



MANAGEMENT'S DISCUSSION & ANALYSIS

March 11, 2008

The following Management Discussion and Analysis ("MD&A") should be read in conjunction with the Company's unaudited consolidated interim financial statements for the three and six month periods ended January 31, 2008 as well as the audited consolidated financial statements and notes thereto for the years ended July 31 2007 and 2006 which are prepared in accordance with Canadian generally accepted accounting principles. These interim unaudited consolidated financial statements have not been reviewed by the Company's auditors. This MD&A provides a review of the performance of the Company for the three and six month periods ended January 31, 2008 as compared to the three and six month periods ended January 31, 2007. Additional information relating to the Company, including the Company's Annual Information Form and Proxy Circular, can be found on SEDAR at www.sedar.com

Where "IBEX" or the "Company" is used, it is referring to IBEX Technologies Inc. and its wholly-owned subsidiaries, unless otherwise indicated. All amounts are in Canadian dollars, unless otherwise indicated. Solely for the convenience of the reader, selected financial results have been translated into U.S. dollars at the January 2008 month-end rate C\$1.00 = US\$ 0.9889. This translation should not be construed as an application of the recommendations relating to the accounting for foreign currency translation, but rather as supplemental information for the reader.

Forward-Looking Statements

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. Any such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in these forward-looking statements. For more information on the Company's risks and uncertainties relating to these forward-looking statements, please refer to the risk factors section of the MD&A.

OVERVIEW

IBEX (TSX:IBT) is a biopharmaceutical company utilizing proprietary disease-related biomolecules to develop and market diagnostic products to manage and improve patient lives.

Revenue is derived from:

- A group of proprietary glycobiology enzymes (heparinases and chondroitinases) of which the principal enzyme, *Heparinase I* IBEX is used widely in home monitoring devices to monitor heparin and coumadin therapy and in hospitals to assist in the generation of data relative to coagulation and hemostatis; and
- Novel arthritis assays which are used in pharmaceutical research. These assays are based on the discovery of a number of specific molecular biomarkers associated with collagen synthesis and degradation.

We sell our current products, enzymes and diagnostic kits, either directly or through distributors.

General Risk Factors

IBEX products are sold to device makers, pharmaceutical companies for pre-clinical research and contract research organizations for clinical studies. As such IBEX is dependent on the successful marketing by the device makers, the frequency and size of pre-clinical and clinical studies.

IBEX products are sold in US\$ and as such the Company is highly exposed to currency fluctuations.

In addition, due to the speculative nature of the industry, market prices for securities of biotechnology companies may be highly volatile and subject to significant fluctuation and may not necessarily be related to the operating or other performances of such companies.

Recent Developments

During the six-month period ended January 31, 2008 and up to the date of this MD&A:

- Sales for the three-month period ended January 31, 2008 totaled \$549,217 (US\$543,120) compared to \$474,276, up 16% versus the same period last year.
- On a comparable year-to-year basis, invoiced sales for the six months ending January 31, 2008 were \$1,103,803 (US\$1,091,550) and were 22% higher than the comparative semester for the prior year (\$902,344), and up 3% on a 12 months rolling basis. In US\$, the currency of sale, sales were up 33% versus year ago.
- The Company also achieved its previously announced goal to have cash and net working capital in excess of \$1,000,000 at the end of the quarter (at January 31, 2008, the Company's cash and cash equivalents totaled \$1,066,369, and its net working capital was \$1,338,625).
- The Company recorded a net profit of \$87,527 (US\$86,555), versus a loss of (\$310,808) in the comparative quarter a year ago. The actual year to date net loss is now of \$100,647 (US\$99,530) compared to a net loss of 1,085,335 last January 31, 2007.
- The IBEX listing changed from the TSX to the TSX Venture Exchange as of February 25, 2008.

Looking forward

In addition to optimizing its base business, IBEX remains open to exploring opportunities to maximize shareholders' value through discussions with companies interested in the IBEX infrastructure and its accumulated tax loss carry-forwards.

