



FOR IMMEDIATE RELEASE

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## IBEX REPORTS FISCAL 2008 SECOND QUARTER RESULTS

### IBEX Restructuring Complete. Posts profit for the Quarter

**MONTREAL, Quebec, March 11, 2008** – IBEX Technologies Inc. (TSX: IBT), a Montreal-based biopharmaceutical company, today reported its financial results for the second quarter and six months ended January 31, 2008.

#### Financial Results

*Solely for the convenience of the reader, selected financial results expressed in Canadian dollars on the financial statements, have been translated into U.S. dollars at the January 31, 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.*

Sales for the three-month period ended January 31, 2008 totaled \$549,217 (US\$543,120) compared to \$474,276 in the second quarter of fiscal 2007, representing an increase of 16%.

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%.

Net profit for the second quarter of fiscal 2008 was \$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. In addition to sales gains, the Company's profit improvement can be traced to significantly reduced costs and an unrealized gain in foreign exchange due to an increase in the value of the US dollar during the second quarter as compared to the first quarter (the impact of the "Embedded Derivatives" accounting policy).

Net loss for the six-months ended January 31, 2008 was \$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 selling, general and administrative expenses and amortization, and the previously mentioned unrealized gain in foreign exchange

The Company's working capital was \$1,338,625 as at the end of the quarter, in line with the guidance provided at the time of the restructuring announcement and up from \$1,231,669 as at the end of the prior quarter ending October 31, 2007 (and compared to \$1,403,321 as at July 31, 2007).



## LOOKING FORWARD

While sales for the quarter and year-to-date are robust, sales for the full year are expected to be only modestly ahead of the previous year, and since the Company's products' sales are recorded in US currency, results are highly variable.

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.

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 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.

## About IBEX

The Company markets a series of proprietary enzymes (heparinases and chondroitinases) for research use, as well Heparinase I, which is used in many leading hemostasis monitoring devices.

IBEX also markets a series of arthritis assays which are widely used in pharmaceutical research. These assays are based on the discovery of a number of specific molecular biomarkers associated with collagen synthesis and degradation.

For more information, please visit the Company's web site at [www.ibex.ca](http://www.ibex.ca).

**The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release**

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### Safe Harbor Statement

*All of the statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, are forward-looking statements. Such statements, based as they are on the current expectations of management, inherently involve numerous risks and uncertainties, known and unknown. Some examples of known risks are: the impact of general economic conditions, general conditions in the pharmaceutical industry, changes in the regulatory environment in the jurisdictions in which IBEX does business, stock market volatility, fluctuations in costs, and changes to the competitive environment due to consolidation or otherwise. Consequently, actual future results may differ materially from the anticipated results expressed in the forward-looking statements. IBEX disclaims any intention or obligation to update these statements.*

### Contact:

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## CONSOLIDATED BALANCE SHEETS

| unaudited                                | January 31,<br>2008 | July 31,<br>2007    |
|--|---------------------|---------------------|
|  | \$                  | \$                  |
| <b>ASSETS</b>                            |                     |                     |
| Current assets                           |                     |                     |
| Cash and cash equivalents                | 1,066,369           | 348,752             |
| Marketable securities (note 2)           | -                   | 1,099,673           |
| Accounts receivable                      | 371,908             | 500,509             |
| Inventories                              | 114,159             | 164,384             |
| Prepaid expenses                         | 87,161              | 135,014             |
|  | <b>1,639,597</b>    | <b>2,248,332</b>    |
| Property and equipment                   | <b>270,283</b>      | <b>303,271</b>      |
|  | <b>1,909,880</b>    | <b>2,551,603</b>    |
| <b>LIABILITIES</b>                       |                     |                     |
| Current liabilities                      |                     |                     |
| Accounts payable and accrued liabilities | 300,972             | 845,011             |
|  | <b>300,972</b>      | <b>845,011</b>      |
| <b>SHAREHOLDERS' EQUITY</b>              |                     |                     |
| Capital stock                            | 52,660,078          | 52,660,078          |
| Contributed surplus                      | 382,825             | 375,151             |
| Deficit                                  | <b>(51,433,995)</b> | <b>(51,328,637)</b> |
|  | <b>1,608,908</b>    | <b>1,706,592</b>    |
|  | <b>1,909,880</b>    | <b>2,551,603</b>    |

