

Haemacure Corporation

Notice of Disclosure of Non-Auditor Review of Interim Financial Statements for the three months ended January 31, 2008 and 2007

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that they have not been reviewed by the auditor.

The accompanying unaudited interim consolidated financial statements of the Corporation for the interim periods ended January 31, 2008 and 2007, have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of the Corporation's management.

The Corporation's independent auditors, Ernst & Young LLP, have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Dated this 28th day of February 2008.

Haemacure CorporationIncorporated under the *Canada Business Corporations Act***CONSOLIDATED BALANCE SHEETS**

[see note 1 - Basis of Presentation and Going Concern Assumption]

(Unaudited)	As at January 31, 2008 \$	As at October 31, 2007 \$
ASSETS		
Current assets		
Cash and cash equivalents	1,692,484	3,591,883
Temporary investment (note 5)	4,008,000	4,011,200
Accounts receivable - trade	13,041	9,227
Other receivables	56,682	47,905
Inventories	19,864	26,852
Prepaid expenses	109,359	88,414
	5,899,430	7,775,481
Property, plant and equipment	3,927,028	2,903,543
Deferred charge	229,535	236,561
Other assets	22,207	23,704
	10,078,200	10,939,289
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	535,964	361,918
Current portion of obligation under capital leases	37,175	11,564
	573,139	373,482
Obligation under capital leases	72,699	25,166
Lease obligation	74,579	63,678
Long-term debt (note 6)	1,266,447	1,250,634
	1,986,864	1,712,960
Shareholders' equity		
Share capital (note 7)	100,666,948	100,666,948
Additional paid-in capital (note 8)	8,573,071	8,483,671
Deficit	(101,153,924)	(99,945,567)
Accumulated other comprehensive income (note 9)	5,241	21,277
	8,091,336	9,226,329
	10,078,200	10,939,289

See accompanying notes to interim consolidated financial statements

Haemacure Corporation**CONSOLIDATED STATEMENTS OF OPERATIONS**
[see note 1 - Basis of Presentation and Going Concern Assumption]

Three months ended January 31, (Unaudited)	2008 \$	2007 \$
Sales	24,674	32,106
Cost of sales	11,372	16,877
Gross margin	13,302	15,229
Expenses (income)		
General and administrative (note 11)	845,371	620,593
Research and development	403,707	165,816
Loss on foreign exchange	11,444	12,283
Amortization of property, plant and equipment	12,442	10,032
Amortization of other assets	1,497	872
Interest on obligation under capital leases	1,720	657
Interest on long-term debt	15,813	15,057
Other financial expenses	2,062	35,190
Investment income	(72,397)	(32,018)
	1,221,659	828,482
Net loss for the period	(1,208,357)	(813,253)
Weighted average number of outstanding common shares	163,800,917	70,566,352
Basic and diluted loss per common share	(0.01)	(0.01)

See accompanying notes to interim consolidated financial statements

Haemacure Corporation**CONSOLIDATED STATEMENTS OF DEFICIT**
[see note 1 - Basis of Presentation and Going Concern Assumption]

Three months ended January 31, (Unaudited)	2008 \$	2007 \$
Deficit at beginning of period	(99,945,567)	(93,826,479)
Net loss for the period	(1,208,357)	(813,253)
Share issue costs	-	(1,446,192)
Deficit at end of period	(101,153,924)	(96,085,924)

See accompanying notes to interim consolidated financial statements

Haemacure Corporation**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**
[see note 1 - Basis of Presentation and Going Concern Assumption]

Three months ended January 31, (Unaudited)	2008 \$	2007 \$
Net loss for the period	(1,208,357)	(813,253)
Other comprehensive income		
Unrealized gain on available for sale investments	5,241	20,926
Comprehensive loss	(1,203,116)	(792,327)

See accompanying notes to interim consolidated financial statements

Haemacure Corporation**CONSOLIDATED STATEMENTS OF CASH FLOWS**
[see note 1 - Basis of Presentation and Going Concern Assumption]Three months ended January 31,
(Unaudited)

