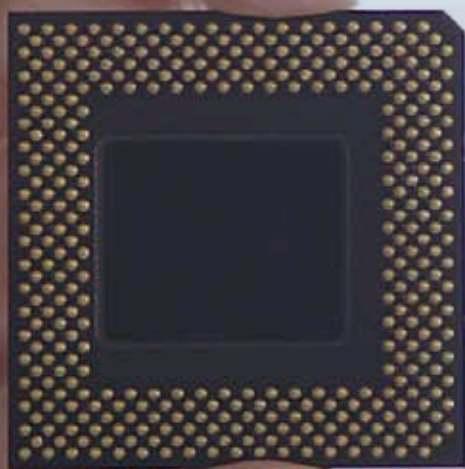


CLEMEX intelligent microscopy

Measure what you see.
See what you measure.



Q1 2007-2008

For the quarter ended July 31st, 2007

Table of Contents

1	. To Our Shareholders
2	. MD&A
9	. Q1 Financial Statements
12	. Notes to Consolidated Financial Statements
15	. Corporate Information

To Our Shareholders



September 25th, 2007 – Clemex Technologies Inc. (CXG.A TSX Venture) announces its financial results for its first quarter ending on July 31st, 2007. First quarter sales were of \$1,105,274, a decrease of \$179,223, when compared to the same quarter last year where sales were of \$1,284,497. The Company ends its first quarter with a loss of \$138,779, or \$0.007 per share.

These are disappointing results, even when one considers that the summer months are usually the slowest of the year. This is mostly related to the slowdown in sales at the International level, having undergone a decrease of 47%, with sales established at \$194,530, compared to \$368,956 for the same quarter last year. However, sales on the North American market were maintained on a comparable level to last year's results, generating combined sales, for Canada and the United States, of \$910,744.

Invited to comment on these results, the President and CEO Clément Forget, declared: "These first quarter results are affected by the longer sales-cycle on the International markets, with PS3, a complex but very promising product requiring greater efforts at educating the customers, being the cornerstone for the development of these markets. These results are mitigated by efforts invested in development activities which will only be rewarded in the next quarters, being that the order books have been refilled.

Along the same line, we worked tirelessly to plan-out the basis of a major partnership with an internationally renowned distributor. The latter's synergy will allow us, in the next quarter and for years to come, to solve persistent commercialization problems.

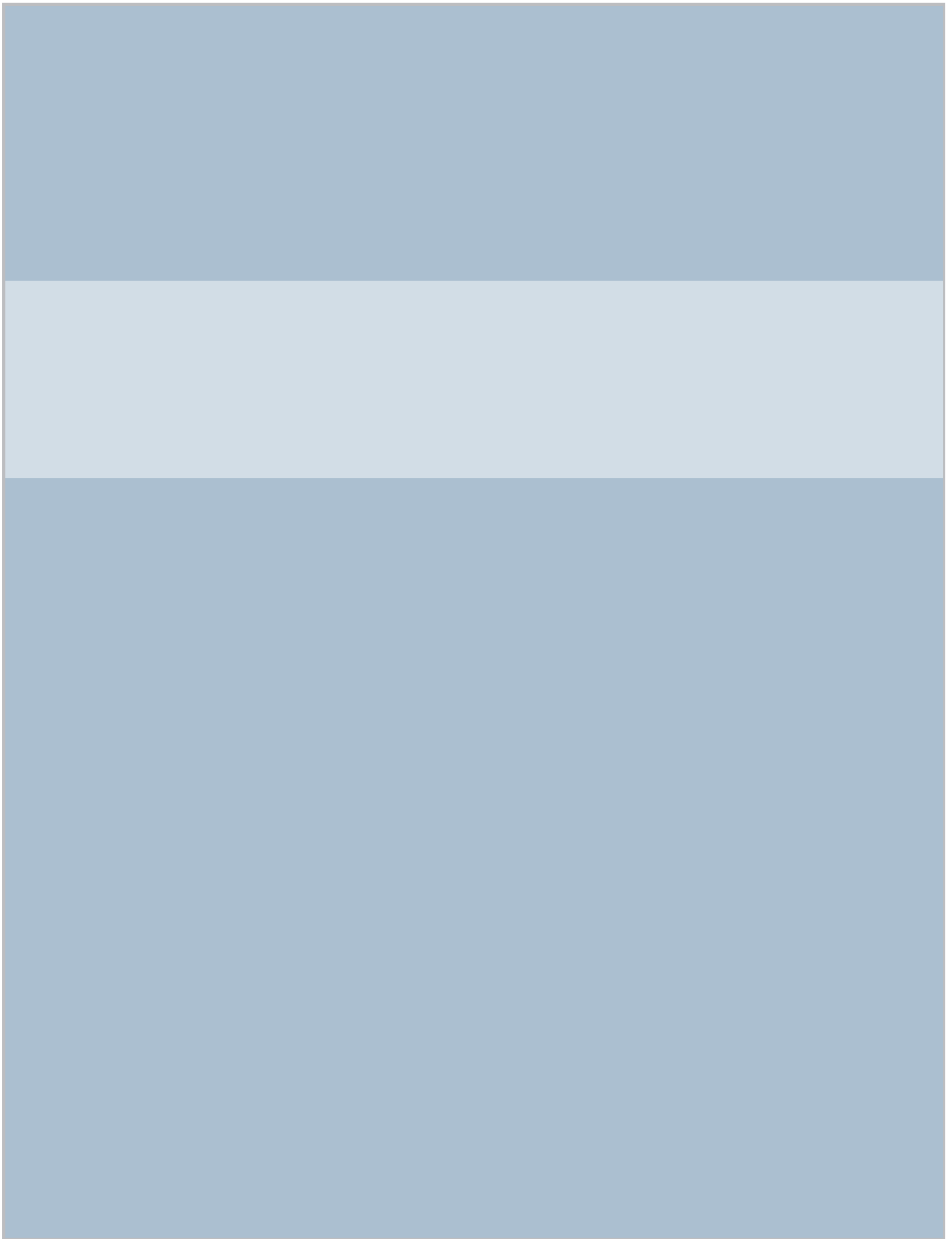
Strong of these latest developments, and the quality asset of having cutting edge solutions that are also user-friendly, we are, more than ever, optimistic for the future of the Company in the long- and short-term."