On an operational basis, IBEX expects to achieve a positive EBITDA in the third quarter and to end the fiscal year with working capital in excess of \$1,000,000.

The Company is also seeking cost-sharing arrangements to assist in the development of two low-cost, low-risk projects:

- A heparinase-containing blood collection tube for use in the clinical research market.
- A new arthritis assay based on a recombinant human CP II. This assay is would measure the human type II collagen carboxy propeptide which is cleaved from type II procollagen following release of newly synthesized procollagen into the matrix.

GLYCOBIOLOGY/HAEMATOLOGY ENZYMES

IBEX develops and markets a family of proprietary enzymes. The most important enzyme - *Heparinase I* IBEX is incorporated into many point-of-care coagulation monitoring devices to remove heparin, the presence of which will provide aberrant results.

IBEX has focused on the isolation, characterization and high-level expression of glycosaminoglycan GAG lyase enzymes derived from *Flavobacterium heparinum*, a non-pathogenic soil organism. The company has developed a proprietary *Flavobacterium heparinum* production system. This system allows the economic production of high purity recombinant forms of these GAG lyases. These enzymes and their uses are protected by an extensive patent suite.

IBEX produces heparinase I, heparinase II, heparinase III, chondroitinase AC and chondroitinase B. These enzymes are sold through its distributors for research purposes, and directly by IBEX to manufacturers of medical devices.

Of these enzymes, *Heparinase I* IBEX is the most important. Its potential lies in its ability to cleave heparin and low molecular weight heparins and thereby neutralize the effects of heparin, and heparinoids, drugs commonly used in hospitals. *Heparinase I* IBEX recognizes and cleaves a pentasaccharide sequence which occurs in both heparin and the low molecular weight heparins thereby neutralizing their anticoagulant activity.

IBEX produces its enzymes at its own site and, when demand warrants, at larger size third party outside manufacturing facilities monitored by IBEX personnel.

IBEX and its partners have developed several diagnostic applications of Heparinase I IBEX, principally in the point-of-care market. Key customers include Abbott Point of Care, Medtronic, Dade Behring, Haemoscope and Pentapharm.

IBEX is seeking to expand its long-term agreements with major partners. Further, the Company is also working on expanding its customer base in new point-of-care coagulation monitoring devices.

ARTHRITIS ASSAYS

IBEX arthritis assays enable the study of both the *synthesis* and *degradation* of cartilage components and are powerful tools when used together since they can provide a direct measure of joint damage.

IBEX Arthritis Diagnostic kits and services are marketed and sold to pharmaceutical companies, clinical research organizations and academic institutions for research use only ("RUO"). The marketing of these diagnostic kits is done through key opinion leaders.

FOR THE THREE MONTH AND SIX MONTH PERIODS ENDED JANUARY 31, 2008**Results of Operations**

For the three-months ended January 31, 2008, IBEX recorded a net profit of \$87,527 (US\$86,555) or \$0.004 per share, compared to a net loss of \$310,808 or (\$0.01) per share for the same period in fiscal 2007. The increase of the US dollar during the second quarter resulted in the Company recording an unrealized foreign exchange gain of \$95,089.

For the six-months ended January 31, 2008, IBEX recorded a net loss of \$100,647 (US\$99,530) or (\$0.004) per share compared to a net loss of \$1,085,335 or (\$0.05) per share for the same period in fiscal 2007. The decrease in net loss versus the same period of the prior year is primarily attributable to the Company's decision in May 2007 to terminate research and development activities related to its arthritis and cancer programs. The Company did not incur any R&D expenses in the six months of fiscal year 2008 versus \$229,614 in the same period of the previous year. Other factors contributing to the net loss decrease are: an increase in sales, a decrease in general and administrative expenses and amortization.

The US dollar is the Company's selling currency, however the Company reports in Canadian dollars. As such, fluctuations in the US/Canadian exchange rate have a significant impact on the reported sales figures. During this quarter the US dollar strengthened against the Canadian dollar from \$0.9671 to close at par after briefly reaching \$1.05. In comparing the same quarter last year, the US dollar decreased an average of 16.52%, and based on period ending rates, by 16.06%.