## CONSOLIDATED STATEMENTS OF DEFICIT

| For the six months ended January 31st (unaudited)                              | 2008                | 2007                |
|--|---------------------|---------------------|
|  | \$                  | \$                  |
| Balance - Beginning of period  | (51,328,637)        | (43,918,975)        |
| Transition adjustment on adoption of financial instrument<br>standard (note 2) | (4,711)             | -                   |
| Restated balance - Beginning of period   | <b>(51,333,348)</b> | <b>(43,918,975)</b> |
| Net loss for the period  | <b>(100,647)</b>    | <b>(774,529)</b>    |
| Balance - End of period  | <b>(51,433,995)</b> | <b>(44,693,504)</b> |



**CONSOLIDATED STATEMENTS OF LOSS**

|  | Three months ended<br>January 31st |           | Six months ended<br>January 31st |             |
|--|------------------------------------|-----------|----------------------------------|-------------|
| (unaudited)  | 2008                               | 2007      | 2008                             | 2007        |
|  | \$                                 | \$        | \$                               | \$          |
| <b>Gross sales</b>   | <b>549,217</b>                     | 474,276   | <b>1,103,803</b>                 | 902,344     |
| <b>(Expenses) income</b>   |                                    |           |                                  |             |
| Research and development expenditures                                  | -                                  | (382,725) | -                                | (766,977)   |
| Tax credit on research and development                                 | -                                  | 153,111   | -                                | 153,111     |
| Net research and development expenditures                              | -                                  | (229,614) | -                                | (613,866)   |
| Selling, general and administrative expenses<br>and cost of goods sold | <b>(558,263)</b>                   | (804,981) | <b>(1,194,992)</b>               | (1,617,160) |
| Amortization of property and equipment                                 | <b>(17,732)</b>                    | (33,401)  | <b>(33,914)</b>                  | (66,912)    |
| Amortization of identifiable intangible assets                         | -                                  | (809)     | -                                | (1,618)     |
| Other interest and bank charges  | <b>(2,426)</b>                     | (7,172)   | <b>(4,437)</b>                   | (15,831)    |
| Foreign exchange gain (loss) Note 6                                    | <b>95,089</b>                      | 23,718    | <b>(6,897)</b>                   | 21,088      |
| Investment income  | <b>14,584</b>                      | 55,383    | <b>28,732</b>                    | 94,828      |
|  | <b>(468,748)</b>                   | (996,876) | <b>(1,211,508)</b>               | (2,199,471) |
|  | <b>80,469</b>                      | (522,600) | <b>(107,705)</b>                 | (1,297,127) |
| Current Income taxes   | <b>(7,058)</b>                     | (211,792) | <b>(7,058)</b>                   | (211,792)   |
| <b>Net profit (loss)</b>   | <b>87,527</b>                      | (310,808) | <b>(100,647)</b>                 | (1,085,335) |
| <b>Net profit (loss) per share</b>                                     |                                    |           |                                  |             |
| Basic and diluted  | \$ <b>0.004</b>                    | \$ (0.01) | \$ <b>(0.004)</b>                | \$ (0.05)   |



