



**ALDA** Pharmaceuticals Corp.

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**INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

For the three months ended  
September 30, 2007

**NOTICE TO READER**

The accompanying unaudited interim financial statements of ALDA Pharmaceuticals Corp. for the three months ended September 30, 2007 have been prepared by the management of ALDA Pharmaceuticals Corp. and have not been reviewed by the independent auditor of the Company.

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

EXPRESSED IN CANADIAN DOLLARS	September 30 2007	June 30 2007
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Equivalents	\$ 924,760	\$ 356,127
Accounts Receivable	36,995	24,897
Subscriptions Receivable	82,500	293,600
Inventory	16,780	19,916
Prepaid Expenses	36,672	7,458
	<u>1,097,707</u>	<u>701,998</u>
<b>Furniture and Equipment</b> (Note 3)	1,112	1,482
<b>Patent Application and Development Costs</b> (Note 4)	48,112	40,486
<b>Intangible Assets</b> (Note 5)	<u>108,750</u>	<u>110,200</u>
	<u>\$ 1,255,681</u>	<u>\$ 854,166</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 54,787	\$ 74,268
<b>SHARE CAPITAL AND DEFICIT</b>		
<b>Share Capital</b> (Note 6 (a))	3,140,954	2,658,868
<b>Contributed Surplus – Warrants</b> (Note 6 (d))	627,621	553,627
<b>Contributed Surplus – Options</b> (Note 6 (e))	167,194	171,194
<b>Deficit</b>	<u>(2,734,875)</u>	<u>(2,603,791)</u>
	<u>1,200,894</u>	<u>779,898</u>
	<u>\$ 1,255,681</u>	<u>\$ 854,166</u>
<b>Commitments</b> (Note 8)		
<b>Going-concern</b> (Note 1)		

\*See accompanying notes to the interim consolidated financial statements

On Behalf of the Board of Directors

\_\_\_\_\_  
"Terrance Owen" Director

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"Peter Chen" Director

**ALDA PHARMACEUTICALS CORP.****INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT  
FOR THE PERIOD ENDED**

EXPRESSED IN CANADIAN DOLLARS	September 30 2007	September 30 2006
Sales	\$ 55,537	\$ 57,575
Cost of Sales	( 35,679)	( 38,159)
Gross Profit	19,858	19,416
General & Administration Expenses		
Advertising and Promotion	6,479	1,263
Amortization – Furniture and Equipment	371	2,070
– Patent Application and Development Costs	642	-
– Intangible Assets	1,450	-
Consulting	75,330	55,600
Dues and Filing Fees	6,033	2,551
Interest and Bank Charges	770	381
Investor Relations	21,344	5,618
Legal and Accounting	10,407	5,278
Office and Miscellaneous	7,143	5,773
Product Registration & Development	5,898	9,325
Rent	6,493	7,977
Travel	719	141
Wages and Benefits	12,853	39,250
Total General & Administration Expenses	155,932	135,227
Loss Before Other Items	( 136,074)	( 115,811)
Net Gain on Legal Settlement (Note 7)	-	10,545
Loss from Operations	( 136,074)	( 105,266)
Interest Income	4,990	-
Loss For The Year	( 131,084)	( 105,266)
Deficit, Beginning of Year	(2,603,791)	( 2,041,701)
Deficit, End of Year	\$ (2,734,875)	\$ ( 2,146,967)
Basic Loss Per Share	0.01	0.00
Diluted Loss Per Share	0.01	0.00
Weighted Average of Shares Outstanding	25,233,486	21,080,187

\*See accompanying notes to the interim consolidated financial statements

**ALDA PHARMACEUTICALS CORP.****INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED**

EXPRESSED IN CANADIAN DOLLARS	September 30 2007	September 30 2006
Operating Activities:		
Loss for the Year	\$ ( 131,084)	\$ ( 105,266)
Items Not Involving Cash		
Amortization – Furniture and Equipment	371	2,070
– Patent Application and Development Costs	642	-
– Intangible Assets	1,450	-
Stock-Based Compensation	-	35,600
	( 128,621)	( 67,596)
Changes in Non-Cash Working Capital Items		
Decrease/ (Increase) in Accounts Receivable	( 12,098)	1,569
Decrease/ (Increase) in Inventory	3,136	6,167
Decrease/ (Increase) in Prepaid Expenses	( 29,214)	( 354)
(Decrease)/ Increase in Accounts Payable and Accrued Liabilities	( 19,481)	14,614
	( 186,278)	( 45,600)
Investing Activities:		
Patent Application and Development Costs	( 8,269)	-
	( 8,269)	-
Financing Activities:		
Net Proceeds on Issuance of Shares	437,180	46,500
Warrants/Options Exercised	326,000	-
	763,180	46,500
Increase/ (Decrease) in Cash and Equivalents	568,633	900
Cash and Equivalents, Beginning of Year	356,127	28,480
Cash and Equivalents, End of Year	\$ 924,760	\$ 29,380

