accrued liabilities	(41,922)	21,385
Deferred project revenue	(2,352)	2,352
Cash flows used in operating activities	(964,385)	(886,557)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Acquisition of equipment	(49,985)	(23,332)
Disposals of equipment	662	-
Repayment of notes receivable	-	7000
Cash flows used in investing activities	(49,323)	(16,332)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of common shares	108,230	907,719
Costs of share issuance	-	(34,551)
Proceeds from issuance of special warrants	1,085,425	
Costs of special warrants	(108,075)	
Repayment of shareholder loans	-	(3,521)
Proceeds from convertible debt	-	500,000
Cost of convertible debt	-	(17,051)
Repayment of long term debt	(33,579)	(20,008)
Cash flows from financing activities	1,052,001	1,332,588
NET INCREASE IN CASH	38,293	429,699
CASH POSITION, BEGINNING OF YEAR	523,576	93,877
CASH POSITION, END OF YEAR	\$ 561,869	\$ 523,576
Interest Paid	\$ 8,348	\$ 5,035