



ALDA Pharmaceuticals Corp.

**635 Columbia Street, New Westminster, British Columbia, V3M 1A7
Telephone: 604-521-8300; Facsimile: 604-521-8322**

Form 51-102F1

Management's Discussion & Analysis

For the three months ended September 30, 2007

November 29, 2007

The statements contained in this report that are not purely historical are forward-looking statements. "Forward looking statements" include statements regarding our expectations, hopes, intentions or strategies regarding the future. Forward looking statements include: statements regarding future products or products or product development; statements regarding future selling, general and administrative costs and research and development spending; and our product development strategy; statements regarding future capital expenditures and financing requirements; and similar forward looking statements. It is important to note that our actual results could differ materially from those in such forward-looking statements.

ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.1 Date

This Management Discussion and Analysis (“MD&A”) is dated November 29, 2007 and should be read in conjunction with the consolidated interim financial statements of ALDA Pharmaceuticals Corp. (“ALDA” or the “Company”) for the three months period ended September 30, 2007. All financial information is expressed in Canadian dollars and is prepared in accordance with Canadian generally accepted accounting principles (“GAAP”).

1.2 Overall Performance

On November 13, 2003, ALDA Pharmaceuticals Corp., formerly Duft Biotech Capital Ltd., completed the acquisition of the assets of 513947 BC Ltd. formerly ALDA Pharmaceuticals Inc. (“the Qualifying Transaction”) and a \$1.2 Million financing arranged by Canaccord Capital Corporation (“the Financing”). ALDA trades on the TSX Venture Exchange in Vancouver, Canada under the symbol “APH”.

ALDA has developed a patent-pending infection control formulation, referred to as T³6[®], which is incorporated into therapeutic applications such as treatments for topical and vulvovaginitis infections, hand hygiene products, a skin antiseptic for clinical and consumer use and a first-aid ointment. Studies have been performed on the T³6[®] formulation which demonstrates its ability to kill all types of infectious micro-organisms within 3 minutes and tuberculosis within 5 minutes. Toxicology studies on animals have also demonstrated that the T³6[®] formulation is not toxic.

There is competition in all of the therapeutic markets that the company has targeted. However, the T³6[®] formulation is not expensive to manufacture and can be used in a broad variety of infection-control products. Toxicology and efficacy studies have already demonstrated that the T³6[®] formulation is not toxic and is effective at killing all bacteria, viruses and fungi. The intended applications are topical, except for the vulvovaginitis treatment, so that registration is expected be faster and less expensive than for drugs that are taken internally. Rather than disrupting metabolic pathways, the T³6[®] formulation consists of four anti-microbial ingredients in relatively low concentrations that act synergistically to disrupt the physical structure of the infectious agents. This approach prevents microbial resistance from developing. None of the active ingredients are known to have any significant side effects on humans.

ALDA has started studies that will satisfy the registration requirements of Health Canada, the US Food and Drug Administration (“FDA”) and the European Medicines Agency (“EMeA”) for the targeted applications. In other parts of the world, FDA or EMeA testing is generally accepted for registration applications. If the company decides to register the products in China, it is likely that the testing will have to be repeated in China unless there is harmonization of the requirements in the meantime.

The overall strategy for the T³6[®] products is to first secure registration as prescription products so that marketing and sales can be focused on pharmaceutical distributors that serve physicians. As efficacy and safety of the products are established, registration as over-the-counter (“OTC”) products will be sought. Once OTC status is secured, the sales and marketing focus will shift to distributors that serve pharmacies.

To complete this plan, the company will need to raise money in the public markets. This will increase the number of shares outstanding and will lead to further dilution of existing shareholders.

Market knowledge of the ALDA name is limited. ALDA will need to devote considerable resources to educate new markets about the products the Company offers. In establishing new markets, the Company will be competing with companies that are potentially already entrenched in such markets or that may be better funded than the Company. ALDA also faces significant costs and risks associated with the protection and exploitation of its intellectual property, given that the patents have not yet been granted to the Company. Competitors with significantly more resources may have an advantage over the Company in terms of the establishment, protection and exploitation of patents and other intellectual property. All of these factors are material to the Company and its business.

ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.3 Selected Financial Information

For the three months period ended	September 30, 2007	September 30, 2006	September 30, 2005
Revenue	\$ 55,537	\$ 57,575	\$ 56,883
Net Loss	\$ (131,084)	\$ (105,266)	\$ (55,633)
Basic and Diluted Loss Per Share	\$ 0.01	\$ 0.00	\$ 0.00
Cash and Equivalents	\$ 924,760	\$ 29,380	\$ 43,755
Patent Application	\$ 48,112	\$ -	\$ -
Total Assets	\$1,097,707	\$ 208,320	\$ 237,141
Long-Term Liabilities	\$ 0	\$ 0	\$ 0

Upon the completion of a private placement during the three months ended September 30, 2007, the Company recognized total gross proceeds of \$240,000. At September 30, 2007, the Company had \$924,760 in cash with \$82,500 in subscriptions to a private placement to be received. The improvement of the Company’s cash position compared to September 30, 2006 was primarily attributed to private placements arranged by the Company during the quarter ended September 30, 2007 and prior to June 30, 2007. The funds received from private placements were used to sustain the working capital of the operation and to pursue the development of ALDA’s therapeutic products.

A net loss of \$131,084 from operations was recognized during the quarter as the sales were not sufficient to offset the expenses incurred in the period. Current assets during the quarter ended September 30, 2007 went up by \$395,709 or 56% from \$701,998 on June 30, 2007 while current liabilities decreased by \$19,481 or 26% from \$74,268 on June 30, 2007.

1.4 Results of Operations

Sales

For the quarter ended September 30, 2007, sales were \$55,537 (September 30, 2006: \$57,575). Reported sales were primarily due to the sale of the company’s surface disinfectant, T³6[®] Disinfectant and T³6[®] Hand Sanitizer, through its distributors to the first responders, dental and beauty markets.

Cost of sales

For the quarter ended September 30, 2007, the cost of sales incurred was \$35,679, representing 64% of total sales (September 30, 2006: \$38,159; 66%). Cost of sales includes the direct costs of the inventory sold during the period plus warehousing costs and handling charges.

Gross Profit (Loss)

For the quarter ended September 30, 2007, gross profit of \$19,858 was recognized (September 30, 2006: \$19,416). The percentage of gross profit has remained relatively stable over the last three years.

Advertising and promotion

Advertising and promotion costs for the quarter ended September 30, 2007 were \$6,479 (September 30, 2006: \$1,263). The Company has put new efforts into attracting new customers by providing lectures, sending samples of T³6[®] Disinfectant and literature to potential new customers and distributors. Due to the closing of recent private placements, the Company has more resources to further increase its presence in the market. The Company retained Cowie and Fox and Group 270 Sales & Marketing to rebrand its product’s image and to design a new marketing campaign for the T³6[®] product.



ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.4 Results of Operations

Consulting

Consulting fees for the quarter ended September 30, 2007 were \$75,330 (September 30, 2006: \$55,600). Included in \$75,330 consulting fees were \$72,000 paid to executives of the company as a form of remuneration for their services provided to the Company. The related party transactions were summarized as follows.

- \$30,000 to 503213 BC Ltd., a company controlled by Dr. Terrance G. Owen, President & CEO, for services related to directing the technical aspects of research and development, product testing, domestic and international product registrations and intellectual property protection; negotiating and establishing international marketing agreements; assisting with domestic and international sales and marketing strategies, marketing materials, internet marketing and investor relations activities; directing the company’s legal and accounting professionals; advising officers and directors of company matters and ensuring that the regulatory requirements of the company are fulfilled.
- \$24,000 to 612480 BC Ltd., a company controlled by Peter Chen CFO, for advising on the financial aspects of research and development, product testing, domestic and international product registrations and intellectual property protection; negotiating and establishing international marketing agreements; assisting with domestic and international sales and marketing strategies, marketing materials, internet marketing and investor relations activities; directing the company’s legal and accounting professionals; advising officers and directors of company matters and ensuring that the regulatory requirements of the company are fulfilled.
- \$18,000 to 680806 BC Ltd., a company controlled by Dr. Allan Shapiro for advising on and assisting with research and development, marketing and sales, product testing, domestic and international product registrations and intellectual property protection and attending conferences, conducting seminars and training sessions and providing presentations at conferences.

