

POLYDEX PHARMACEUTICALS LIMITED

Consolidated Balance Sheets
(Expressed in United States dollars)

	January 31 2009	January 31 2008
Assets		
Current assets:		
Cash and cash equivalents (note 3)	\$ 327,857	\$ 468,570
Investments available for sale (note 7)	381,457	845,034
Trade accounts receivable (note 19)	161,858	611,975
(Allowance for doubtful accounts nil, 2008 nil)		
Inventories (note 4)	1,003,623	1,350,490
Prepaid expenses and other current assets	106,221	116,172
Total current assets	1,981,016	3,392,241
Property, plant and equipment, net (note 5)	4,057,959	6,041,348
Patents and intangible assets, net (note 6)	37,471	45,511
Due from estate of former shareholder (note 8)	257,470	284,170
	\$ 6,333,916	\$ 9,763,270
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 150,965	\$ 399,820
Accrued liabilities (note 11)	296,538	418,832
Customer deposits	92,932	92,932
Current portion of long-term debt (note 10a)	35,336	41,544
Current portion of capital lease obligations (note 10b)	15,299	6,071
Current portion of due to shareholder (note 8)	30,000	30,000
Total current liabilities	621,070	989,199
Long-term debt (note 10a)	291,305	398,540
Capital lease obligations (note 10b)	20,902	6,734
Due to shareholder (note 8)	578,316	628,569
Deferred income taxes (note 15)	—	55,962
	890,523	1,089,805
Total liabilities	1,511,593	2,079,004
Going concern (note 1)		
Related party transactions (note 8)		
Commitments and contingencies (note 21)		
Shareholders' equity:		
Capital stock (note 12)		
Authorized:		
100,000 Class A preferred shares of \$0.10 each		
899,400 Class B preferred shares of \$0.0167 each		
10,000,000 common shares of \$0.0167 each		
Issued and outstanding:		
899,400 Class B preferred shares (January 31, 2008 — 899,400)	15,010	15,010
3,072,846 common shares (January 31, 2008 — 3,072,846)	51,185	51,185
Contributed surplus	23,527,576	23,499,154
Deficit	(19,370,714)	(17,779,244)
Accumulated other comprehensive income (note 20)	599,266	1,898,161
	4,822,323	7,684,266
	\$ 6,333,916	\$ 9,763,270

On behalf of the Board:

Director

Director

See accompanying notes.