



ALDA Pharmaceuticals Corp.

635 Columbia Street, New Westminster, British Columbia, V3M 1A7

Telephone: 604-521-8300; Facsimile: 604-521-8322

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the quarter ended
March 31, 2007

NOTICE TO READER

The attached financial statements have been prepared by management of ALDA Pharmaceuticals Corp. and have not been reviewed by the auditor of ALDA Pharmaceuticals Corp.

ALDA PHARMACEUTICALS CORP.**INTERIM CONSOLIDATED BALANCE SHEETS
FOR THE PERIOD ENDED**

EXPRESSED IN CANADIAN DOLLARS	March 31 2007 (Unaudited)	June 30 2006 (Audited)
ASSETS		
Current Assets		
Cash and Equivalents	\$ 2,753	\$ 28,480
Receivables	26,783	29,056
Inventory	22,010	31,280
Prepays	6,782	3,857
	<u>58,328</u>	<u>92,673</u>
Property and Equipment (Note 2)	1,988	8,199
Intangible Assets (Note 3)	<u>116,000</u>	<u>116,000</u>
	<u>\$ 176,316</u>	<u>\$ 216,872</u>
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 216,357	\$ 59,504
Due to Related Party (Note 6(d))	<u>5,000</u>	<u>-</u>
	<u>221,357</u>	<u>59,504</u>
SHARE CAPITAL AND DEFICIT		
Share Subscriptions Received	-	25,000
Share Capital (Note 4(b))	2,166,270	2,094,770
Contributed Surplus (Note 4(f))	111,899	79,299
Deficit	<u>(2,323,210)</u>	<u>(2,041,701)</u>
	<u>(45,041)</u>	<u>157,368</u>
	<u>\$ 176,316</u>	<u>\$ 216,872</u>
Commitments (Note 7)		

*See accompanying notes to the interim consolidated financial statements

Approved By Directors

_____ Director

_____ Director

ALDA PHARMACEUTICALS CORP.

**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
FOR THE PERIOD**

UNAUDITED AND PREPARED BY MANAGEMENT EXPRESSED IN CANADIAN DOLLARS	Three Months Ended March 31		Nine Months Ended March 31	
	2007	2006	2007	2006
Sales	\$ 72,879	\$ 47,694	\$ 194,810	\$ 164,861
Cost of Sales	(43,605)	(31,642)	(122,181)	(105,845)
Gross Profit	29,274	16,052	72,629	59,016
General & Administration Expenses				
Advertising and Promotion	1,196	1,858	3,996	3,140
Amortization	2,071	2,070	6,211	6,211
Bad Debts	0	0	0	355
Conference/Travel	117	826	461	2,458
Consulting (Notes 6 (a),(c) and 4(d) and Note 7)	83,000	45,000	183,600	135,000
Dues and Filing Fees	4,932	6,776	15,300	19,705
Insurance	926	926	2,778	2,778
Interest and Bank Charges	1,207	1,072	2,159	2,594
Investor Relations (Notes 4(d))	312	14,439	7,512	47,816
Legal and Accounting	1,498	20,910	21,738	64,621
Office and Miscellaneous	4,065	7,524	13,855	16,766
Product Development	2,093	7,628	21,735	23,794
Rent (Note 6 (b))	6,798	7,977	21,573	22,935
Wage and Benefits (Notes 4(d))	8,063	17,471	64,708	60,871
Total General & Administration Expenses:	116,278	134,477	365,626	409,044
Loss from Operations	(87,004)	(118,425)	(292,997)	(350,028)
Other Income / (Expense)				
Net Gain on Legal Settlement (Note5)	0	0	10,545	37,383
Interest Revenue / (Expense)	0	341	0	1,713
Other Revenue	943	0	943	0
	943	341	11,488	39,096
Loss for the Period	(86,061)	(118,084)	(281,509)	(310,932)
Deficit, Beginning of Period	(2,237,149)	(1,856,248)	(2,041,701)	(1,663,400)
Deficit, End of Period	\$ (2,323,210)	\$ (1,974,332)	\$ (2,323,210)	\$ (1,974,332)
Loss Per Share	(0.00)	(0.01)	(0.01)	(0.01)
Weighted Average of Shares Outstanding	22,230,404	19,700,404	21,844,200	17,213,601