Investor relations

The investor relations activities amounted to \$21,344 for the quarter ended September 30, 2007 (September 30, 2006: \$ 5,618). Freeform Communications Inc. (“Freeform”) received a total of \$10,000 from the Company (September 30, 2006: \$4,880). The Company retained Rhone Alternative Marketing Partners (“RAMP”) to raise funds in Europe to undertake the testing and registration of the topical therapeutic applications of ALDA’s T³6[®] technology. During the quarter ended September 30, 2007 RAMP received a total of \$10,000 from the Company (September 30, 2006: \$NIL). Other investor relations expenses incurred during the quarter were \$1,344 for the dissemination of news releases provided by Marketwire (September 30, 2006: \$738).

Legal and accounting fees

Legal and accounting fees were totaled \$10,407 for the quarter ended September 30, 2007 (September 30, 2006: \$5,278). Legal fees incurred in the quarter consisted of closings of private placements, advising the Company on general legal matters, attending to preparation of required documentation to the TSX Venture Exchange and the securities commissions and reviewing 20F documents for the OTC listing.

ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.4 Results of Operations (continued)

Product Registration and Development Costs

Total costs incurred in this category for the quarter ended September 30, 2007 were \$5,898 (September 30, 2006: \$9,325). Patent application costs of \$8,269 incurred during the same period were capitalized with an amortization period of 20 years rather than expensed. A new category has been added to the Balance Sheet to reflect this change in accounting practices.

Wages and benefits

Wages and benefits were \$12,853 for the quarter ended September 30, 2007 (September 30, 2006: \$39,250). Costs in this category include the wages paid to accounting and administrative assistance and to sales and marketing staff as well as the expenses related to stock options granted to certain directors and employees. No stock options were granted during the period ended September 30, 2007.

Loss from operations

The loss from operations was \$136,074 for the quarter ended September 30, 2007 (September 30, 2006: \$105,266). Losses for the quarter ended September 30, 2007 were greater than the corresponding quarter ended September 30, 2006 due to net gain of \$10,545 on legal settlement against the competitor with respect to certain alleged defamatory statements made by the competitor as discussed in Note 7(i) of the consolidated interim financial statements.

A number of initiatives were taken during the year to promote further growth of the company, including private placements, expanding the patent portfolio of the company, seeking expert advice on product registrations undertaking laboratory tests of T³6[®] Disinfectant, preparing marketing materials, evaluating new manufacturing facilities, and seeking out new distributors and customers.

Management continues to work towards the launch of new products, including T³6[®] Personal Disinfectant, T³6[®] Hand Sanitizer and the therapeutic products. The pursuit of the new therapeutics products requires the Company to invest continuously in product development, clinical trials, product registrations and intellectual property protection. As a result, further losses will be anticipated in the subsequent periods.

Loss for the year

The loss for the quarter ended September 30, 2007 was \$131,084 (September 30, 2006: \$105,266). The losses were offset by \$4,990 interest income earned from the deposits for the quarter ended September 30, 2007 (September 30, 2006: \$NIL) and net gains of \$10,545 due to the settlement of legal dispute against the competitor recognized in the quarter ended September 30, 2006.

Use of proceeds

The net proceeds received from the closing of recent private placements will be used for working capital including such activities as starting initial clinical trials of the T³6[®] formulation in therapeutic products, registering T³6[®] products in major markets, seeking expert advice on product regulatory issues, re-branding and advertising current and new lines of products and seeking possible registration of ALDA's securities in foreign jurisdictions.

ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.5 Summary of Quarterly Results.

Period ended	Sept/07	Jun/07	Mar/06	Dec/06	Sep/06	Jun/06	Mar/06	Dec/05	Sep/05
Revenue	55,537	61,433	72,879	64,356	57,575	58,724	47,694	60,285	56,883
Net loss	131,084	302,345	84,831	78,324	96,591	67,371	118,084	137,213	55,633
Loss/share	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00
Total assets	1,255,681	854,166	176,316	175,743	208,281	216,8722	207,800	319,192	237,141

Total assets were increased significantly over the quarters as a result of capitalizing patent application and development costs and receiving external funding from the private placements. The revenues generated from the sale of T³⁶® Disinfectant and T³⁶® Hand Sanitizer have been relatively consistent. The Company continued to observe net losses due to resources spent in registering T³⁶® products in major markets, seeking expert advice on product regulatory issues, re-branding and advertising current and new lines of products and seeking registration of ALDA’s securities in foreign jurisdictions. The greater loss recognized in June 30, 2007 was mainly due the non-cash stock options granted to certain officers, directors, consultants and an employee and increased consulting fees and wages.