A handwritten signature in black ink, appearing to read 'Clément Forget'.

Clément Forget
President and CEO

From left to right:

Caroline Trudel: Vice-President, Finance and Administration, **Monique Dallaire:** Vice-President, Marketing and Product Development, **Clément Forget:** President and CEO



Management Discussion and Analysis

For the quarter ended July 31st, 2007

This discussion and analysis is provided to assist readers in their assessment and understanding of the consolidated results of operations, the financial position and changes in cash flows of Clemex Technologies Inc. for the first quarter ended July 31st, 2007.



Description of Business

Clemex Technologies, Inc. (“Clemex” or “the Company”) develops, manufactures and markets image analysis systems and software used by quality control and research microscopy laboratories. Clemex’s customer base spans over many countries around the world and encompasses large manufacturing concerns in numerous industries including automotive, aerospace, raw materials manufacturing, pharmaceuticals, mining, and other sectors.

Clemex Technologies’ headquarter is located in Longueuil, QC, and has a business office in the US, as well as distributors in Europe, Asia, South America, and the Middle East. The Company is publicly traded on the Alberta stock exchange under the symbol “CXG.A”.

Analysis of Financial Position and Results of Operations

Consolidated Statement of Operations for the three month period ending July 31st 2007, and the previous three month period.

	Three months 2008	Three months 2007	Notes
	\$	\$	
Sales	1 105 274	1 284 497	1
Cost of sales	390 816	548 658	2
Gross profit	714 458	735 839	
Operating expenses:			
Sales & Marketing expenses	400 938	364 850	3
Administrative expenses	217 051	160 923	4
R&D expenses, net of tax credits	134 682	132 059	5
Depreciation	25 719	23 841	6
Financial expenses	74 847	30 100	7
	853 237	711 773	
Net earnings	(138 779)	24 066	8

During this first quarter of Fiscal 2008, income reached \$1.105 M compared to \$1.284 M for the same period last year. The gross margin was of 64.6% for this period whereas it was of 57.2% last year. This gross margin increase is attributable to the sale of software and software-updates following the launch of Clemex Vision PE version 5.0, our flagship product.

The Company did not succeed in releasing a surplus during this quarter, ending its first quarter of 2008 with a deficit of \$138,779.

Consolidated Balance Sheet				Notes
	As of July 31st 2007 (unaudited) \$	As of April 30th 2007 (audited) \$		
Assets				
Current assets:				
Cash and cash equivalents	-	70,802		9
Accounts receivable	1,002,323	997,878		10
Tax credits receivable	307,579	249,288		11
Inventories	600,024	601,547		12
Prepaid expenses	43,805	38,244		
	1 953,731	1,957,759		
4 Capital assets	367,595	399,427		
Long-term assets held for disposal	9,637	9,637		
Deferred financing costs net of accumulated amortization of \$35,315 (2006: \$26,021)	22,909	3,717		
	2,353,872	2,370,540		
Liabilities and Shareholders' Equity				
Current liabilities:				
Bank overdraft	152,487	-		
Bank indebtedness	470,352	225,000		
Accounts payable	508,691	746,601		13
Customer deposits & deferred revenue	18,832	19,403		
Current portion of long-term debt	130,975	130,975		
	1,281,337	1,121,979		
Long-term debt	25,972	78,197		14
Convertible debenture	219,412	214,874		
Shareholders' Equity:				
Other component of shareholders' equity	84,312	84,312		2
Capital stock	4,204,850	4,203,950		15
Contributed surplus	80,245	70,703		
Deficit	(3,542,255)	(3,403,475)		
	827,152	955,490		
	2,353,872	2,370,540		

References to the Summary of Consolidated Results and Balance Sheet.

1. Sales

A decrease of \$179,000 for this quarter.