**CONSOLIDATED CASH FLOW STATEMENTS**

|   | Three months ended<br>January 31st |                  | Six months ended<br>January 31st |                    |
|---|------------------------------------|------------------|----------------------------------|--------------------|
| (unaudited)   | 2008                               | 2007             | 2008                             | 2007               |
|   | \$                                 | \$               | \$                               | \$                 |
| <b>Cash flows provided by (used in):</b>                                |                                    |                  |                                  |                    |
| <b>Operating activities</b>   |                                    |                  |                                  |                    |
| Net loss for the period   | 87,527                             | (310,808)        | (100,647)                        | (1,085,335)        |
| Items not affecting cash -  |                                    |                  |                                  |                    |
| Amortization of property and equipment                                  | 17,732                             | 42,173           | 33,914                           | 84,456             |
| Amortization of identifiable intangible assets                          | -                                  | 71,307           | -                                | 142,614            |
| Stock-based compensation costs  | 2,616                              | 4,520            | 7,673                            | 16,520             |
| Accretion of interest on balance of payments                            | -                                  | 4,550            | -                                | 9,100              |
| Loss on sale of marketable securities                                   | -                                  | -                | -                                | -                  |
|   | <b>107,875</b>                     | <b>(188,258)</b> | <b>(59,060)</b>                  | <b>(832,645)</b>   |
| Net changes in non-cash working capital items -                         |                                    |                  |                                  |                    |
| Decrease (increase) in accounts receivable                              | 21,125                             | (84,858)         | 128,600                          | 56,928             |
| Decrease (increase) in inventories                                      | 42,222                             | 22,390           | 50,226                           | 41,195             |
| Decrease (increase) in prepaid expenses                                 | 24,499                             | (14,469)         | 47,853                           | 28,242             |
| Decrease in accounts payable and accrued liabilities                    | (169,904)                          | (290,974)        | (548,749)                        | (302,710)          |
|   | <b>(82,058)</b>                    | <b>(367,911)</b> | <b>(322,070)</b>                 | <b>(176,345)</b>   |
|   | <b>25,817</b>                      | <b>(556,169)</b> | <b>(381,130)</b>                 | <b>(1,008,990)</b> |
| <b>Investing activities</b>   |                                    |                  |                                  |                    |
| Additions to marketable securities                                      | -                                  | (1,817,283)      | -                                | (3,639,334)        |
| Proceeds on disposal of marketable securities                           | -                                  | 2,612,573        | 1,099,673                        | 5,024,212          |
| Additions to property and equipment                                     | (926)                              | (7,370)          | (926)                            | (8,023)            |
| Increase in other assets (note 6)                                       | -                                  | (389,629)        | -                                | (639,629)          |
|   | <b>(926)</b>                       | <b>398,291</b>   | <b>1,098,747</b>                 | <b>737,226</b>     |
| <b>Increase (decrease) in cash and cash equivalents during the year</b> | <b>24,891</b>                      | <b>(157,878)</b> | <b>717,617</b>                   | <b>(271,764)</b>   |
| <b>Cash and cash equivalents - Beginning of period</b>                  | <b>1,041,478</b>                   | <b>702,566</b>   | <b>348,752</b>                   | <b>816,452</b>     |
| <b>Cash and cash equivalents - End of period</b>                        | <b>1,066,369</b>                   | <b>544,688</b>   | <b>1,066,369</b>                 | <b>544,688</b>     |

## **1. Interim financial information**

These interim consolidated financial statements do not conform in all respects to the disclosure requirements of Canadian generally accepted accounting principles for annual financial statements and as such the consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the years ended July 31, 2007 and 2006, which do conform to the disclosure requirements. These consolidated interim financial statements have been prepared using the same accounting policies as outlined in note 2 to the consolidated financial statements for the years ended July 31, 2007 and 2006 except as outlined in Note 2 below.

The consolidated interim financial statements as at January 31, 2008 and for the three months ended January 31, 2008 are unaudited and have not been reviewed by the company's auditors. The results of operations for these periods are not necessarily indicative of the trends of the operating results for the full year.

## **2. Accounting Changes**

### Adoption of New Accounting Pronouncements

On August 1, 2007, the company retroactively adopted, without restatement of prior periods, the recommendations included in the following sections of the Canadian Institute of Chartered Accountants ("CICA") Handbook: Section 1530, Comprehensive Income, Section 3251, Equity, and Section 3855, Financial Instruments – Recognition and Measurement and Section 3865, Hedges. 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. Section 3865, Hedges, did not have an impact on the Company as it does not use hedge accounting.

