

Haemacure Corporation

Notice of Disclosure of Non-Auditor Review of Interim Financial Statements for the three and nine months ended July 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 July 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 29th day of August 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 July 31, 2008 \$	As at October 31, 2007 \$
ASSETS		
Current assets		
Cash and cash equivalents	2,381,988	3,591,883
Temporary investments	5,272,174	4,011,200
Accounts receivable - trade	10,823	9,227
Other receivables (note 9)	153,241	47,905
Inventories	56,747	26,852
Prepaid expenses	132,881	88,414
	8,007,854	7,775,481
Property, plant and equipment	6,730,853	2,903,543
Deferred charge	215,482	236,561
Other assets	10,208	23,704
	14,964,397	10,939,289
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	743,277	361,918
Current portion of obligation under capital leases	38,479	11,564
	781,756	373,482
Obligation under capital leases	53,127	25,166
Lease obligation	92,905	63,678
Long-term debt (note 5)	2,189,082	1,250,634
	3,116,870	1,712,960
Shareholders' equity		
Share capital (note 6)	106,981,414	100,666,948
Additional paid-in capital (note 6 and 7)	10,541,600	8,483,671
Deficit	(105,681,792)	(99,945,567)
Accumulated other comprehensive income (note 8)	6,305	21,277
	11,847,527	9,226,329
	14,964,397	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 July 31,		Nine months ended July 31,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Sales	25,593	31,674	78,635	88,537
Cost of sales	11,325	18,731	35,240	48,640
Gross margin	14,268	12,943	43,395	39,897
Expenses (income)				
General and administrative (note 11)	879,413	734,286	3,052,335	2,531,999
Research and development	978,680	158,534	2,050,839	529,574
Other expenses (note 9)	99,029	-	567,853	-
Loss on foreign exchange	22,801	5,923	45,510	26,129
Amortization of property, plant and equipment	18,975	17,927	46,478	38,116
Amortization of other assets	625	872	3,619	2,615
Interest on obligation under capital leases	1,694	581	5,265	1,857
Interest on long-term debt	71,479	15,435	156,075	45,241
Other financial expenses	23	29,085	2,085	64,275
Investment income	(35,565)	(92,821)	(150,439)	(227,702)
	2,037,154	869,822	5,779,620	3,012,104
Net loss for the period	(2,022,886)	(856,879)	(5,736,225)	(2,972,207)
Weighted average number of outstanding common shares	186,418,348	163,800,917	171,395,091	132,381,210
Basic and diluted loss per common share	(0.01)	(0.01)	(0.03)	(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]

Nine months ended July 31, (Unaudited)	2008 \$	2007 \$
Deficit at beginning of period	(99,945,567)	(93,826,479)
Net loss for the period	(5,736,225)	(2,972,207)
Share issue costs	-	(1,447,276)
Deficit at end of period	(105,681,792)	(98,245,962)

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]

Nine months ended July 31, (Unaudited)	2008 \$	2007 \$
Net loss for the period	(5,736,225)	(2,972,207)
Other comprehensive income		
Unrealized gain on available for sale investments	6,305	6,782
Comprehensive loss	(5,729,920)	(2,965,425)