Revenue

Sales for the three-month period ended January 31, 2008 totaled \$549,217 (US\$543,120) compared to \$474,276 ⁽¹⁾ in the second quarter of fiscal 2007, representing an increase of 16%. Sales revenues of IBEX enzyme products decreased while arthritis products sales increased, when compared to the same period last year.

Sales for the six-month period ended January 31, 2008 totaled \$1,103,803 (US\$1,091,550) compared to \$902,344 for the same period in the prior year, representing an increase of 22%.

(1) *Last year's January 31, 2007 MD&A showed revenues of \$627,387 which included the Research and development Tax Credit of \$153,111. (\$627,387 - \$153,111 = \$474,276)*

Selling, General & Administrative Expenses and Cost of Goods Sold

Selling, general and administrative expenses and cost of goods sold for the three-month period ended January 31, 2008 were \$558,263 (US\$552,065) versus \$804,981 in the same period a year ago. Selling, general and administrative expenses and cost of goods sold for the six-months ended January 31, 2008 totaled \$1,194,992 (US\$1,181,730) compared to \$1,617,160 for the same period in fiscal 2007.

The decrease in expenses during the prior six-month period is mainly due to due to (a) the absence of consulting, legal expenses and other diligence costs associated with the Garvinci transaction which incurred in the year-ago period, and (b) the cost reductions which stemmed from the completion of the restructuring plan.

SUMMARY OF QUARTERLY RESULTS

The following table is a summary of selected quarterly consolidated financial information of the Company for each of the eight most recently completed quarters ending at January 31, 2008.

(in thousands of dollars, excluding per share amounts)	First Quarter October 31	Second Quarter January 31	Third Quarter April 30	Fourth Quarter July 31
Fiscal Year 2008				
Revenue	\$ 555	\$ 549		
Net gain (loss)	\$ (188)	\$ 88		
Basic and fully diluted net gain (loss) per Common Share	\$ (0.01)	\$ 0.004		
Fiscal Year 2007				
Revenue (1)	\$ 428	\$ 474	\$ 552	\$ 570
Net loss (2)	\$ (775)	\$ (311)	\$ (816)	\$ (5,508)
Basic and fully diluted net loss per Common Share	\$ (0.03)	\$ (0.01)	\$ (0.04)	\$ (0.24)
Fiscal Year 2006				
Revenue (1)			\$ 496	\$ 452
Net loss			\$ (854)	\$ (626)
Basic and fully diluted net loss per Common Share			\$ (0.04)	\$ (0.03)

Notes:

(1) Research tax credits formerly presented as revenue is now presented as a reduction to research & development expenses. The revenues presented exclude research tax credit for all eight quarters.

(2) Included in the Net loss of the fourth quarter of fiscal year 2007 are amounts of \$3,817,000 as write down for impaired intangible assets and \$1,061,000 as write down for an unrecoverable loan plus accrued interest.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The activities of IBEX have been primarily financed through the issuance of capital stock, government assistance, the sale of diagnostics glycobiology enzymes and biomarkers and the sale in 2002 of its therapeutic enzyme business.

As of January 31, 2008, IBEX had \$1,066,369 in cash and cash equivalents and its net working capital was \$1,338,625. This compares to cash and cash equivalents of \$1,041,472 and a net working capital of \$1,231,669 as at of October 31, 2007 (and compared to \$1,403,321 as at July 31, 2008).

IBEX expects to keep generating a positive cash flow for the third quarter commencing February 1, 2008.

Contractual Obligations

Other than the following, the Company's contractual obligations are as described in the Company's annual MD&A, which can be found on SEDAR at www.sedar.com.

RELATED PARTY TRANSACTIONS

During the six months ended January 31, 2008, the Company had the following related party transactions which were measured at the exchange amount as they were in the ordinary course of business:

IBEX paid management consulting fees to a shareholder of the Company relating to advice provided on intellectual property matters. The total fees charged to the Company were \$4,375.