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 that have been recorded in opening retained earnings as described below. The principal changes in the accounting for financial instruments due to the adoption of these accounting standards are as follows:

#### (a) Comprehensive income (loss)

Comprehensive income (loss), established under CICA Section 1530, is defined as the change in equity from transactions and other events and circumstances from sources other than shareholders, and is composed of the Company net earnings (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenues, expenses, gains and losses that are recognized in comprehensive income (loss), but excluded from net earnings (loss). The company does not have any component that qualifies as other comprehensive income (loss).

#### (b) Financial assets and financial liabilities

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and are classified into one of these five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sales financial assets or other financial liabilities. They are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition.

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**Held-for-trading:**

Financial instruments classified as held-for-trading are carried at fair value at each balance sheet date with the changes in fair value recorded in net earnings (loss) in the period in which these changes arise.

**Held-for-maturity investments, loan and receivable and other financial liabilities:**

Financial instruments classified as loans and receivables, held-to-maturity investments and other financial liabilities are carried at amortized cost using the effective interest method. The interest income or expense is included in net earnings (loss) over the expected life of the instrument.

**Available-for-sale:**

Financial instruments classified as available-for-sale are carried at fair value at each balance sheet date with the changes in fair value recorded in other comprehensive income (loss) in the period in which the changes arise. Securities that are classified as available-for-sale securities are written down to fair value through all cumulative gain or loss is then recognized in net earnings (loss).

As a result of the adoption of these new standards, the Company has classified its cash and cash equivalents, short term investments as held-for-trading. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities are classified as other liabilities, all of which are measured at amortized cost.

**(c) Embedded derivatives:**

All derivative instruments are recorded in the consolidated balance sheet at fair value at each balance sheet date. Derivatives may be embedded in other financial instruments (the "host instrument"). Prior to the adoption of the new standards, such embedded derivatives were not accounted for separately from the host instrument. Under the new standards, embedded derivatives are treated as separate derivatives if their economic characteristics and risks are not clearly and closely related to those of the host instrument, the terms of the embedded derivative are the same as those of a stand-alone derivative, and the combined contract is not held for trading or designated at fair value. These embedded derivatives are measured at fair value at each balance sheet date with subsequent changes recognized in net earnings (loss) in the period in which the changes arise. The Company selected August 1, 2002 as its transition date for embedded derivatives, which is the latest date that could be selected according to the accounting standard.

The company enters into certain contracts for the sale of non-financial items that are denominated in currencies other than the Canadian dollar, the Company's functional currency. In cases where the foreign exchange component is not leveraged and does not contain an option feature, the contract is denominated in the functional currency of the counter-party or the non-financial item is routinely denominated in the currency of the contract or the currency of the contract is commonly used in the economic environment in which the transaction takes place, the embedded derivative is considered to be closely related and is not accounted for separately.

Embedded foreign currency derivatives gave rise to transition amounts and were the only items that had an effect on the financial statements as a result of the adoption. The fair value of financial instruments is determined using recognized valuation models using observable market-based inputs.

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During the six-month period ended January 31, 2008, the cumulative impact of adopting these new standards for fiscal years prior to the current fiscal year was recognized in the consolidated financial statements as an adjustment to opening deficit. The impact of the adoption was a one-time increase of \$4,711 to both deficit and accounts payable.

During the three-month period ended January 31, 2008, the impact of adopting these new standards on the first quarter of fiscal year 2008 was an increase of \$22,133 to the foreign exchange. The fair value of the derivatives related to sales contracts is recorded in sales, the variation was \$7,528 and the balance of \$14,605 is recorded to accounts payable.

Accounting Principles 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.

