

## **Haemacure Corporation**

### **Notice of Disclosure of Non-Auditor Review of Interim Financial Statements for the three and six months ended April 30, 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 April 30, 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 30th day of May 2008.

**Haemacure Corporation**Incorporated under the *Canada Business Corporations Act***CONSOLIDATED BALANCE SHEETS**

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

(Unaudited)	As at April 30, 2008 \$	As at October 31, 2007 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	919,364	3,591,883
Temporary investment (note 5)	2,657,716	4,011,200
Accounts receivable - trade	21,236	9,227
Other receivables	143,696	47,905
Inventories	51,445	26,852
Prepaid expenses	125,244	88,414
	3,918,701	7,775,481
Property, plant and equipment	5,430,218	2,903,543
Deferred charge	222,508	236,561
Other assets	10,833	23,704
	9,582,260	10,939,289
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 10)	1,931,153	361,918
Advance from shareholders for exercise of warrants (note 13)	200,000	-
Current portion of obligation under capital leases	37,821	11,564
	2,168,974	373,482
Obligation under capital leases	62,997	25,166
Lease obligation	83,722	63,678
Long-term debt (note 6)	1,282,082	1,250,634
	3,597,775	1,712,960
<b>Shareholders' equity</b>		
Share capital (note 7)	100,666,948	100,666,948
Additional paid-in capital (note 8)	8,979,445	8,483,671
Deficit	(103,658,906)	(99,945,567)
Accumulated other comprehensive income (note 9)	(3,002)	21,277
	5,984,485	9,226,329
	9,582,260	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]

(Unaudited)	Three months ended April 30,		Six months ended April 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Sales	28,368	24,757	53,042	56,863
Cost of sales	12,543	13,032	23,915	29,909
Gross margin	15,825	11,725	29,127	26,954
<b>Expenses (income)</b>				
General and administrative (note 12)	1,327,551	1,177,120	2,172,922	1,797,713
Research and development	668,452	205,224	1,072,159	371,040
Other expenses (note 10)	468,824	-	468,824	-
Loss on foreign exchange	11,265	7,923	22,709	20,206
Amortization of property, plant and equipment	15,061	10,157	27,503	20,189
Amortization of other assets	1,497	871	2,994	1,743
Interest on obligation under capital leases	1,851	619	3,571	1,276
Interest on long-term debt	15,635	14,749	31,448	29,806
Other financial expenses	53,148	-	55,210	35,190
Investment income	(42,477)	(102,863)	(114,874)	(134,881)
	2,520,807	1,313,800	3,742,466	2,142,282
<b>Net loss for the period</b>	<b>(2,504,982)</b>	<b>(1,302,075)</b>	<b>(3,713,339)</b>	<b>(2,115,328)</b>
Weighted average number of outstanding common shares	163,800,917	163,800,917	163,800,917	116,410,972
Basic and diluted loss per common share	(0.02)	(0.01)	(0.02)	(0.02)

*See accompanying notes to interim consolidated financial statements*

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

Six months ended April 30, (Unaudited)	2008 \$	2007 \$
Deficit at beginning of period	(99,945,567)	(93,826,479)
Net loss for the period	(3,713,339)	(2,115,328)
Share issue costs	-	(1,447,276)
<b>Deficit at end of period</b>	<b>(103,658,906)</b>	<b>(97,389,083)</b>

*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]

Six months ended April 30, (Unaudited)	2008 \$	2007 \$
Net loss for the period	(3,713,339)	(2,115,328)
<b>Other comprehensive income</b>		
Unrealized (loss) gain on available for sale investments	(3,002)	49,345
<b>Comprehensive loss</b>	<b>(3,716,341)</b>	<b>(2,065,983)</b>

*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]

