



MANAGEMENT'S DISCUSSION & ANALYSIS

June 19, 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 nine month periods ended April 30, 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 nine-month periods ended April 30, 2008 as compared to the three and nine-month periods ended April 30, 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 April 2008 month-end rate C\$1.00 = US\$ 0.9928. 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 Venture:IBT) is a biopharmaceutical company utilizing proprietary biomolecules to manufacture and market 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

Results for the Quarter

Sales for the three-month period ended April 30, 2008 totaled \$712,997 (US\$707,860) compared to \$551,768 in the third quarter of fiscal 2007, representing an increase of 29%.

Net profit for the third quarter of fiscal 2008 was \$259,269 (US\$257,400) or \$0.01 per share, compared to a net loss of \$815,603 or (\$0.04) per share for the same period in fiscal 2007.

In addition to sales gains, the Company's profit improvement can be traced to significantly reduced operating costs, from \$1,367,765 in the prior year to \$453,752 in the current quarter, due to a cost reduction program which included, among other things, the decision to terminate the research and development activities related to its arthritis and cancer programs.

The results for the quarter were enhanced by the recent industry crisis regarding heparin, leading to an increase in sales of the Company's heparinase products useful in the identification of heparin contaminants.

The heparin contamination issue presents a unique opportunity for the use of IBEX pure recombinant enzymes and as a result IBEX has commenced development of an easy-to-use enzyme-based assay to measure chondroitin contamination.

Results for the Nine Months

Sales for the nine-month period ended April 30, 2008 totaled \$1,816,800 (US\$1,803,720) compared to \$1,454,113 for the same period in the prior year, representing an increase of 25%.

Net profit for the nine-months ended April 30, 2008 was \$158,622 (US\$157,480) or (\$0.01) per share compared to a net loss of \$1,900,938 or (\$0.08) per share for the same period in fiscal 2007.

A significant contributor to the year to date profit (versus the net loss same period of the prior year) is a reduction of the company's operating expenses from \$3,567,237 to \$1,655,261 due to the previously mentioned cost reduction program.

- The Company also exceeded its previously announced goal to have cash and net working capital in excess of \$1,000,000 at the end of the quarter (at April 30, 2008, the Company's cash and cash equivalents totaled \$1,398,745, and its net working capital was \$1,629,408).
- The IBEX listing changed from the TSX to the TSX Venture Exchange as of February 25, 2008.

Looking forward

IBEX has been successful in bringing its existing business to profitability and is now turning its attention to growth opportunities, including 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 continues to expect to achieve a positive EBITDA on the end of 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 growth 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.

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.

The Company will also work with third parties in the development of new applications for its glycobiology enzymes.

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 & NINE-MONTH PERIODS ENDED APRIL 30, 2008

Results of Operations

For the three months ended April 30, 2008, IBEX recorded a net profit of \$259,269 (US\$257,400) or \$0.01 per share, compared to a net loss of \$815,603 or (\$0.04) per share for the same period in fiscal 2007. Sales for the three-month period ended April 30, 2008 totaled \$712,997 (US\$707,860) compared to \$551,768 in the third quarter of fiscal 2007, representing an increase of 29%

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For the nine months ended April 30, 2008, IBEX recorded a net profit of \$158,622 (US\$157,480) or \$0.01 per share compared to a net loss of \$1,900,938 or (\$0.08) per share for the same period in fiscal 2007. A significant contributor to the year to date profit (versus the net loss same period of the prior year) is a reduction of the operating expenses (including R&D) from \$3,567,237, to \$1,665,261 due to the previously mentioned cost reduction program.

Revenue

Revenue for the three-month period ended April 30, 2008 totaled \$712,997 (US\$707,860) compared to \$551,768 in the third quarter of fiscal 2007, representing an increase of 29%. Sales revenues of IBEX enzyme products increased by 35% and arthritis products sales increased by 4%, when compared to the same period last year.

Revenue for the nine-month period ended April 30, 2008 totaled \$1,816,800 (US\$1,803,720) compared to \$1,454,113¹ for the same period in the prior year, representing an increase of 29%. Sales revenue of enzymes for the nine months increased 10% while arthritis sales increased 75% when compared to the nine months ending April 30, 2007.

If the negative impact of currency is removed, IBEX sales would have increased to \$511,685 (+35%), of which \$364,218 (+25%) can be attributed to volume, \$129,870 (+9%) in price and \$17,597 (+1%) from new products.

The US dollar is the Company's selling currency and it reports in Canadian dollars. As such, fluctuations in the US / Canadian exchange rate have significant impact on the reported sales figures. The strength of the Canadian currency decreased the average translation rate for the nine month contributing to a decrease of \$148,998 in reported Canadian revenues.

Sales variations	2008 vs. 2007	2007 vs. 2006
Variation due to volume increase	\$364,218	(\$64,141)
Variation due to price increase	\$129,870	\$51,311
Variation due to new product	\$ 17,597	-
Total increase in US\$	\$511,685	(\$12,829)
Currency effects	(\$148,998)	\$72,874
Total change in Cdn\$	\$362,687	\$60,045

Cost of Goods Sold

Cost of goods sold consists principally of the costs of supplies, royalties and manufacturing costs. For the three month ended April 30, 2008, cost of goods sold decreased by \$27,706 (12%) to \$200,821 from \$228,527 for the corresponding period of the preceding fiscal year. The relative improvement in margin can be principally traced to a change in product mix.