The Company received rental income from an IBEX shareholder for office space occupied by the shareholder at the Company's business address. The amount of rental income received or to be received totals \$14,160.

CRITICAL ACCOUNTING ESTIMATES

The Company's critical accounting estimates are as described in the Company's annual MD&A, which can be found on SEDAR at www.sedar.com

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

The new accounting pronouncements and the impact on the financial statements are as described in the Company's unaudited consolidated interim financial statements for the three months ended January 31, 2008, which can be found on SEDAR at www.sedar.com. Below is an abbreviated version of the impact of the new accounting pronouncements.

On August 1, 2007, the company adopted the recommendations included in the following sections of the Canadian Institute of Chartered Accountants ("CICA") Handbook: Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments – Recognition and Measurement and Section 3865, Hedges, which did not have an impact on the company as it does not use hedge accounting. These standards provide accounting guidelines for recognition and measurement of financial assets, financial liabilities and non-financial derivatives as well as the introduction of a new statement of comprehensive income.

The company's adoption of these new Financial Instruments standards resulted in changes in the accounting for financial instruments as well as the recognition of certain transition adjustments. Embedded foreign currency derivatives gave rise to transition amounts and were the only items that had an effect on the financial statements.

During the six-month period ended January 31, 2008, the cumulative impact of adopting these new standards: i) for fiscal years prior to the current fiscal year was recognized in the consolidated financial statements as a one-time increase of \$4,711 to both deficit and accounts payables, and, ii) the second quarter of fiscal year 2008 was an increase of \$22,133 in the foreign exchange and an increase of the accounts payables.

NEW ACCOUNTING STANDARDS ISSUED AND NOT ADOPTED**Financial instruments - disclosure and presentation**

In December 2006, the CICA published the following two sections of the CICA Handbook: Section 3862, Financial Instruments - Disclosures and Section 3863, Financial Instruments - Presentation. These standards introduce disclosure and presentation requirements that will enable financial statements' users to evaluate, and enhance their understanding of, the significance of financial instruments for the entity's financial position, performance and cash flows, and the nature and extent of risks arising from financial instruments to which the entity is exposed, and how those risks are managed.

Capital disclosures

In December 2006, the CICA published section 1535 of the Handbook, Capital disclosures, which requires disclosure of both qualitative and quantitative information that enables financial statements' users to evaluate the entity's objectives, policies and processes for managing capital.

Inventories

In January 2007, the CICA published section 3031 of the Handbook, Inventories, which prescribes the accounting treatment for inventories. Section 3031 provides guidance on the determination of costs and its subsequent recognition as an expense, and provides guidance on the cost formulas used to assign costs to inventories.

These standards must be adopted for the company's fiscal year beginning on August 1, 2008. While the company is currently assessing the impact of these new recommendations on its financial statements, it does not expect the recommendations to have a significant impact on its financial position, earnings or cash flows.

FINANCIAL INSTRUMENTS

At January 31, 2008, the Company's financial instruments consisted mainly of cash and cash equivalents, receivables, accounts payable & accrued liabilities and embedded derivatives from a contract for the sale of non-financial items that is denominated in a currency other than the Company's and the counter-party's functional currency. The primary objective of the Company's investment policy is the protection of principal and accordingly the Company invests in high-grade securities. The Company does not use derivative financial instruments for speculative purposes.

RISK FACTORS

IBEX's business involves certain risks and uncertainties that could cause the actual results of its business to differ materially from management expectations. Certain risks are inherent for drug and diagnostics developers, while others are more specific to IBEX.

While management believes that IBEX's target markets offer significant revenue generating potential, no assurance can be given that these assumptions will prove correct. Several factors may negatively impact IBEX's anticipated business development. The following section describes both general and specific risks that could affect IBEX.

Market Demand

Changes in market demand could affect sales of the Company's enzyme reagents and sales of its arthritis tests into research applications. A decrease in demand for such products could have a material adverse effect on the Company.