	2008	2007
	\$	\$
OPERATING ACTIVITIES		
Net loss for the period	(1,208,357)	(813,253)
Items not affecting cash:		
Amortization of property, plant and equipment	12,442	10,032
Amortization of other assets	1,497	872
Amortization of deferred charge	7,026	-
Accrued interest on long-term debt	15,813	15,057
Stock-based compensation expense	89,400	127,388
Rent expense	10,901	-
Foreign exchange gain on cash and cash equivalents	(10,384)	(2,087)
Unrealized gain on available for sale cash equivalents	(12,836)	20,926
	(1,094,498)	(641,065)
Net change in non-cash working capital balances related to operations	147,498	(61,410)
Cash flows relating to operating activities	(947,000)	(702,475)
FINANCING ACTIVITIES		
Issuance of units	-	12,500,000
Share issue costs paid in cash	-	(1,050,807)
Repayment of obligation under capital leases	(7,791)	(2,676)
Cash flows relating to financing activities	(7,791)	11,446,517
INVESTING ACTIVITIES		
Disposition of temporary investment	-	441,000
Acquisition of property, plant and equipment	(954,992)	(247,986)
Accounts payable related to property, plant and equipment	-	(38,411)
Cash flows relating to investing activities	(954,992)	154,603
Effect of exchange rate changes on cash and cash equivalents	10,384	2,087
Net increase in cash and cash equivalents	(1,899,399)	10,900,732
Cash and cash equivalents at beginning of period	3,591,883	78,300
Cash and cash equivalents at end of period	1,692,484	10,979,032
Supplemental information		
Interest paid	3,782	35,847

See accompanying notes to interim consolidated financial statements

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2008
(Unaudited)

1. BASIS OF PRESENTATION AND GOING CONCERN ASSUMPTION

Basis of Presentation

These unaudited interim consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") applicable to interim financial statements and use the same accounting policies and methods used in the preparation of the Corporation's most recent audited annual consolidated financial statements. All disclosures required for the audited annual consolidated financial statements have not been included in these unaudited consolidated financial statements except as noted below. Therefore, these unaudited interim consolidated financial statements should be read in conjunction with the Corporation's most recent audited annual consolidated financial statements.

The Corporation's activities since November 1, 2003 have been to perform research and development, build a manufacturing facility, and raise capital.

For further information, refer to the audited consolidated financial statements and footnotes thereto for the year ended October 31, 2007.

Going Concern Assumption

These unaudited interim consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future.

The Corporation has not realized profit from operations. The Corporation is in the development stage and will not generate significant revenues or profitable operations in the near future and there can be no assurance that it will achieve profitability in the future. As a result, there is significant uncertainty regarding the Corporation's ability to continue as a going concern. The Corporation will also require additional financing to fund its operations and development as well as to completing its manufacturing facility, conducting clinical trials and obtaining regulatory approvals.

The Corporation's ability to continue as a going concern is dependent upon its raising additional financing, developing and bringing its technology to market, obtaining the necessary regulatory approvals and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time. It will be necessary for the Corporation to raise additional funds for the continuing development and marketing of its technologies. These unaudited interim consolidated financial statements do not include any adjustments and classifications of assets and liabilities, which might be necessary should the Corporation be unable to continue its operations.

2. CHANGES IN ACCOUNTING POLICIES

The Canadian Institute of Chartered Accountants ("CICA") has issued the following new Handbook Sections which are effective for the Corporation's interim and annual financial statements beginning on November 1, 2007:

Section 3031 *Inventories* replaces the existing standard for inventories, Section 3030. The main features of the new Section are as follows:

- Measurement of inventories at the lower of cost and net realizable value
- Consistent use of either first-in, first-out or a weighted average cost formula to measure cost
- Reversal of previous write-downs to net realizable value when there is a subsequent increase to the value of inventories.

The Corporation early adopted Section 3031 beginning on November 1, 2007. The adoption of this new section had no impact on the Corporation's interim consolidated financial statements.

Section 3862, *Financial Instruments - Disclosure*, describes the required disclosure for the assessment of the significance of financial instruments to an entity's financial position and performance as well as the nature and extent of risks arising from financial instruments to which the entity is exposed and how the entity manages those risks.

Section 3863, *Financial Instruments - Presentation* establishes standards for presentation of the financial instruments and non-financial derivatives. It carries forward the presentation related requirements of Section 3861, *Financial Instruments - Disclosure and Presentation*.

The impact of adopting Handbook Sections 3862 and 3863 is disclosed in note 3.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2008
(Unaudited)

2. CHANGES IN ACCOUNTING POLICIES (Cont'd)

Section 1535, *Capital Disclosures*, establishes standards for disclosing information about an entity's capital and how it is managed. It requires the disclosure of the entity's objectives, policies and processes for managing capital, the quantitative data about what the entity views as capital, whether the entity has complied with its capital requirements if any, and, if it has not complied, the consequences of such non-compliance.

The impact of adopting this Handbook Section is disclosed in note 4.