1.6 Liquidity

Although the company generates revenues from the sale of its lead product, T³⁶® Disinfectant, sales are still occurring only in Canada. Approvals have been obtained for T³⁶® Disinfectant in the European Union and China and the Company will be pursuing opportunities in these markets. The company has also established a plan for the development, testing, registration and marketing of therapeutic applications of the T³⁶® formulation. Management is also evaluating the possibility of acquiring technologies that are complementary to T³⁶® technology and launching similar type of products lines in the near future. It is expected that the Company will need to undertake further financing in order to pursue these plans and these financings will lead to the dilution of current shareholders of the Company.

1.7 Capital Resources

Over the quarter ended September 30, 2007, the Company arranged a private placement at \$0.12 per Unit. The Company raised a total of \$240,000 by issuing a total of 2,000,000 Units of the Company’s Common Share and Warrants. Each warrant entitled the holder to purchase one additional Common Share at an exercise price of \$0.24 for the first year following the closing date and thereafter at an exercise price of \$0.36 for the second year after the closing date. The estimated fair value of warrants being \$116,344 was allocated to contributed surplus for warrants. The estimated fair value of warrants was calculated as at the date of grant using Black-Scholes pricing model. The net proceeds will be used for general working capital. As of September 30, 2007, the Company received funds of \$332,000 from the exercise of 3,220,000 warrants and 100,000 options at an exercise price of \$0.10. Option values of \$4,000 previously recorded in contributed surplus for options were credited to share capital.

As at September 30, 2007, the Company had 37,512,404 outstanding common shares. 100,000 warrants at an exercise price of \$0.10 expired without being exercised. Subsequent to the closing of 12 cents private placement, the Company has a total of 11,044,000 outstanding warrants exercisable at an exercise price range of \$0.10 to \$0.24 before the date of expiration. The outstanding exercisable stock options as at September 30, 2007 were 2,180,000 with a weighted average exercise of \$0.11 per options.



ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.7 Capital Resources (continued)

There can be no assurance that the Company will be able to obtain adequate financing in the future to fulfill its business objectives or that the terms of such financing will be favourable. Many of the Company’s products still require further development and laboratory testing in order to obtain required regulatory approvals. A lack of funds will impair the ability of the Company to complete such tests. A lack of funds will also impair the Company’s ability to establish marketing and sales plans once the products have been approved for sale. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various activities and may be unable to continue in operation. ALDA may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company’s shareholders and may result in dilution to the value of such interests.

1.8 Off-Balance Sheet Arrangements

The company is not aware of any off-balance sheet transactions requiring disclosure.

1.9 Transactions with Related Parties

- a) During the quarter ended September 30, 2007, the Company incurred consulting fees of \$54,000 (2006: \$30,000) to companies controlled by directors of the Company.
- b) During the quarter ended September 30, 2007, the Company incurred premises rent of \$6,493 (2006: \$7,977) to a company controlled by a director of the Company.

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

1.10 First Quarter Events, 2008

During the first quarter ended September 30, 2007, sales were close to the average sales recorded per quarters for the last quarters. General and administration expenses were increased by 15% to \$155,932 from \$135,227. A private placement for \$240,000 was completed on August 13, 2007 by selling 2,000,000 million Units. The Company received funds of \$332,000 from the exercise of 3,220,000 warrants and 100,000 options at an exercise price of \$0.10. There were no extraordinary events that affected the Company. There were no significant year-end adjustments except that certain comparative figures for the quarter have been reclassified to conform to the presentation adopted for the quarter ended September 30, 2007.

ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.11 Proposed transactions

The company is not aware of any proposed transactions requiring disclosure.

1.12 Critical Accounting Estimates

The company is a venture issuer and is not required to provide critical accounting estimates.