\*See accompanying notes to the interim consolidated financial statements

# ALDA PHARMACEUTICALS CORP.

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2007

### 1. BASIS OF PRESENTATION

These consolidated financial statements include the accounts of ALDA Pharmaceuticals Corp. (“the Company”) and its wholly-owned subsidiary, Sirona Therapeutics Corp. (“Sirona”). The name of the subsidiary was changed on January 10, 2006 from ALDA Institute For Preventative Health Care Inc. Sirona is an inactive company, the shares of which were acquired pursuant to an asset purchase agreement.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of the business. The Company has yet to achieve a level of revenues adequate to achieve profitability. The application of the going concern assumption is dependent on the ability of the Company to secure sufficient financing, and to develop profitable operations. Management of the Company believes that it will succeed in meeting those objectives, allowing the continued operation of the company.

	September 30, 2007	June 30, 2007
Deficit	\$ 2,734,875	\$ 2,603,791
Working capital	1,042,920	627,730

### 2. DESCRIPTION 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 T<sup>3</sup>6<sup>®</sup> Disinfectant. Effective November 26, 2003, the name of the Company was changed from Duft Biotech Capital Ltd. to ALDA Pharmaceuticals Corp.

The interim period 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 principles has been condensed or omitted. The 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.

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

**3. FURNITURE AND EQUIPMENT**

Furniture and equipment at September 30, 2007 and June 30, 2007 consist of the following:

	Historical Cost	Accumulated Amortization	September 30, 2006 Net	June 30, 2007 Net
Furniture and Fixtures	\$ 7,683	\$ 6,833	\$ 850	\$ 1,133
Computer Equipment	24,115	23,853	262	349
	<u>\$ 31,798</u>	<u>\$ 30,686</u>	<u>\$ 1,112</u>	<u>\$ 1,482</u>

**4. PATENTS APPLICATION AND DEVELOPMENT COSTS**

Patent application and development costs at September 30, 2007 and June 30, 2007 were determined as follows:

	Historical Cost	Accumulated Amortization	September 30, 2007 Net	June 30, 2007 Net
Patents Application and Development Costs	<u>\$ 50,885</u>	<u>\$ 2,773</u>	<u>\$ 48,112</u>	<u>\$ 40,486</u>

**5. INTANGIBLE ASSETS**

Effective July 1, 2006, the Company changed its estimate of the useful life of the intangible assets from an infinite life to a finite life of 20 years. The carrying amount as at September 30, 2007 and June 30, 2007 consist of the following:

	Balance as at June 30, 2006	Accumulated Amortization	September 30, 2007 Net	June 30, 2007 Net
Intangible Assets	<u>\$ 116,000</u>	<u>\$ 7,250</u>	<u>\$ 108,750</u>	<u>\$ 110,200</u>

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

**6. SHAREHOLDERS' EQUITY**

a) Share Capital

Authorized:

Unlimited common shares without par value

Effective August 19, 2005, the authorized share capital of the Company was increased to an unlimited number of common shares without par value.

Issued and outstanding:

	September 30, 2007		June 30, 2007	
	Number of Shares	Amount	Number of Shares	Amount
<b>Beginning Balance</b>	<b>32,192,404</b>	<b>\$2,658,868</b>	20,800,404	\$1,969,562
Private Placement (i)/(ii)	-	-	9,430,000	467,480
Finders' Fees	-	-	-	( 6,180)
Warrant Exercised (iii)	-	-	1,062,000	120,006
Options Exercised (iii)	-	-	900,000	108,000
Private Placement (iv)	<b>2,000,000</b>	<b>123,656</b>	-	-
Finders' Fees	-	( 6,300)	-	-
Share Issue Costs	-	( 7,620)	-	-
Warrant Exercised (v)	<b>3,220,000</b>	<b>358,350</b>	-	-
Options Exercised (v)	<b>100,000</b>	<b>14,000</b>	-	-
<b>Ending Balance</b>	<b>37,512,404</b>	<b>\$3,140,954</b>	32,192,404	\$ 2,658,868

- i) 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.
- ii) On June 7, 2007, the Company completed a private placement of 8,000,000 units of the Company at a price of \$0.10 per unit for gross proceeds of \$800,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.20 per share until June 7, 2008 and, thereafter at a price of \$0.30 per share until June 7, 2009. Finders' fees in the amount of \$6,180 were charged against share capital in connection with the private placement.
- iii) During the year ended June 30, 2007, 900,000 options and 1,062,000 warrants were exercised by the holders at a price of \$0.10 per unit for gross proceeds of \$196,200. Option values of \$18,000 previously recorded in contributed surplus for options were credited to share capital.