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 July 31,		Nine months ended July 31,	
	2008	2007	2008	2007
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(2,022,886)	(856,879)	(5,736,225)	(2,972,207)
Items not affecting cash:				
Amortization of property, plant and equipment	18,975	17,927	46,478	38,116
Amortization of other assets	625	872	3,619	2,615
Amortization of deferred charge	7,026	-	21,079	-
Accrued interest on long-term debt	60,129	15,434	91,577	45,240
Order cancellation expenses (note 9)	49,678	-	283,247	-
Loss on write-off of other assets	-	-	9,877	-
Stock-based compensation expense	74,045	110,168	569,819	674,558
Rent expense	9,183	8,226	29,227	25,991
Foreign exchange loss (gain) on cash and cash equivalents	1,380	11,665	(11,005)	14,944
Unrealized gain/loss on available for sale cash equivalents	9,073	(42,563)	(10,228)	6,782
	(1,792,772)	(735,150)	(4,702,535)	(2,163,961)
Net change in non-cash working capital balances related to operations	(602,754)	(296,557)	287,197	(175,677)
Cash flows relating to operating activities	(2,395,526)	(1,031,707)	(4,415,338)	(2,339,638)
FINANCING ACTIVITIES				
Issuance of units	690,500	-	690,500	12,500,000
Exercise of B warrants	7,112,076	-	7,112,076	-
Share issue costs paid in cash	-	-	-	(1,052,420)
Repayment of obligation under capital leases	(9,212)	(2,752)	(26,059)	(8,142)
Cash flows relating to financing activities	7,793,364	(2,752)	7,776,517	11,439,438
INVESTING ACTIVITIES				
Acquisition of temporary investments	(3,573,138)	(4,007,200)	(3,573,138)	(4,007,200)
Sale of temporary investments	958,914	-	2,307,420	441,000
Acquisition of property, plant and equipment	(1,319,610)	(308,737)	(3,316,361)	(1,254,808)
Acquisition of other assets	-	(11,250)	-	(11,250)
Accounts payable related to property, plant and equipment	-	-	-	(38,411)
Cash flows relating to investing activities	(3,933,834)	(4,327,187)	(4,582,079)	(4,870,669)
Effect of exchange rate changes on cash and cash equivalents	(1,380)	(11,665)	11,005	(14,944)
Net increase in cash and cash equivalents	1,462,624	(5,373,311)	(1,209,895)	4,214,187
Cash and cash equivalents at beginning of period	919,364	9,665,798	3,591,883	78,300
Cash and cash equivalents at end of period	2,381,988	4,292,487	2,381,988	4,292,487
Supplemental information				
Interest paid	77,168	29,666	82,801	66,132

See accompanying notes to interim consolidated financial statements

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

July 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.

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 completing the validation of 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

July 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 :

	July 31, 2008				
	Available for sale	Loans and receivables	Other financial liabilities	Carrying value Total	Fair value Total
Financial assets					
Cash and cash equivalents	2,381,988	-	-	2,381,988	2,381,988
Temporary investment	5,272,174	-	-	5,272,174	5,272,174
Accounts receivable	-	10,823	-	10,823	10,823
Other receivables (1)	-	128,509	-	128,509	128,509
	<u>7,654,162</u>	<u>139,332</u>	<u>-</u>	<u>7,793,494</u>	<u>7,793,494</u>
Financial liabilities					
Accounts payable and accrued liabilities	-	-	743,277	743,277	743,277
Long-term debt	-	-	2,189,082	2,189,082	2,189,082
	<u>-</u>	<u>-</u>	<u>2,932,359</u>	<u>2,932,359</u>	<u>2,932,359</u>

(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
	<u>7,603,083</u>	<u>36,522</u>	<u>-</u>	<u>7,639,605</u>	<u>7,639,605</u>
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
	<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

July 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. The long-term debt with Investissement Québec has a floating interest rate and the rate on the long-term debt with Alfa Laval approximates rates currently available for similar debts.

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. Temporary investments are government guaranteed or issued by banks and are subject to minimal risk.

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 investments in government guaranteed corporate bonds, a government of Canada treasury bill and a bank issued short-term 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

July 31, 2008

(Unaudited)

5. LONG-TERM DEBT

	As at July 31, 2008 \$	As at October 31, 2007 \$
Loan from Investissement Québec a)	1,297,168	1,250,634
Debt with Alfa Laval b)	891,914	-
	<u>2,189,082</u>	<u>1,250,634</u>

- a) 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% (4% as at July 31, 2008 and 5% as at October 31, 2007). Interest for the nine-month period ended July 31, 2008 amounting to \$46,534 (\$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 July 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.
- b) Long-term debt with Alfa Laval, in the amount of \$857,468 (US\$837,862), bearing interest at 10%, maturing in January 2015 and collateralized by manufacturing equipment. In addition to the 10% interest rate, the principal amount of the debt is increased by US\$45,000 each quarter. As a result, the debt has an effective interest rate of 29.23%. The debt is repayable in quarterly installments, interest only, from July 2008 until January 2010, interest and debt increase, from April 2010 until January 2011, and principal and interest, from April 2011 until January 2015. The Corporation has the option to repay the balance of the debt each quarter without penalty, which option was valued at \$49,820 (US\$48,681) and recorded as a reduction in the debt.

The minimum annual long-term principal repayments, excluding those relating to the IQ loan, are as follows over the next five years:

	\$
2009	-
2010	138,159
2011	414,066
2012	490,683
2013	<u>490,683</u>

6. 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.