**3. Marketable securities**

(a) Marketable securities include the following:

|   | January 31<br>2008 | July 31<br>2007 |
|---|--------------------|-----------------|
|   | \$                 | \$              |
| Debt Securities – at cost (which approximates market value (note 2(b))) | -                  | 1,099,673       |
|   | -                  | 1,099,673       |

(b) The marketable security consisted of a discount note which matured on October 9, 2007 and had an annualized yield of 4.3%

**4. Capital stock and contributed surplus**

(a) As at January 31, 2008, the company's authorized capital stock is as follows:

Unlimited as to number

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

Common shares

(b) Issued

|  | <b>Book value</b>          |                         |
|--|----------------------------|-------------------------|
|  | <b>January 31<br/>2008</b> | <b>July 31<br/>2007</b> |
|  | \$                         | \$                      |
| 24,703,244 Common shares (2007-24,703,244) | 52,660,078                 | 52,660,078              |

(c) Stock Options

The company has adopted on August 1, 2004 the fair value based method for accounting for its stock options.

The fair value of the options is estimated as at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

|                              |         |
|------------------------------|---------|
| Risk-free interest rate      | 4.16%   |
| Expected dividend yield      | 0.00%   |
| Expected life of the options | 5 years |
| Expected volatility          | 130.00% |

During the six months ended January 31, 2008, the weighted average fair value at grant date of the options which were granted at an exercise price equal to market price and an exercise price above market price are \$1,500 and \$1,250 respectively.

For the six month period ended January 31, 2008, there was an increase to general and administrative expenses of \$ 7,674 and a corresponding increase to contributed surplus for stock based compensation amortization.

(d) Under the existing IBEX Technologies Inc. ("IBEX") stock option plan, common shares may be issued to full-time employees of the company, directors and consultants, the terms and conditions of grants there under being contingent upon market values, the discretion of the Board of Directors and regulatory requirements. The number of common shares reserved for issuance under this stock option plan is currently 1,592,992. The maximum term

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permissible under the plan is 10 years which is determined at the date of grant as well as the vesting privileges.

(e) The following table summarizes the IBEX stock option plan:

|                             | <b>January 31<br/>2008</b> |                                       | <b>July 31<br/>2007</b> |                                       |
|-----------------------------|----------------------------|---------------------------------------|-------------------------|---------------------------------------|
|                             | Number of<br>options       | Weighted<br>average exercise<br>price | Number of<br>options    | Weighted<br>average<br>exercise price |
|                             |                            | \$                                    |                         | \$                                    |
| Beginning balance – July 31 | 1,586,668                  | 0.36                                  | 1,826,668               | 0.69                                  |
| Granted                     | 25,000                     | -                                     | 310,000                 | 0.23                                  |
| Cancelled                   | (163,898)                  | 0.43                                  | (550,000)               | 1.36                                  |
| Ending balance              | 1,447,770                  | 0.36                                  | 1,586,668               | 0.36                                  |

The following table summarizes the IBEX stock options outstanding as at January 31, 2008:

|                          | Options outstanding   |   |  | Options currently<br>exercisable |  |
|--------------------------|-----------------------|---|--|----------------------------------|--|
|                          | Number<br>outstanding | Weighted<br>average<br>remaining<br>contractual<br>life (years) | Weighted<br>average<br>exercise<br>price | Number<br>outstanding            | Weighted<br>average<br>exercise<br>price |
| Range of exercise prices |                       |   |  |                                  |  |
| \$                       |                       |   | \$                                       |                                  | \$                                       |
| 0.06                     | 25,000                | 9.87  | 0.06                                     | 0                                | 0.00                                     |
| 0.18-0.25                | 820,000               | 8.22  | 0.22                                     | 740,000                          | 0.22                                     |
| 0.33-0.45                | 179,500               | 5.92  | 0.39                                     | 179,500                          | 0.39                                     |
| 0.50-0.70                | 419,385               | 4.26  | 0.56                                     | 419,385                          | 0.56                                     |
| 2.55                     | 3,885                 | 0.40  | 2.55                                     | 3,885                            | 2.55                                     |
|                          | 1,447,770             | 6.90  | 0.34                                     | 1,342,770                        | 0.36                                     |

(f) The following is included for information purposes. Effective February 22, 2008 (concurrent with the listing on the TSX Venture Exchange), the IBEX Pharmaceuticals Stock Option Plan was discontinued. The IBEX Technologies Stock Option Plan remains in force.