*See accompanying notes to the interim consolidated financial statements

ALDA PHARMACEUTICALS CORP.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD

UNAUDITED AND PREPARED BY MANAGEMENT EXPRESSED IN CANADIAN DOLLARS	Three Months Ended March 31		Nine Months Ended March 31	
	2007	2006	2007	2006
Cash Provided by (used in):				
Operations:				
Loss for the Period	\$ (86,061)	\$ (118,084)	\$ (281,509)	\$ (310,932)
Changes in Non-Cash Working Capital Items				
Amortization	2,071	2,071	6,211	6,211
Decrease/ (Increase) in Accounts Receivable	(1,673)	3,275	2,273	4,715
Decrease/ (Increase) in Inventory	3,293	(713)	9,270	12,300
Decrease/ (Increase) in Prepaid	(3,840)	16,825	(2,925)	11,070
Stock-Based Compensation	(3,000)	0	32,600	1,156
(Decrease)/ Increase in Accounts Payable and Accrued Liabilities	84,634	13,516	156,853	20,883
Advances from Related Parties	5,000	0	5,000	0
	<u>424</u>	<u>(83,110)</u>	<u>(72,227)</u>	<u>(254,597)</u>
Investing Activities:				
Repayment of Note Receivable	0	0	0	7,988
	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,988</u>
Financing activities:				
Share Subscriptions Received / (Refunded)	0	0	0	195,800
Proceeds on Issuance of Shares	0	0	46,500	0
	<u>0</u>	<u>0</u>	<u>46,500</u>	<u>195,800</u>
Increase/ (Decrease) in Cash	424	(83,110)	(25,727)	(50,809)
Cash, Beginning of Period	2,329	103,964	28,480	71,663
Cash, End of Period	\$ 2,753	\$ 20,854	\$ 2,753	\$ 20,854

*See accompanying notes to the interim consolidated financial statements

ALDA PHARMACEUTICALS CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2007

(UNAUDITED AND PREPARED BY MANAGEMENT)

1. Nature of Operations

The Company was incorporated under the Company Act of British Columbia on May 30, 2000 and was classified as a Capital Pool Company as defined by the policies of the TSX Venture Exchange (“the Exchange”). The Company completed its required Qualifying Transaction on November 13, 2003. As a result of the Company completing the Qualifying Transaction, it ceased to be a Capital Pool Company, and its shares resumed trading on the Exchange effective November 19, 2003.

The Company’s main business activity is the development, production and marketing of infection control agent products, principally a product marketed as T³6[®] Disinfectant.

Effective November 26, 2003, the name of the Company was changed from Duft Biotech Capital Ltd. to ALDA Pharmaceuticals Corp.

These interim consolidated financial statements include the accounts of ALDA Pharmaceuticals Corp. (“the Company”) and its wholly-owned subsidiary, Sirona Therapeutics Corp., whose name was changed on January 12, 2006 from “ALDA Institute For Preventive Health Care, Inc.”. On the same date, the Company has entered into a Technology License and Option Agreement with Sirona for the purposes of developing and commercializing therapeutic applications of ALDA’s patent-pending T³6[®] infection control technology.

The interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company’s latest annual filing. In the opinion of the Company, the unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim period presented.

2. Property and Equipment

	March 31, 2007			June 30, 2006
	Cost	Accumulated Amortization	Net	Net
Furniture and Fixtures	\$ 7,683	\$ 6,166	\$ 1,517	\$ 2,670
Computer Equipment	22,482	22,011	471	5,529
	<u>\$ 30,165</u>	<u>\$ 28,177</u>	<u>\$ 1,988</u>	<u>\$ 8,199</u>

ALDA PHARMACEUTICALS CORP.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2007**

(UNAUDITED AND PREPARED BY MANAGEMENT)

3. Intangible Assets

The intangible assets balance represents the carrying amount of certain intellectual property acquired in its Qualifying Transactions. These assets were determined to have an indefinite life. No further impairment loss against earnings was recognized for the 2006 year. The net recoverable amount was estimated by management based on expected future cash flows that could be reasonably predicted.