(Unaudited)	Three months ended April 30,		Six months ended April 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	(2,504,982)	(1,302,075)	(3,713,339)	(2,115,328)
Items not affecting cash:				
Amortization of property, plant and equipment	15,061	10,157	27,503	20,189
Amortization of other assets	1,497	871	2,994	1,743
Amortization of deferred charge	7,027	-	14,053	-
Accrued interest on long-term debt	15,635	14,749	31,448	29,806
Order cancellation expenses (note 10)	233,569	-	233,569	-
Loss on write-off of other assets	9,877	-	9,877	-
Stock-based compensation expense	406,374	437,002	495,774	564,390
Rent expense	9,143	17,765	20,044	17,765
Foreign exchange loss (gain) on cash and cash equivalents	(2,001)	5,366	(12,385)	3,279
Unrealized gain/loss on available for sale cash equivalents	(6,465)	28,419	(19,301)	49,345
	(1,815,265)	(787,746)	(2,909,763)	(1,428,811)
Net change in non-cash working capital balances related to operations	742,453	182,290	889,951	120,880
<b>Cash flows relating to operating activities</b>	<b>(1,072,812)</b>	<b>(605,456)</b>	<b>(2,019,812)</b>	<b>(1,307,931)</b>
<b>FINANCING ACTIVITIES</b>				
Issuance of units	-	-	-	12,500,000
Share issue costs paid in cash	-	(1,613)	-	(1,052,420)
Repayment of obligation under capital leases	(9,056)	(2,714)	(16,847)	(5,390)
<b>Cash flows relating to financing activities</b>	<b>(9,056)</b>	<b>(4,327)</b>	<b>(16,847)</b>	<b>11,442,190</b>
<b>INVESTING ACTIVITIES</b>				
Sales of temporary investments	1,348,506	-	1,348,506	441,000
Acquisition of property, plant and equipment	(1,041,759)	(698,085)	(1,996,751)	(946,071)
Accounts payable related to property, plant and equipment	-	-	-	(38,411)
<b>Cash flows relating to investing activities</b>	<b>306,747</b>	<b>(698,085)</b>	<b>(648,245)</b>	<b>(543,482)</b>
Effect of exchange rate changes on cash and cash equivalents	2,001	(5,366)	12,385	(3,279)
<b>Net increase in cash and cash equivalents</b>	<b>(773,120)</b>	<b>(1,313,234)</b>	<b>(2,672,519)</b>	<b>9,587,498</b>
Cash and cash equivalents at beginning of period	1,692,484	10,979,032	3,591,883	78,300
<b>Cash and cash equivalents at end of period</b>	<b>919,364</b>	<b>9,665,798</b>	<b>919,364</b>	<b>9,665,798</b>
<b>Supplemental information</b>				
Interest paid	1,851	619	5,633	36,466

See accompanying notes to interim consolidated financial statements

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 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.

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 for its products.

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 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

April 30, 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 :

	April 30, 2008			Carrying value Total	Fair value Total
	Available for sale	Loans and receivables	Other financial liabilities		
<b>Financial assets</b>					
Cash and cash equivalents	919,364	-	-	919,364	919,364
Temporary investment	2,657,716	-	-	2,657,716	2,657,716
Accounts receivable	-	21,236	-	21,236	21,236
Other receivables (1)	-	107,947	-	107,947	107,947
	<u>3,577,080</u>	<u>129,183</u>	<u>-</u>	<u>3,706,263</u>	<u>3,706,263</u>
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	-	-	1,931,153	1,931,153	1,931,153
Advance from shareholders	-	-	200,000	200,000	200,000
Long-term debt	-	-	1,282,082	1,282,082	1,282,082
	<u>-</u>	<u>-</u>	<u>3,413,235</u>	<u>3,413,235</u>	<u>3,413,235</u>

(1) Excluding commodity taxes receivable

	October 31, 2007			Carrying value Total	Fair value Total
	Available for sale	Loans and receivables	Other financial liabilities		
<b>Financial assets</b>					
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
	<u>7,603,083</u>	<u>36,522</u>	<u>-</u>	<u>7,639,605</u>	<u>7,639,605</u>
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	-	-	361,918	361,918	361,918
Long-term debt	-	-	1,250,634	1,250,634	1,250,634
	<u>-</u>	<u>-</u>	<u>1,612,552</u>	<u>1,612,552</u>	<u>1,612,552</u>

(1) Excluding commodity taxes receivable

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 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, advance from shareholders 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 advances from shareholders while the long-term debt has a floating interest rate.

**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), advance from shareholders, long-term debt and obligation under capital leases.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008  
(Unaudited)

**5. TEMPORARY INVESTMENT**

The following table summarizes information relating to the temporary investment as at April 30, 2008:

	Market value \$	Original maturity
Government guaranteed corporate bond	2,657,716	Oct. 27, 2009

This temporary investment bears interest at floating rates. The interest rate amounted to 3.278% as at April 30, 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 April 30, 2008 and 5% as at October 31, 2007). Interest for the six-month period ended April 30, 2008 amounting to \$31,448 (\$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 April 30, 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 April 30, 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 April 30, 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 at \$0.10 each. 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 April 30, 2008 of the Corporation's fixed-price stock option plan and the changes made during the six-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	7,565,100	0.13
Expired	(113,250)	2.09
Outstanding options, as at April 30, 2008	14,122,887	0.36
Exercisable options, as at April 30, 2008	9,872,887	0.45

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008  
(Unaudited)

**8. STOCK OPTION PLAN (cont'd)**

An amount of \$406,374 for the three-month period ended April 30, 2008 and an amount of \$495,774 for the six-month period ended April 30, 2008 were recorded as an expense in general and administrative expenses in the consolidated statements of operations and were credited to additional paid-in capital during the three and six-month periods ended April 30, 2008 for the fair value of stock options granted to directors, officers, employees, consultants and service providers, determined using the Black-Scholes option pricing model, with a volatility of approximately 71%, a risk-free interest rate of 3.31%, 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 six-month period ended April 30, 2008 was \$0.09.

