



FOR IMMEDIATE RELEASE

TSX Venture Exchange: FYT

FYTOKEM PRODUCTS INC. ANNOUNCES FIRST QUARTER 2002 FINANCIAL RESULTS

--Product sales lower due to timing of shipments --

Saskatoon, Saskatchewan, May 30, 2002 – Fytokem Products Inc. (Fytokem), a leading producer of Function-Certified™ plant-based ingredients, today announced its financial results for the first quarter ended March 31, 2002.

For the three-month period ended March 31, 2002, Fytokem achieved product sales of \$79,273, down from the \$131,936 recorded in the same period last year. This drop in sales is due almost entirely to the timing of product shipments. Fytokem's personal care partner, Dragoco Gerberding, of Germany, is still confident on meeting their sales projections this year, and revenues early in the second quarter do indicate that.

The resulting timing differences also resulted in the quarterly loss of \$186,803 or (\$0.01) per share, 42% greater than the \$131,936 quarterly loss recorded in the same period in 2001. The quarterly loss per share was unchanged from the previous year.

Some significant items from the first quarter are:

- The science behind Fytokem continued to achieve new milestones during the first quarter of 2002. Wei guang (Victor) Ma, Ph.D. was hired in February with the primary responsibility of identifying, characterizing and purifying the bio-active molecules responsible for the activities present in the Company's existing products. In two short months, he produced the Company's patented Oenothain B molecule (the active molecule in the Company's Willowherb line of products) to a 98% purity. This allows Fytokem to produce quantities for pharmaceutical testing.
- Much of management's time was taken up with financing efforts that finally bore fruit just subsequent to quarter end with a \$250,000 financing from the Saskatchewan government. The proposed equity financing with Sanderson Securities did not close.

"We used our limited resources very efficiently, and continued to advance the Company," stated Mr. Art Hesje, President and CEO of Fytokem Products Inc. "We have made positive advances in our product development and taken further steps toward profitability. We are excited about the prospects for the future and are eager to see the results of our efforts."

Mr. Hesje further added, "The quality of the science behind Fytokem will be the driving factor in the Company's revenue growth. Our own research achievements and the external validation by our marketing partners and multi-national customers gives us confidence that shareholders will benefit from our success."

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. Fytokem's products are sourced from plants native to the Canadian prairies,

where they have developed strong phytochemical properties to survive the harsh climate. These all-natural products are highly potent and are gaining popularity as the market demands more natural products.

Over the past 18 months, the Company secured several international sales and distribution partners and has begun to realize commercial sales of its products. Companies worldwide are beginning to use Fytokem's products in a variety of personal care and pharmaceutical products. The focus of the Company's research is on the development of plant extracts that can be sold as bioactive ingredients into major markets and further developed as drug candidates.

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

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

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FYTOKEM PRODUCTS INC.
BALANCE SHEETS
March 31, 2002 and December 31, 2001
(Unaudited)

	<u>March 31, 2002</u>	<u>December 31, 2001</u>
CURRENT ASSETS		
Cash and temporary investments	\$ 97,293	\$ 170,887
Accounts receivable	55,474	115,805
Inventory	342,826	365,416
Prepaid expenses	<u>24,566</u>	<u>29,724</u>
	520,159	681,832
 DEFERRED FINANCE CHARGES		
	8,165	8,886
EQUIPMENT - NET		
	<u>177,586</u>	<u>188,189</u>
	<u>\$ 705,910</u>	<u>\$ 878,907</u>
 CURRENT LIABILITIES		
Accounts payable and accruals	\$ 329,932	\$ 302,923
Current portion long term debt	<u>159,340</u>	<u>160,515</u>
	<u>489,272</u>	<u>463,438</u>
 LONG TERM DEBT		
Convertible debt	291,667	302,083
Discount on convertible debt	(35,888)	(41,765)
Capital leases	<u>5,236</u>	<u>12,724</u>
	<u>261,015</u>	<u>273,042</u>
 SHAREHOLDERS' EQUITY		
Share capital	3,692,445	3,692,446
Preferred shares	244,221	244,221
Equity portion of convertible debt	63,984	63,984
Deficit	<u>(4,045,027)</u>	<u>(3,858,224)</u>
	<u>(44,377)</u>	<u>142,427</u>
	<u>\$ 705,910</u>	<u>\$ 878,907</u>

FYTOKEM PRODUCTS INC.
STATEMENTS OF LOSS AND DEFICIT
(Unaudited)

	Three months ended March 31	
	<u>2002</u>	<u>2001</u>
REVENUE		
Sales	\$ 79,273	\$ 152,725
Cost of Sales	<u>23,615</u>	<u>52,356</u>
Gross Margin	55,658	100,369
Project revenue	26,808	25,054
Other revenue	<u>411</u>	<u>7,557</u>
	<u>82,877</u>	<u>132,980</u>
EXPENSES		
Product development	102,340	75,502
Marketing	46,870	70,900
Finance & administration	89,017	87,637
Depreciation	10,603	11,226
Interest on debt	<u>20,850</u>	<u>19,651</u>
	<u>269,680</u>	<u>264,916</u>
NET LOSS	\$ 186,803	\$ 131,936
DEFICIT, BEGINNING OF PERIOD	<u>3,858,224</u>	<u>3,120,230</u>
DEFICIT, END OF PERIOD	<u>\$ 4,045,027</u>	<u>\$ 3,252,166</u>
LOSS PER SHARE	<u>\$ 0.01</u>	<u>\$ 0.01</u>

FYTOKEM PRODUCTS INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31	
	<u>2002</u>	<u>2001</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net loss	\$ (186,803)	\$ (131,936)
Items not affecting cash		
Depreciation and amortization	10,603	11,226
Non-cash interest expense	6,598	17,386
Gain on sale of capital assets	<u>(130)</u>	<u>-</u>
	(169,732)	(103,324)
Changes in non-cash working capital		
Accounts receivable	60,331	(85,087)
Inventory	22,590	33,413
Prepaid expenses	5,158	7,698
Accounts payable and accruals	<u>27,009</u>	<u>(4,332)</u>
Cash flows used in operating activities	<u>(54,644)</u>	<u>(151,632)</u>
CASH FLOWS FROM (USED IN)		
INVESTING ACTIVITIES		
Acquisition of equipment	-	(3,175)
Disposal of capital assets	<u>130</u>	<u>-</u>
Cash flows used in investing activities	<u>130</u>	<u>(3,175)</u>
CASH FLOWS FROM (USED IN)		
FINANCING ACTIVITIES		
Repayment of long term debt	<u>(19,080)</u>	<u>(11,191)</u>
Cash flows from financing activities	<u>(19,080)</u>	<u>(11,191)</u>
NET INCREASE (DECREASE) IN CASH	(73,594)	(165,998)
CASH POSITION, BEGINNING OF PERIOD	<u>170,887</u>	<u>561,869</u>
CASH POSITION, END OF PERIOD	<u>\$ 97,293</u>	<u>\$ 395,871</u>
REPRESENTED BY:		
Cash	\$ 42,194	\$ 70,795
Temporary Investments	<u>55,099</u>	<u>325,076</u>
	<u>\$ 97,293</u>	<u>\$ 395,871</u>
Interest Paid	<u>\$ 14,252</u>	<u>\$ 685</u>