The carrying amount of Intangible Assets was determined as follows:

Original Purchase Cost		\$ 540,000
Less:		
Impairment Loss in 2004	\$ (179,000)	
Impairment Loss in 2005	(245,000)	
Impairment Loss in 2006	-	
	<u>(424,000)</u>	
Balance as at June 30, 2006, December 31, 2006 and March 31, 2007		<u>\$ 116,000</u>

4. Share Capital

- a) Authorized:
Unlimited common shares without par value

- b) Issued and outstanding:

Issued:	<u>Number of Shares</u>	<u>Amount</u>
Balance as at June 30, 2005	15,784,404	\$ 1,856,285
Private Placement (i)	3,916,000	195,800
Private Placement (ii)	1,100,000	55,000
Share Issue Costs	-	(12,315)
Balance as at June 30, 2006	<u>20,800,404</u>	<u>2,094,770</u>
Private Placement (iii)	1,430,000	71,500
Balance as at March 31, 2007	<u><u>22,230,404</u></u>	<u><u>\$ 2,166,270</u></u>

ALDA PHARMACEUTICALS CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2007

(UNAUDITED AND PREPARED BY MANAGEMENT)

4. Share Capital (continued)

b) Issued and outstanding (continued):

- i) On December 21, 2005, the Company completed a private placement of 3,916,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$195,800. Each unit consists of one common share of the company and one share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.10 per share for a period of 12 months following the closing date. Legal fees in the amount of \$5,352 were incurred in connection with the private placement.
- ii) On June 22, 2006, the Company completed a private placement of 1,100,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$55,000. Each unit consists of one common share of the Company and one share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.10 per share for a period of 12 months following the closing date. Legal fees in the amount of \$6,963 were incurred in connection with the private placement.
- iii) On September 13, 2006, the Company completed a private placement of 1,430,000 units of the Company at a price of \$0.05 per unit for gross proceeds of \$71,500. Each unit consists of one common share of the Company and one share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.10 per share for a period of 12 months following the closing date. The share subscription of \$25,000 was received and recognized in the 2006 fiscal year. The remaining balance of \$46,500 was received and recognized for the period ended March 31, 2007.

c) Escrowed shares:

During the period, 733,163 escrow shares included in issued share capital were fully released from the trust. Subsequent to that period, there were no more escrow shares held in the trust.

ALDA PHARMACEUTICALS CORP.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2007**

(UNAUDITED AND PREPARED BY MANAGEMENT)

4. Share Capital (continued)

d) Incentive stock options:

A summary table summarizes information about stock options outstanding at March 31, 2007:

	Number of Shares	Weighted Average Exercise Price
Outstanding as at June 30, 2005	1,290,000	\$ 0.19
Less: Expired During the Year	(752,353)	0.20
Outstanding as at June 30, 2006 (i)/(ii)	537,647	0.19
Less: Expired During the Period	(457,647)	0.18
Add: Granted During the Period		
-Consultants/Advisors (i)	730,000	0.10
-Directors/Officers (ii)	900,000	0.10
-Employees (ii) and (iii)	100,000	0.10
Outstanding as at March 31, 2007	<u>1,810,000</u>	<u>\$ 0.11</u>

The following table summarizes information about stock options outstanding at March 31, 2007:

Number of Shares	Exercise Price	Expiry Date	Number Exercisable
80,000	\$ 0.20	April 4, 2007	80,000
1,630,000	\$ 0.10	August 2, 2008	1,430,000
100,000	\$ 0.10	August 2, 2011	100,000
<u>1,810,000</u>			<u>1,610,000</u>

ALDA PHARMACEUTICALS CORP.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2007**

(UNAUDITED AND PREPARED BY MANAGEMENT)

4. Share Capital (continued)

d) Incentive stock options (continued):

- (i) During the nine months period ended March 31, 2007, the Company granted options to acquire 730,000 common shares of the Company to certain consultants and scientific advisors for their services provided to the Company. Options to acquire 730,000 common shares of the Company have an exercise price of \$0.10 per share. 430,000 options have an exercisable period of two years from the date of grant; the 300,000 options have an exercisable period of five years from the date of grant. 530,000 options vested immediately. The remaining options are subject to other performance criteria. The options to acquire 430,000 common shares of the Company have an estimated fair value of \$0.02 per share (\$8,600) and the options to acquire 300,000 common shares of the Company have an estimated fair value of \$0.04 per share (\$12,000). \$12,600 has been recognized and charged against earnings during the period ended March 31, 2007.
- (ii) During the nine months period ended March 31, 2007, the Company granted options to acquire 1,150,000 common shares of the Company to employees, directors and senior officers. The options have an exercise price of \$0.10 with an exercisable term of two years from the date of the grant. All options vested immediately with an estimated fair value of \$0.02 per share. \$23,000 has been recognized and charged against earnings during the period ended March 31, 2007.
- (iii) During the same period ended March 31, 2007, options granted to an employee to acquire 150,000 common shares of the Company were cancelled due to the employee's departure. The related expense of \$3,000 (\$0.02 per share), previously booked in wages and benefits in the Statement of Operations, is reversed and charged against the contributed surplus.