1.13 Changes in Accounting Policies Including Initial Adoption

Effective July 1, 2001, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants Accounting Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments ("CICA 3870"). During the year ended June 30, 2004, CICA 3870 was amended to require the use of the fair value-based method to account for stock options granted to employees. In accordance with the revised recommendations, the Company has prospectively applied the fair value-based method to all stock options granted to employees on or after July 1, 2003, whereby compensation cost is measured at fair value at the date of grant and is expensed over the vesting period.

Effective July 1, 2003, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants Handbook, Section 3063, Impairment of long-lived assets ("CICA 3063"). The new recommendations were applied prospectively to all long-lived assets held for use by the Company after July 1, 2003.

The financial statements include a note providing reconciliation to United States Generally Accepted Accounting Standards ("GAAS").

Patent application and development costs include all expenditures attributable to efforts by the Company to develop, and bring to commercial production a new product as well as to acquire legal protections for its proprietary products, such as trademarks and patents. Such amounts are charged as an expense in the period incurred except in circumstances where the market and technical feasibility of the product have been established, and recovery of patent application and development costs can reasonably be regarded as assured and future values can be realized, in which case such costs are capitalized. In the latter case, patent application and development costs are amortized on a systematic basis over the patent life of 20 years.

The carrying amount of intangible assets which are determined to have a finite useful life are amortized on a systematic basis over the useful life of 20 years.

1.14 Financial Instruments

The Company's financial instruments consist of cash and equivalents, accounts receivable, subscriptions receivable, accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying values except where otherwise noted. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risk arising from these financial instruments except where otherwise noted.

ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.15 Other MD&A Requirements

(a) Additional Information

Additional information relating to the Company can be found on the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval (SEDAR) database at www.sedar.com.

(b) Disclosure of Outstanding Share Data

The following table summarizes our outstanding share capital as at September 30, 2007:

Security	Number
Each class and series of voting or equity securities for which there are securities outstanding: Common Shares	37,512,404
Each class and series of securities for which there are securities outstanding if the securities are convertible into, or exercisable or exchangeable for, voting or equity securities Stock Options Warrants Convertible Debentures	2,180,000 11,044,000 0
Each class and series of voting or equity securities that are issuable on the conversion, exercise or exchange of outstanding securities above Common Shares	50,736,404

(c) Disclosure Controls and Procedures

The management of ALDA is responsible for establishing and maintaining disclosure controls and procedures for the Company and has designed such disclosure controls and procedures, or caused them to be designed under ALDA management’s supervision, to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is made known to ALDA management by others within those entities particularly during the period covered by this MD&A.

ALDA management has evaluated the effectiveness of the Company’s disclosure controls and procedures for the period covered by this MD&A and based on that evaluation, management has concluded that the disclosure controls and procedures are effective.

ALDA PHARMACEUTICALS CORP.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007

1.15 Other MD&A Requirements (continued)

(d) Internal Control Over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting. Management has considered the effectiveness of design of the Company’s internal controls and procedures over financial reporting and has noted weaknesses in internal controls over financial reporting such as a lack of segregation of duties because of limited staff members.

Management intends to initiate steps to remedy the noted shortcomings over the next fiscal year by carrying out a management assessment of the weaknesses with a view to improving areas where weaknesses exist and implementing procedures aimed at minimizing the risk of material error in its financial reporting.

1.16 Subsequent Events

- a) Subsequent to the three months period ended September 30, 2007, 504,000 warrants at an exercise price of \$0.10 per warrants and 861,000 warrants at an exercise price of \$0.20 per warrant were exercised for total gross proceeds of \$222,600.
- b) Subsequent to the three month period ended September 30, 2007, the Company arranged a private placement of up to 3,500,000 units at a price of \$0.15 per unit for gross proceeds of \$525,000. Each unit consists of one common share of the Company and one non-transferable share purchase warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.30 per common share for a period of 12 months from the date of closing and at a price of \$0.45 per common share for the subsequent period of 12 months. The \$0.15 private placement was closed on November 22, 2007. A 5% finder’s fee in the amount of \$15,750 was to be satisfied by the delivery of 82,895 common shares of the Company at a deemed price per share of \$0.19.