3. FINANCIAL INSTRUMENTS

The classification of financial instruments under the new accounting standards effective November 1, 2007 and their carrying amounts and fair values were as follows as at :

	January 31, 2008				
	Available for sale	Loans and receivables	Other financial liabilities	Carrying value Total	Fair value Total
Financial assets					
Cash and cash equivalents	1,692,484	-	-	1,692,484	1,692,484
Temporary investment	4,008,000	-	-	4,008,000	4,008,000
Accounts receivable	-	13,041	-	13,041	13,041
Other receivables (1)	-	13,568	-	13,568	13,568
	5,700,484	26,609	-	5,727,093	5,727,093
Financial liabilities					
Accounts payable and accrued liabilities	-	-	535,964	535,964	535,964
Long-term debt	-	-	1,266,447	1,266,447	1,266,447
	-	-	1,802,411	1,802,411	1,802,411

(1) Excluding commodity taxes receivable

	October 31, 2007				
	Available for sale	Loans and receivables	Other financial liabilities	Carrying value Total	Fair value Total
Financial assets					
Cash and cash equivalents	3,591,883	-	-	3,591,883	3,591,883
Temporary investment	4,011,200	-	-	4,011,200	4,011,200
Accounts receivable	-	9,227	-	9,227	9,227
Other receivables (1)	-	27,295	-	27,295	27,295
	7,603,083	36,522	-	7,639,605	7,639,605
Financial liabilities					
Accounts payable and accrued liabilities	-	-	361,918	361,918	361,918
Long-term debt	-	-	1,250,634	1,250,634	1,250,634
	-	-	1,612,552	1,612,552	1,612,552

(1) Excluding commodity taxes receivable

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2008
(Unaudited)

3. FINANCIAL INSTRUMENTS (cont'd)

Fair value

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The Corporation uses the following methods and assumptions to establish the fair value for each class of financial instruments for which their carrying amounts are included in the interim consolidated balance sheet as follows:

Available for sale

Cash equivalents and temporary investments - The carrying amount is recorded at the fair market value determined using quoted market prices.

Cash equivalents and temporary investments were classified as Available for sale due to their short-term nature and the fact that they must be readily available to finance the Corporation's operations.

Loans and receivables

Receivables and other receivables - The carrying amount is a reasonable approximation of fair value due to the short-term nature of the accounts.

Other financial liabilities

Accounts payable and accrued liabilities, and long-term debt - The carrying amounts included on the balance sheet are measured at amortized cost which approximates fair value due to the short-term nature of accounts payable and accrued liabilities and a floating interest rate charge on its long-term debt.

Risk arising from financial instruments

The Corporation does not use financial derivatives.

Foreign Currency risk

We operate internationally and a substantial portion of our expenses are incurred in US dollars. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have a material effect on our consolidated results of operations, financial position or cash flows. We have not hedged our exposure to currency fluctuations.

Credit risk

Cash equivalents are mainly investments in Canadian bankers' acceptances that are readily convertible into a known amount of cash and have an original maturity of three months or less from the date of purchase. The temporary investment is a government guaranteed corporate bond subject to minimal risk of changes in value.

The Corporation's concentration of credit risk with respect to trade accounts receivable is limited because of the large number of customers.

Liquidity risk and market risk

Haemacure's investment policy is to invest its excess cash in high-grade investment securities with varying terms to maturity, selected with regard to the expected timing of expenditures for continuing operations.

Our investments are comprised of cash equivalents issued by major Canadian financial institutions and one investment in a government guaranteed corporate bond. Our investments are therefore subject to minor fluctuations in value.

4. CAPITAL

The Corporation's objective when managing capital is to safeguard the entity's ability to continue as a going concern which is dependent on its raising additional financing, developing and bringing its technology to market, obtaining the necessary regulatory approvals and achieving and maintaining profitable operations to provide returns for shareholders and benefits for other stakeholders.

In the management of capital, the Corporation includes shareholders' equity (excluding other comprehensive income), long-term debt and obligation under capital leases.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2008
(Unaudited)

5. TEMPORARY INVESTMENT

The following table summarizes information relating to the temporary investment as at January 31, 2008:

	Market value \$	Original maturity
Government guaranteed corporate bond	4,008,000	Oct. 27, 2009

The market value was \$4,011,200 as at October 31, 2007.

This temporary investment bears interest at floating rates. The interest rate amounted to 4.058% as at January 31, 2008 (effective rate as at October 31, 2007: 4.748%).