In June 2008, Haemacure raised \$7.8 million through the exercise of broker warrants and amended Series B warrants issued as part of the private placement concluded in January 2007. A total of 6,905,000 broker warrants were exercised at a price of \$0.10 per unit. Each unit is comprised of one common share, one-half of a Series A common share purchase warrant and one-half of a Series B common share purchase warrant. A total of 35,560,381 Series B warrants were exercised at a price of \$0.20, providing for an equal number of Series C common share purchase warrants at a price of \$0.25, expiring on April 18, 2013.

The resulting 42,465,381 warrants have been valued at \$3.5 million using the Black-Scholes option pricing model. For Series A and B warrants, the pricing model assumed an expected life of 3.5 years, volatility of 83%, risk-free interest rate of 3.56% and no dividend yield. For Series C warrants, the pricing model assumed an expected life of 5 years, volatility of 77%, risk-free interest of 3.59% and no dividend yield. This amount, less the original value of broker warrants and B warrants exercised of \$2 million, was allocated to additional paid-in capital and the balance of \$6.3 million was allocated to common shares.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2008
(Unaudited)

6. SHARE CAPITAL (Cont'd)

As at July 31, 2008, the number of common shares outstanding was 206,266,298 (October 31, 2007: 163,800,917) and nil preferred shares were issued.

Warrants

As at July 31, 2008 there was 131,905,000 warrants outstanding having a weighted-average exercise price of \$0.26 (October 31, 2007: 125,000,000) and 5,004,000 broker warrants, which entitle the holders to purchase 5,004,000 units at \$0.10 each (October 31, 2007: 11,909,000). Each unit consists of one common share, one-half of a Series A and one-half of a Series B common share purchase warrant.

7. STOCK OPTION PLAN

A summary as at July 31, 2008 of the Corporation's fixed-price stock option plan and the changes made during the nine-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	7,665,100	0.13
Expired	(113,250)	2.09
Outstanding options, as at July 31, 2008	14,222,887	0.35
Exercisable options, as at July 31, 2008	10,878,887	0.42

An amount of \$74,045 for the three-month period ended July 31, 2008 and an amount of \$569,819 for the nine-month period ended July 31, 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 nine-month periods ended July 31, 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 3.32%, 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 nine-month period ended July 31, 2008 was \$0.09.

An amount of \$110,168 for the three-month period ended July 31, 2007 and an amount of \$674,558 for the nine-month period ended July 31, 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 nine-month period ended July 31, 2007 was \$0.16.

8. 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 July 31,		For the nine months ended July 31,	
	2008	2007	2008	2007
	\$	\$	\$	\$
Balance, beginning of period	(3,002)	20,926	21,277	-
Changes to unrealized gain on available for sale investments	9,307	28,419	(14,972)	49,345
Balance, end of period	6,305	49,345	6,305	49,345

Haemacure Corporation

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2008
(Unaudited)

9. OTHER EXPENSES

The Corporation's decision to proceed with a smaller manufacturing facility has resulted in a review of the equipment previously ordered and the following charges were recorded during the second quarter ended April 30, 2008:

- a) An agreement with Alfa Laval provided for the cancellation of the purchase of certain manufacturing equipment resulting in cancellation fees of \$49,678 (US\$49,031), which were recorded in other expenses.
- b) 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.
- c) 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.

One of the contractors 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 \$99,029 during the three-month period ended July 31, 2008 and \$274,729 during the nine-month period ended July 31, 2008 to various sub-contractors and has recorded the amounts in other expenses as the Corporation is uncertain as to the contractor's ability to repay these funds. Additional expenses could amount to an additional charge of approximately \$75,000. 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.

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		Sales		Property, plant and equipment	
	For the three months ended July 31, 2008	2007	For the nine months ended July 31, 2008	2007	As at July 31, 2008	As at October 31, 2007
	\$	\$	\$	\$	\$	\$
Canada	-	-	-	-	163,853	111,097
United States	25,593	31,674	78,635	88,537	6,567,000	2,792,446
	25,593	31,674	78,635	88,537	6,730,853	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 \$5,960 as at July 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 \$5,255 (\$30,668 for the third quarter of fiscal 2007) and \$29,755 for the nine-month period ended July 31, 2008 (2007 - \$67,444) at the exchange amount, being the amount agreed upon by the parties, and were charged to general and administrative expenses.