



NEWS RELEASE

**Fytokem Products Inc. Decides Not To Proceed  
With Previously Announced Financing**

SASKATOON, March 28 --- Fytokem Products Inc. (CDNX: FYT), a leading discoverer and developer of therapeutic plant extracts and bioactive molecules, today announced it has allowed the Prospectus Unit Offering dated November 27, 2001 and subsequently extended on February 25, 2002 to lapse without closing.

The Company intends to pursue other avenues to raise the necessary funds. The Company was advised today that the minimum offering requirement would not be met by its exclusive agent, Sanderson Securities Ltd. Wayne Sanderson, President of Sanderson Securities Ltd. stated: "The capital markets are dealing with a great deal of uncertainty given such global events as the September 11 disaster together with other economic concerns and consequently the retail investors Sanderson Securities was counting on to close this issue have decided not to invest at this time. The comments from most potential retail investors has been 'great company, great deal, wrong time.' Consequently, we have advised Fytokem to let this prospectus offering lapse. We are actively pursuing alternate financing for Fytokem via the private placement route."

"Fytokem will continue to pursue its business plan for marketing its products and will, at the same time, investigate alternate opportunities for financing in and outside of Saskatchewan," commented Art Hesje. "We know the company has a bright future and will take this opportunity to pursue other options available to us," he added.

**About Fytokem Products Inc.**

Fytokem Products Inc. is a Canadian life sciences company engaged in the discovery and commercialization of novel Function-Certified(TM) 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.

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

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