In 2001, IBEX Pharmaceuticals Inc. (“IBEX Pharma”) created executive and employee stock option plans under which common shares may be issued to full-time employees of the company, directors, and consultants, the terms and conditions of grants thereunder being contingent upon fair market value, the discretion of the Board of Directors and regulatory requirements. Fair market value, unless otherwise determined by the Board of Directors, is defined as a calculation using the closing price of IBEX common shares on the day preceding the grant. The option strike price is fixed by the Board of Directors and shall not be lower than the fair market value. Option holders under the IBEX Pharma option plans are also option holders under the IBEX plan (note 4(d)). Should option holders under the IBEX plan exercise their IBEX options, options of equal value held in IBEX Pharma will be

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cancelled and vice-versa. The maximum number of common shares reserved for issuance under IBEX Pharma is 5,770,200. The maximum term permissible under the plan is 10 years. The terms as well as the vesting privileges are determined at the date of grant.

(g) The following table summarizes the IBEX Pharma stock option plan:

|                             |                      | <b>January 31<br/>2008</b>            |                      | <b>July 31<br/>2007</b>               |
|-----------------------------|----------------------|---------------------------------------|----------------------|---------------------------------------|
|                             | Number of<br>options | Weighted<br>average<br>exercise price | Number of<br>options | Weighted<br>average<br>exercise price |
|                             |                      | \$                                    |                      | \$                                    |
| Beginning balance – July 31 | 4,577,699            | 0.13                                  | 5,270,120            | 0.24                                  |
| Granted                     | 72,128               | -                                     | 894,384              | 0.08                                  |
| Cancelled                   | (472,862)            | 0.15                                  | (1,586,805)          | 0.47                                  |
| Ending balance              | 4,176,965            | 0.13                                  | 4,577,699            | 0.13                                  |

The following table summarizes the IBEX Pharma stock options outstanding as at January 31, 2008:

|                          | Options outstanding   |   |                                       | Options currently<br>exercisable |                                       |
|--------------------------|-----------------------|---|---------------------------------------|----------------------------------|---------------------------------------|
|                          | Number<br>outstanding | Weighted<br>average<br>remaining<br>contractual<br>life (years) | Weighted<br>average<br>exercise price | Number<br>outstanding            | Weighted<br>average<br>exercise price |
| Range of exercise prices |                       |   |                                       |                                  |                                       |
|                          | \$                    |   | \$                                    |                                  | \$                                    |
|                          | 0.02                  | 72,128  | 9.96                                  | 0                                | 0.00                                  |
|                          | 0.06-0.09             | 2,365,782   | 8.30                                  | 2,134,974                        | 0.08                                  |
|                          | 0.11-0.16             | 517,875   | 6.00                                  | 517,875                          | 0.14                                  |
|                          | 0.17-0.24             | 1,209,968   | 4.35                                  | 1,209,968                        | 0.19                                  |
|                          | 0.88                  | 112,209   | 0.48                                  | 11,208                           | 0.88                                  |
|                          |                       | 4,176,961   | 6.71                                  | 3,874,025                        | 0.12                                  |

**5. Loss per share**

Loss per share is calculated using the weighted average number of shares outstanding of 24,703,244 (2007 – 23,070,058). The options that are outstanding (see note 4(e)) have been excluded from the computation of diluted loss per share as they are anti-dilutive.

**6. Currency impact**

During this quarter the US dollar strengthened against the Canadian dollar from \$0.9671 to close at par after briefly reaching up to \$1.05. In comparing to the same quarter last year, the US dollar decreased an average of 16.52% and based on period ending rates by 16.06%. The increase of the US dollar during the second quarter resulted in the Company recording an unrealized foreign exchange gain of \$95,089.