Stock-based compensation expense is presented in the Statement of Operations and Deficit as follows:

	March 31, 2007
Consulting (Note 4(d)(i))	\$ 10,600
Investor relations (Note 4(d)(i))	2,000
Wages and benefits (Note 4(d)(ii) and (iii))	20,000
Total stock-based compensation	<u>\$ 32,600</u>

The fair value-based accounting method was applied to all stock options granted during the 2007 year. No options were granted during the 2006 year.

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

	2007
Dividend yield	0%
Expected volatility	118.14%
Risk free interest rate	4.16%
Expected average option term	2.48 years

ALDA PHARMACEUTICALS CORP.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2007**

(UNAUDITED AND PREPARED BY MANAGEMENT)

4. Share Capital (continued)

d) Incentive stock options (continued):

The Black-Scholes model, used by the Company to calculate option values was developed to estimate fair value of freely tradable, fully transferable options without vesting restrictions, which significantly differs from the Company's stock option awards. This model also requires highly subjective assumptions, including future stock price, volatility, and expected time until exercise, which greatly affects the calculated value.

e) Warrants:

The Company has issued warrants entitling the holders to acquire common shares of the Company. A summary of changes in unexercised warrants is presented below.

	Warrants @\$0.235 (1)	Warrants @\$0.20 (2)	Agent Warrants @\$0.20 (3)	Warrants @\$0.10 (4)	Warrants @\$0.10 (5)	Warrants @\$0.10 (6)	Warrants @\$0.10 (7)	Total
Outstanding June 30, 2005	6,000,000	3,000,000	220,500	-	-	-	-	9,220,500
Granted during year	-	-	-	3,916,000	1,100,000	-	-	5,016,000
Expired during year	(6,000,000)	-	-	-	-	-	-	(6,000,000)
Outstanding, June 30, 2006	-	3,000,000	220,500	3,916,000	1,100,000	-	-	8,236,500
Granted during period	-	-	-	-	-	1,430,000	-	1,430,000
Expired during period	-	(3,000,000)	(220,500)	(3,916,000)	-	-	-	(7,136,500)
Warrant Extension	-	-	-	-	-	-	3,916,000	3,916,000
Outstanding March 31, 2007	-	-	-	-	1,100,000	1,430,000	3,916,000	6,446,000

- (1) Terms of the warrants were amended to reduce the exercise price to \$0.235 per share, exercisable until November 13, 2005
- (2) Exercisable until September 15, 2006, granted pursuant to private placement
- (3) Exercisable until September 15, 2006, granted pursuant to private placement
- (4) Warrants granted pursuant to private placement (Note (b)(i)) were expired on December 22, 2006
- (5) Exercisable until June 22, 2007, granted pursuant to private placement (Note (b)(ii))
- (6) Exercisable until September 12, 2007, granted pursuant to private placement (Note (b)(iii))
- (7) Terms of the warrants in (4) were amended to extend the exercisable period of the warrants in (4) to December 22, 2007 at the exercise price of \$0.10 per share

The fair value of agent warrants to acquire 220,500 common shares of the Company at a price of \$0.20 per share was estimated to be approximately \$0.01 per warrant (totaling \$2,205), using the Black-Scholes option pricing model.

ALDA PHARMACEUTICALS CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2007

(UNAUDITED AND PREPARED BY MANAGEMENT)

4. Share Capital (continued)

f) Contributed surplus:

Contributed surplus at March 31, 2007, is summarized as follows:

Balance, June 30, 2006	79,299
Options issued to consultants/advisors (Note 4(d)(i))	12,600
Options issued to directors/officers (Note 4(d)(ii))	18,000
Options issued to employees (Note 4(d)(ii))	5,000
Options forfeited cancelled (Note 4(d)(iii))	<u>(3,000)</u>
Balance, March 31, 2007	<u>\$ 111,899</u>

5. Gain on Legal Settlement

- (i) A company opposing a trademark application made in Canada by ALDA commenced legal proceedings during the 2003 year claiming damages in respect to alleged infringement of trademark. ALDA had filed a Statement of Defence. The Statement of Claim was subsequently amended to add the Company as a defendant in the action.