An amount of \$437,002 for the three-month period ended April 30, 2007 and an amount of \$564,390 for the six-month period ended April 30, 2007 were recorded as an expense in general and administrative expenses and were credited to additional paid-in capital for the fair value of stock options granted to directors, officers, employees and consultants. The amounts were 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 six-month period ended April 30, 2007 was \$0.16.

**9. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

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 April 30,		For the six months ended April 30,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Balance, beginning of period	5,241	20,926	21,277	-
Changes to unrealized gain on available for sale investments	(8,243)	28,419	(24,279)	49,345
Balance, end of period	(3,002)	49,345	(3,002)	49,345

**10. OTHER EXPENSES**

The Corporation's decision to proceed with a small manufacturing facility has resulted in a review of the equipment previously ordered and the following charges occurred during the quarter:

I- An agreement in principle was reached with Alfa Laval which provides for: i) the cancellation of the purchase of certain manufacturing equipment and cancellation fees amounting to \$49,678 (US\$49,031), which were recorded in other expenses; ii) a reduction in the cost of the balance manufacturing equipment of 30%; and iii) the acquisition of property, plant and equipment in the amount of \$797,193 (US\$788,831).

The agreement is expected to be signed shortly and \$846,871 (US\$837,862) was recorded in accounts payable and accrued liabilities until the new agreement is executed. The new agreement will finance \$846,871 (US\$837,862) at an effective interest rate of 29.23% and is repayable quarterly until January 1, 2015, with interest only repayments until April 1, 2011. Prepayment options are available.

II- An order for the purchase of certain manufacturing equipment for which the Corporation has made deposits was cancelled which resulted in charges of \$233,569 recorded in other expenses. As part of the agreement reached with the supplier, the supplier agreed to refund the Corporation \$87,132 (US\$86,218) which is included in other receivables. Further, the supplier has provided a credit of US\$97,500 to Haemacure that the Corporation may apply against the purchase and delivery of an identical equipment by December 31, 2010. This credit has not been reflected in the accounts.

One of the contractor involved in the construction of the facility has encountered financial difficulties and failed to pay his sub-contractors. To avoid delays in the completion of the facility, the Corporation has made payments of \$175,700 to various sub-contractors and has recorded the amount in other expenses as the Corporation is uncertain as to the contractor's ability to repay these funds. Additional commitments could amount to an additional charge of \$175,000. The Corporation has taken legal action against the contractor to claim the additional expenses it has incurred as a result of the contractor's breach of contract.

Also included in other expenses is an amount of \$9,877 resulting from the write-off of manufacturing rights included in other assets as the related patents have expired.

## Haemacure Corporation

### NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

April 30, 2008  
(Unaudited)

#### 11. 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		Sales		Property, plant and equipment	
	For the three months ended April 30, 2008	2007	For the six months ended April 30, 2008	2007	As at April 30, 2008	As at October 31, 2007
			\$	\$	\$	\$
Canada	-	-	-	-	174,415	111,097
United States	28,368	24,757	53,042	56,863	5,255,803	2,792,446
	28,368	24,757	53,042	56,863	5,430,218	2,903,543

#### 12. 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 \$3,980 as at April 30, 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 \$7,841 (\$5,044 for the second quarter of fiscal 2007) and \$24,500 for the six-month period ended April 30, 2008 (2007 - \$36,776) at the exchange amount, being the amount agreed upon by the parties, and were charged to general and administrative expenses.

#### 13. SUBSEQUENT EVENTS

In May 2008, the Corporation announced that it has obtained consent required from its shareholders to amend the terms and conditions of 62.5 million outstanding Series B common share purchase warrants issued by Haemacure by way of private placement in January 2007.

Each of the Series B warrants currently entitles its holder to acquire one additional common share of Haemacure at a price of \$0.20 for a period of five years from the date of issuance. As a result of the amendment, if Series B warrants are exercised during a period of ten business days commencing on May 29, 2008 and ending on June 12, 2008, Haemacure will issue to the holder, with each Haemacure common share purchased upon the exercise of Series B warrants, one additional common share purchase warrant. Each additional warrant will entitle the holder to acquire one additional common share of Haemacure at a price of \$0.25 until April 18, 2013.

If Series B warrants are not exercised during the relevant period, the holder will not be entitled to receive the additional warrants upon the subsequent exercise of Series B warrants. Holders of Series B warrants who do not exercise them during the relevant period will retain the right to exercise the Series B warrants in accordance with their original terms and conditions.