For the nine month ended April 30, 2008, cost of goods sold increased by \$91,776 (14%) to \$735,318 from \$643,542. The increase in margin is attributable to a combination of mix and cost reduction measures.

Selling, General & Administrative Expenses

Selling, general and administrative expenses for the three-month period ended April 30, 2008 were \$265,704 (US\$263,790) versus \$723,584 in the same period a year ago. Selling, general and administrative expenses for the nine month ended April 30, 2008 were \$926,200 (US\$919,530) versus \$1,925,728 in the same period a year ago.

The primary contributor to the decrease in expenses in the three and nine-month periods ended April 30, 2008 was the absence of consulting, legal expenses and other diligence costs associated with the Garvinci transaction which occurred in the year-ago period, and the cost reductions which stemmed from the completion of the restructuring plan.

¹ Last year's April 30, 2007 MD&A showed revenues of \$1,642,224 which included the Research and development Tax Credit of \$188,111. ($\$1,642,224 - \$188,111 = \$1,454,113$).



Research and Development Expenses

IBEX did not incur any R&D expenses for its actual fiscal year of 2008. However, the Company revised its estimate of R&D tax credit from a prior year and recorded an amount of \$39,427 in the statement of income. I.

The investment tax credits recorded are based on our best estimates of amounts expected to be recovered. Actual investment tax credits received are based on the ultimate determination of the taxation authorities and, accordingly these amounts may vary from the amounts recorded.

Research and development (R&D) net expenses for the nine month ended April 30, 2007 were \$986,805. (Gross R&D expenses totaled \$1,174,916 at the end of the third quarter of the prior year. Tax credit received at the end of the third quarter of 2007 was \$188,111 and was presented as a reduction of R&D expenses.)

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 April 30, 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	\$ 713	
Net gain (loss)	\$ (188)	\$ 88	\$ 259	
Basic and fully diluted net gain (loss) per Common Share	\$ (0.01)	\$ 0.004	0.01	
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)				\$ 452
Net loss				\$ (626)
Basic and fully diluted net loss per Common Share				\$ (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 April 30, 2008, IBEX had \$1,398,745 in cash and cash equivalents and its net working capital was \$1,629,408. This compares to cash and cash equivalents of \$1,066,369 and a net working capital of \$1,338,625 as at January 31, 2008 and \$1,403,321 as at July 31, 2007).

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 nine months ended April 30, 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 member of the Board of Directors relating to consulting services provided on intellectual property matters. The total fees charged to the Company were \$4,375.
- The Company received rental income from a member of the Board of Directors for office space occupied by that Director at the Company's business address. The amount of rental income received or to be received totals \$24,716.

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 April 30, 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 nine-month period ended April 30, 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 third quarter of fiscal year 2008 was an increase of \$6,054 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.

Goodwill and Intangible Assets

In October 2007, the CICA Handbook Section 3064, "Goodwill and Intangible Assets" replaces the existing Handbook Section 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This standard is effective for interim annual financial statements relating to fiscal years commencing on or after October 2008. The standard provides guidance on the recognition, measurement and disclosures of goodwill and intangible assets. IBEX 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.

International Financial Reporting Standards (“IFRS”)

The CICA plans to converge Canadian GAAP with IFRS over a transition period expected to end in 2011. The Company is in the process of determining the impact of the transition to IFRS on its consolidated financial statements.

Financial instruments

At April 30, 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 Resources

IBEX has limited financial resources and limited opportunities to raise additional capital should the occasion warrant. There can be no assurance that IBEX will achieve its current objective of maintaining \$1 million in cash and cash equivalents at the end of the fourth quarter 2008 nor that it will succeed in generating a positive cash flow on a quarterly basis or that it will be able to access capital at the necessary time and on favorable terms that support the continued operations of the Company.

Human Resources

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 June 19, 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 June 19, 2008 the Company had 24,703,244 common shares outstanding.
- **Stock options**
As of June 19, 2008 the company had 1,283,270 stock options outstanding with exercise prices ranging from \$0.06 to \$2.55 and expiry dates ranging from June 2010 to March 2018. At June 19, 2008, on an if-converted basis these stock options would result in the issuance of 1,283,270 common shares at an aggregate exercise price of \$350,344.

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 April 30, 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 April 30, 2008, have identified certain weaknesses in internal controls over financial reporting which are as follows:

- i) due to the limited number of staff at the Company, it is not feasible to achieve complete segregation of incompatible duties;
- ii) due to the limited number of staff, the Company does not have a sufficient number of finance personnel with all the technical accounting knowledge to address all non-routine accounting transactions that may rise.

Management and the Board of Directors work to mitigate the risk that results from these weaknesses as follows:

- i) increased oversight and diligence by the CEO, Controller and the Board to ensure that the risk of a misstatement resulting from this weakness is minimized;
- ii) the Company will, as necessary, engage qualified consultants to assist with the accounting for any complex and non-routine accounting transactions that may arise.