On May 23, 2005, the Company entered into a Settlement agreement with that company, whereby the Company agreed to terminate the use, and application for registration of, the trademark "Viralex". The Company must discontinue the use of that trademark in advertising and other promotional disclosures, liquidate its inventory of goods bearing the trademark "Viralex", and rename the Viralex product within twelve months from the date of the agreement, in consideration for payment of \$30,000 (US). These funds were held in escrow by the Company's lawyer until the Company issued a press release regarding the settlement of the trademark dispute, and withdrew its application for the "Viralex" trademark, which occurred during the period ended September 30, 2005.

- (ii) On August 2, 2005, the Company received the proceeds from the Company's lawyer regarding the settlement of the trademark dispute. The proceeds of the settlement for a total amount of \$37,383 (\$30,000 (US)) has been recorded in the Statement of Operations and Deficit as "Gain on legal settlement" for the period ended September 30, 2005.

During the 2005 year, the Company commenced legal action against the competitor described above with respect to certain alleged defamatory statements made by the competitor. This claim was settled effective July 12, 2006, by an agreement under which the Company is to receive an amount of \$15,000 from the competitor. The proceeds of the settlement, net of associated legal costs in the amount of \$4,455, have been recognized in the Statement of Operations and Deficit for the period ended March 31, 2007.

ALDA PHARMACEUTICALS CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2007

(UNAUDITED AND PREPARED BY MANAGEMENT)

6. Related Party Transactions

- a) During the three month period ended March 31, 2007, the Company incurred consulting fees of \$30,000 (2006: \$30,000) to companies controlled by directors of the Company.
- b) During the three month period ended March 31, 2007, the Company incurred premises rent of \$6,798 (2006: \$7,480) to a company controlled by a director of the Company.
- c) During the three month period ended March 31, 2007, the Company incurred consulting fees of \$15,000 (2006: \$15,000) to a major shareholder of ALDA.
- d) Included in liabilities at March 31, 2007, was \$5,000 (2006: \$Nil) due to related party without interest.

These transactions were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Commitments

- a) Effective January 1, 2006, the Company entered into an agreement to lease its office premises with a term of one year. The Company's remaining minimum lease payment obligations under the agreement as at June 30, 2006, totaled \$17,070, payable in the 2007 year.
- b) During the 2006 year, the Company entered into an agreement with its product supplier. Under the agreement, the supplier assumes all the costs of manufacturing of the Company's T³6[®] products, and as consideration, receives a percentage, ranging from 40% to 65%, of the Company's selling price. The supplier also has a right of first refusal to manufacture other products from the Company. The agreement will be terminated by either party with 90 days written notice.
- c) During the period ended March 31, 2007, the Company entered into an agreement with Rhone Alternative Marketing Partners ("RAMP") of Geneva, Switzerland to assist the Company in raising substantial capitals in Europe to undertake the testing and registration of the topical therapeutic applications of ALDA's T³6[®] technology.
- d) During the period ended March 31, 2007, the Company entered into an agreement with Group 270 Sales & Marketing Inc. ("Group 270") to assist the Company in introducing and marketing ALDA's T³6[®] Personal Disinfectant into major regional and national pharmacy chains across Canada.

ALDA PHARMACEUTICALS CORP.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2007

(UNAUDITED AND PREPARED BY MANAGEMENT)

8. Subsequent Event

- a) Subsequent to the period ended March 31, 2007, ALDA is undertaking a private placement of up to 8 million units of the Company at a price of \$0.10. Each unit consists of one common share of ALDA and one non-transferable share purchase warrant entitling the holder to acquire one additional common share of ALDA at a price of \$0.20 per common share for a period of twelve (12) months after the date of issuance of the purchase warrant and at a price of \$0.30 per common share for the subsequent period of twelve (12) months.
- b) Subsequent to the period ended March 31, 2007, ALDA granted incentive stock option to certain directors and employees to purchase 500,000 common shares at an exercise price of \$0.11 with a term of two years, expiring on April 12, 2009. 1,150,000 common shares were granted at an exercise price of \$0.12 with a term of two years, expiring on May 3, 2009.
- c) Insiders of the Company sold 3,205,825 common shares of ALDA at prices ranging from \$0.11 to \$0.17 per share. The proceeds obtained through the sale of these shares will be used by these insiders to exercise up to 2,775,000 Units of the private placement and 900,000 share options.
- d) Subsequent to the period ended March 31, 2007, options to acquire 80,000 common shares of the Company at an exercise price of \$0.20 were expired unexercised.