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

**6. SHAREHOLDERS' EQUITY (CONTINUED)**

a) Share Capital (Continued)

- iv) On August 13, 2007, the Company completed a private placement of 2,000,000 units of the Company at a price of \$0.12 per unit for gross proceeds of \$240,000. Each unit consists of one common share of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one additional common share at a price of \$0.24 per share until August 13, 2008 and, thereafter at a price of \$0.36 per share until August 13, 2009. Finders' fees and legal fees in the amount of \$13,920 were charged against shares capital in connection with the private placement.
- v) During three months period ended September 30, 2007, 100,000 options and 3,220,000 warrants were exercised by the holders at a price of \$0.10 per unit for gross proceeds of \$332,000. Option values of \$4,000 previously recorded in contributed surplus for options were credited to share capital.

b) Stock options:

A summary of the outstanding Company's stock options at September 30, 2007 and June 30, 2007 is presented below:

	Three months ended September 30, 2007		June 30, 2007	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding, beginning of period	2,480,000	\$ 0.11	537,647	\$ 0.19
Granted during the period				
-consulting/officers (i)/(v)	-	-	2,130,000	0.10
-directors (ii)/(v)	-	-	1,050,000	0.11
-employees (ii)/(iv)	-	-	350,000	0.10
Expired/exercised/cancelled during year (7b(v))	( 100,000)	0.10	( 1,587,647)	0.13
Outstanding, end of period	<b>2,380,000</b>	<b>\$ 0.11</b>	2,480,000	\$ 0.11

The following table summarizes information about stock options outstanding at September 30, 2007:

Number of Shares	Exercise Price	Expiry Date	Number Exercisable
530,000	\$ 0.10	August 2, 2008	530,000
200,000	\$ 0.10	August 2, 2011	-
500,000	\$ 0.11	August 12, 2009	500,000
1,150,000	\$ 0.12	May 3, 2009	1,150,000
<b>2,380,000</b>			<b>2,180,000</b>

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

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**6. SHAREHOLDERS' EQUITY (CONTINUED)**

b) Stock options (continued):

- (i) During the year ended June 30, 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. These options have an exercise price of \$0.10 per share. 430,000 of these options have an exercisable period of two years from the date of grant; the remaining 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 was recognized.
- (ii) During the year ended June 30, 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 resulting in \$23,000 in stock based compensation expense being recognized.
- (iii) During the year ended June 30, 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, was reversed and charged against the contributed surplus.
- (iv) During the year ended June 30, 2007, the Company granted options to acquire 500,000 common shares of the Company to employees and directors. The options have an exercise price of \$0.11 with an exercisable term of two years from the date of the grant. All options vested immediately with an estimated fair value of \$0.07 per share resulting in \$35,000 in stock based compensation expense being recognized.
- (v) During the year ended June 30, 2007, the Company granted options to acquire 1,150,000 common shares of the Company to directors, consultants and officers. The options have an exercise price of \$0.12 with an exercisable term of two years from the date of grant. All options vested immediately with an estimated fair value of \$0.07 per share resulting in \$80,500 in stock based compensation expense being recognized.

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

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**6. SHAREHOLDERS' EQUITY (CONTINUED)**

b) Stock options (continued):

No stock options were granted during the three months period ended September 30, 2007. Stock based compensation expense for the year ended June 30, 2007 and three months period ended September 30, 2006 was presented in the Statement of Operations and Deficit as follows:

	June 30, 2007	September 30, 2006
Consulting/Officers	\$ 83,600	\$ 10,600
Investor Relations	2,000	2,000
Wages and Benefits	62,500	23,000
Total Stock-Based Compensation	<u>\$ 148,100</u>	<u>\$ 35,600</u>

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	128.90%
Risk free interest rate	4.19%
Expected average option term	<u>2.25 years</u>