Regulatory Approval

The current line of IBEX products are not subject to regulatory approval. However, there is no guarantee that this may not change in the future. Any such changes may have the effect of significantly increasing the cost of doing business for IBEX.

Intellectual property

IBEX places great importance on the protection of its intellectual property and has a portfolio of patents and patent applications that it intends to enforce. However, unauthorized parties may infringe on the Company's patents or obtain information that is proprietary, and there can be no assurance that the Company's patent applications will be approved or that it will be able to successfully defend its existing patents in the case of infringement. Further, it is not clear whether the patents issued or patents that may be issued to IBEX, will provide the Company with any competitive advantages or if any such patents will be the target of challenges by third parties, whether the patents of others will interfere with IBEX's ability to market its products or whether third parties will circumvent IBEX's patents by means of alternate processes. It may be possible for others to develop products that have the same effect as IBEX's products on an independent basis.

Competition

The impact of competition from other companies developing novel heparin reversal agents or arthritis assays may negatively affect IBEX's anticipated revenue streams. Certain of the companies which could be considered IBEX's competitors have substantially more financial and technical resources, more extensive research and development capabilities and greater marketing, distribution, production, and human resources than IBEX does.

Financial and Human Resources

There can be no assurance that IBEX will achieve its objective of possessing \$1 million in cash and cash equivalents at the end of April 2008 nor that it will succeed to generate a positive cash flow on a quarter to quarter basis and nor that it will be able to access capital at the necessary time and on favorable terms that support the continued operations of the Company. If adequate funding is not available, IBEX may be required to reduce or eliminate part of its operations.

IBEX relies upon a small staff of key employees who possess the knowledge and know-how to continue the Company's operations. There is no assurance that the Company will be able to maintain its personnel.

Contingencies

In the normal course of operations, claims may arise against the company pertaining to undesired side effects with respect to products presently being sold or which have been sold in

the past. The Company recognizes liabilities for such contingencies when management determines that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company is currently not party to any such litigation proceedings that are expected to have a material adverse effect on the Company's results of operations or financial position.

Other Risks

The Company is exposed to market risks related to volatility in interest rates for the Company's investment portfolio and foreign currency exchange rates related to sales revenue and purchases of supplies and services made in U.S. dollars. In addition, the Company's share price is subject to equity market risk, which may result in significant speculation and volatility of trading due to the uncertainty inherent in the Company's business and in the biotechnology industry in general. The expectations of the Company made by securities analysts could also have a significant impact on the trading price of IBEX's common shares.

In addition, the Company's failure to partner with a larger pharmaceutical company on certain strategic initiatives could significantly inhibit the Company's ability to develop a high throughput platform for its assays.

OUTSTANDING SHARE DATA

Authorized:

At March 12, 2008, the company's authorized capital stock consists of an unlimited number of:

Cumulative, redeemable first preferred shares, issuable in series. The first series consisted of 150,000 shares, convertible into common shares at a rate of 188.68 voting common shares for each preferred share

Cumulative, redeemable convertible second preferred shares, issuable in series

Third preferred shares, issuable in series

Voting common shares

Issued and Outstanding:

The following details the issued and outstanding equity securities of the Company:

Common shares

As of March 12, 2008 the Company had 24,703,244 common shares outstanding.

Stock options

As of March 12, 2008 the company had 1,302,770 stock options outstanding with exercise prices ranging from \$0.06 to \$2.55 and expiry dates ranging from June 2010 to January 31, 2017. At March 12, 2008, on an if-converted basis these stock options would result in the issuance of 1,302,770 common shares at an aggregate exercise price of \$457,204.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer and Controller, together with other members of management, after evaluating the effectiveness of the company's disclosure controls and procedures as of January 31, 2008, have concluded that the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company and its consolidated subsidiaries would have been known to them.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Controller, together with other members of management, after having designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reporting in accordance with the issuer's GAAP as of January 31, 2008, have not identified any changes to the Company's internal control over financial reporting which would materially affect, or is reasonably likely to materially affect the Company's internal control over financial reporting.