6. LONG-TERM DEBT

Under the terms of the agreement with Investissement Québec ("IQ"), this loan bears interest at a rate equal to the floating rate prescribed by the Ministère du Revenu du Québec less 4% (5% as at January 31, 2008 and 5% as at October 31, 2007). Interest for the three-month period ended January 31, 2008 amounting to \$15,813 (\$60,870 for the year ended October 31, 2007) has been capitalized to the loan in accordance with the provisions of the loan agreement. The loan and interest thereon will be repayable in installments equal to 10% of gross sales of products stemming from the sale of internally developed fibrin sealants (Hemaseel HMN). As of January 31, 2008, no such products had been sold. After repayment of the loan and the interest thereon, the Corporation will pay a royalty equal to 2% of gross sales from the date of final repayment until the end of a period of ten years starting with the commencement of the commercialization of these products. The Corporation will have to reimburse the loan immediately if the Hemaseel HMN project is interrupted or aborted.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value, voting and participating.

Unlimited number of preferred shares, without par value, non-voting, issuable in series, with such rights and conditions as may be determined by the Board of Directors.

As at January 31, 2008, the number of common shares outstanding was 163,800,917 (October 31, 2007: 163,800,917) and nil preferred shares were issued.

Warrants

As at January 31, 2008 and October 31, 2007, there were 125,000,000 warrants outstanding having a weighted-average exercise price of \$0.25 and 11,909,000 broker warrants, which entitle the holders to purchase 11,909,000 units. Each unit consists of one common share, one-half of a Series A and one-half of a Series B common share purchase warrant.

8. STOCK OPTION PLAN

A summary of the situation as at January 31, 2008 of the Corporation's fixed-price stock option plan and the changes made during the three-month period then ended is shown below:

	Options	Weighted average exercise price
Outstanding options, as at October 31, 2007	6,671,037	0.64
Granted	910,000	0.11
Expired	-	-
Outstanding options, as at January 31, 2008	7,581,037	0.58
Exercisable options, as at January 31, 2008	5,831,037	0.71

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2008
(Unaudited)

8. STOCK OPTION PLAN (cont'd)

An amount of \$89,400 was recorded as an expense in general and administrative expenses in the consolidated statements of operations and was credited to additional paid-in capital during the quarter ended January 31, 2008 for the fair value of stock options granted to directors, determined using the Black-Scholes option pricing model, with a volatility of approximately 74%, a risk-free interest rate of 4.05%, a dividend yield of nil and an expected life of the options of 10 years. The weighted-average grant date fair value of stock options granted during the quarter ended January 31, 2008 was \$0.09.

An amount of \$127,388 was recorded as an expense in general and administrative expenses in the consolidated statements of operations and was credited to additional paid-in capital during the quarter ended January 31, 2007 for the fair value of options granted to directors, officers, employees and consultants, determined using the Black-Scholes option pricing model, with a volatility of approximately 70%, a risk-free interest rate of 6%, a dividend yield of nil and an expected life of the options of 10 years. The weighted-average grant date fair value of stock options granted during the quarter ended January 31, 2007 was \$0.17.

9. ACCUMULATED OTHER COMPREHENSIVE INCOME

Cash equivalents and temporary investments classified as available for sale constitute the sole items affecting Accumulated Other Comprehensive Income. The changes that occurred during the period were as follows:

	For the three months ended January 31,	
	2008	2007
	\$	\$
Balance, beginning of period	21,277	-
Changes to unrealized gain on available for sale investments	(16,036)	20,926
Balance, end of period	5,241	20,926

10. SEGMENT DISCLOSURES

The Corporation considers that it is operating in a single segment, being the market of acute surgical wound care. The Corporation allocates sales to individual countries according to the location of its customers.

Geographic information

	Sales		Property, plant and equipment	
	For the three months ended January 31, 2008	2007	As at January 31, 2008	As at October 31, 2007
	\$	\$	\$	\$
Canada	-	-	182,890	111,097
United States	24,674	32,106	3,744,138	2,792,446
	24,674	32,106	3,927,028	2,903,543

11. RELATED PARTY TRANSACTIONS

Amounts were paid on behalf of a company controlled by a director for the storage and packaging of a product owned by the company controlled by the director. The account receivable amounted to \$2,000 as at January 31, 2008 (\$3,068 as at October 31, 2007).

During the quarter, one director provided consulting services to the Corporation. The total cash consideration paid by the Corporation during the quarter for such services totaled \$16,659 (\$31,732 for the first quarter of fiscal 2007) at the exchange amount, being the amount agreed upon by the parties, and were charged to general and administrative expenses.