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

**6. SHAREHOLDERS' EQUITY (CONTINUED)**

c) 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 @\$0.20 (1)	Agent Warrants @\$0.20 (2)	Warrants @\$0.10 (3)	Warrants @\$0.10 (4)	Warrants @\$0.10 (5)	Warrants @\$0.10 (6)	Warrants @\$0.20 (7)	Warrants @\$0.24 (8)	Total
Outstanding, June 30, 2006	3,000,000	220,500	3,916,000	1,100,000	-	-	-	-	8,236,500
Granted during period	-	-	-	-	1,430,000	-	8,000,000	-	9,430,000
Warrant extended	-	-	-	-	-	3,916,000	-	-	3,916,000
Warrant exercised	-	-	-	( 80,000)	-	( 982,000)	-	-	( 1,062,000)
Warrant expired	(3,000,000)	(220,500)	(3,916,000)	(1,020,000)	-	-	-	-	(8,156,500)
Outstanding June 30, 2007	-	-	-	-	1,430,000	2,934,000	8,000,000	-	12,364,000
Granted during period	-	-	-	-	-	-	-	2,000,000	2,000,000
Warrant exercised	-	-	-	-	(1,330,000)	(1,890,000)	-	-	( 3,220,000)
Warrant expired	-	-	-	-	( 100,000)	-	-	-	( 100,000)
Outstanding September 30, 2007	-	-	-	-	-	1,044,000	8,000,000	2,000,000	11,044,000

- (1) Exercisable until September 15, 2006, granted pursuant to private placement. Warrants expired.
- (2) Exercisable until September 15, 2006, granted pursuant to private placement. Warrants expired.
- (3) Warrants granted pursuant to private placement expired on December 22, 2006.
- (4) Exercisable until June 22, 2007, granted pursuant to private placement. Warrants expired.
- (5) Exercisable until September 12, 2007, granted pursuant to private placement.
- (6) Terms of the warrants in (3) were amended to extend the exercisable period of the warrants to December 22, 2007 at the exercise price of \$0.10 per share.
- (7) Exercisable at a price of \$0.20 per share until June 7, 2008 and, thereafter at a price of \$0.30 per share until June 7, 2009, granted pursuant to private placement.
- (8) Exercisable at a price of \$0.24 per share until August 13, 2008 and, thereafter at a price of \$0.36 per share until August 13, 2009, granted pursuant to private placement.

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

	<b>Three months ended September 30, 2007</b>	<b>Year ended June 30, 2007</b>
Dividend yield	<b>0%</b>	0%
Expected volatility	<b>129.97%</b>	128.10%
Risk free interest rate	<b>4.46%</b>	4.20%
Expected average option term	<b>2 years</b>	1.85 year

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

**6. SHAREHOLDERS' EQUITY (CONTINUED)**

d) Contributed surplus - Warrants:

Contributed surplus attributed to the issuance of warrants at September 30, 2007 and June 30, 2007, and activity during the three months period ended September 30, 2007 and year ended June 30, 2007, are summarized as follows:

	<b>September 30, 2007</b>	June 30, 2007
Balance, beginning of period	\$ 553,627	\$ 163,413
Private Placement (Note 6(a)(i)&(ii))	-	404,020
Warrant Exercised (Note 6(a)(iii))	-	( 13,806)
Private Placement (Note 6(a)(iv))	<b>116,344</b>	
Warrant Exercised (Note 6(a)(v))	<b>( 42,350)</b>	
Balance, end of period	<b>\$ 627,621</b>	\$ 553,627

e) Contributed surplus - Options:

Contributed surplus attributed to the granting of stock options at September 30, 2007 and June 30, 2007, and activity during the three months period ended September 30, 2007 and year ended June 30, 2007, are summarized as follows:

	<b>September 30, 2007</b>	June 30, 2007
Balance, beginning of period	\$ 171,194	\$ 41,094
Options issued to employees	-	12,000
Options issued to directors	-	53,500
Options issued to consultants	-	85,600
Options forfeited / cancelled	-	( 3,000)
Options exercised	<b>( 4,000)</b>	<b>( 18,000)</b>
Balance, end of period	<b>\$ 167,194</b>	\$ 171,194

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

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**7. GAIN ON LEGAL SETTLEMENT**

- (i) 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)) have 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 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 June 30, 2007.

**8. COMMITMENTS**

- (i) Effective July 1, 2007, the Company entered into an agreement to lease its office premises with a term of one year. The Company's minimum lease payment obligations under the agreement as at July 1, 2007, totaled \$25,971, payable in the 2008 year.
- (ii) 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 T<sup>36</sup>® products, and as consideration, receives a percentage, ranging from 40% to 65%, of the Company's selling price. The supplier also has right of first refusal to manufacture other products from the Company. The agreement can be terminated by either party with 90 days written notice.

**9. RELATED PARTY TRANSACTIONS**

- a) During the three months ended September 30, 2007, the Company paid consulting fees of \$54,000 (September 30, 2006: \$30,000) to companies controlled by directors of the Company.
- b) During the three months ended September 30, 2007, the Company paid rent of \$6,493 (September 30, 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.

**ALDA PHARMACEUTICALS CORP.**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2007**

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**10. 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 months 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. 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.