The Company's sales numbers for the last quarter is lower than the same period last year.

This decrease is in large part attributable to the summer holidays and to a longer-than-anticipated sales cycle, given that efforts deployed in the Spring still await fruition.

2. Cost of Sales

A 7.4% decrease for this quarter.

The cost of sales includes supplies and human resources costs associated with filling our orders. It also includes labour, packaging, manuals, and delivery costs, as well as expenditures associated with the set-up of products at our clients' places of business.

The types of product sold, having different characteristics and requiring different preparations and installation, is mostly responsible for cost variations from one quarter to the next.

Several software-update sales have helped increase the gross profit margin during this first quarter, which explains the increase compared to the same time last year.

3. Sales and Marketing

An increase of \$36,088.

Sales and marketing expenses include marketing and sales personnel wages, commissions, travel expenses, trade shows, and advertising.

In line with our strategic plan, members of the sales and marketing teams attended several trade shows during the first quarter of Fiscal 2008. On the whole, the team attended five more trade shows than for the same period last year.

4. Administrative expenses

An increase of \$56,000.

General and administrative expenses consist primarily of costs relating to management, human resources, finance, as well as rent and other office expenses, professional fees and other general overhead expenses.

The increases in rent and professional services, twinned with the application of earnings from the granting of options contributed to the increase in administrative expenses for this quarter compared to the same period last year.

5. Research and development expenses

A decrease of \$2,500 for this quarter.

Research and development expenses include personnel and consultant costs required to develop and support the Company's products.

The increase in wages is linked to the cost of living and account for the slight increase during this quarter.

6. Depreciation.

An increase of \$2,600\$ for this quarter.

Depreciation expenditures are slightly on the rise mainly due to the acquisition of new R&D equipment during the previous fiscal year, 2006-2007.

7. Financial expenses

An increase of \$44,747 for this quarter.

Financial expenses consist of interest on term loans, bank charges and foreign currency gains and losses. During the last quarter, the following financial expenses were incurred.

Interest and bank charges	16,319
Interest on the long-term debt	14,664
Losses on foreign currency transactions	43,864
	<hr/>
	74,847

The Company suffered a loss on foreign currency transactions of more than \$43,000 for this quarter, linked to the appreciation of the Canadian dollar, plus paid interest expenses, contributed to the increase in financial expenses for this quarter.

8. Net earnings

A decrease of \$162,846 for this quarter.

The Company had lower net earnings for this last quarter, and this is due to a combination of factors linked to lower sales, additional labour expenditures, advertising, marketing and administration costs incurred during the last quarter.

9. Cash and cash equivalents

A decrease of \$152,487.

The cash inflow for the last quarter was;

Operating activities	(411,919)
Financing activities	182,519
Investing activities	6,111
Net cash inflow (outflow)	<hr/>
	(152,487)

The Company has sufficient funds to meet its obligations; however, it is considering financing its R&D tax credits for the next quarter in order to ensure it has sufficient liquidity to meet its short-term obligations. The current and quick ratios are 1.52 and 1.05 respectively.

10. Accounts receivable

A decrease of \$4,445.

Management has implemented a good follow-up system of its accounts receivable. Nevertheless, a bad debt of \$7,700 US was recorded in July to charge off an outstanding account receivable of more than 120 days. The recovery ratio of its accounts is stable at 45 days.

11. Tax credits receivable

A decrease of \$58,000.

The tax credits on investment are simply the R&D credits refundable by the Quebec government.

The amount appearing in the current assets represents the current investment by way of tax credits to research and development.

12. Inventories

A decrease of \$1,500.

Inventory represents the goods that the Company has on hand to prepare orders and to resell its finished products to its customers.

Inventories are primarily made up of microscope parts, cameras, motorized stages, and several computer parts.

13. Accounts payable

A decrease of \$237,900.

Accounts payable represent accrued and incurred liabilities as of July 31st, 2007, such as supplier accounts for a total of \$289,000, and other expenses such as wages, vacations, commissions, taxes, and professional fees for a total of \$220,000.

The variability is mainly due to a timing difference in the payment of bi-weekly payrolls and of supplier accounts which are paid on a 45-day cycle.

14. Long-term debt

A decrease of \$78,000.

Details of long-term debt are as follows:

	July 31st 2007	April 30th 2007
\$750,000 debt due in October 2007, guaranteed by Investissement Québec with monthly payments of \$15,625, carrying interest at the basic rate plus 2%	62,500	109,375
\$107,000 term debt due in October 2011, carrying interest at the basic rate plus 2.5%, with monthly payment of capital of \$1,782.65	94,447	99,797
	156,947	209,172
Short-term portion	130,975	130,975
Convertible debentures	219,412	214,874

A line of credit totaling \$500,000 is available for short-term liquidity requirements. The Company must maintain a debt ratio under 2.5. This ratio is 0.70 as of January 31st, 2007.

The Company had, issued in 2005, a debenture of \$500,000 at a rate of 9%, maturing in August 2008. The Company can force conversion of the principle amount at the above mentioned conversion rate, on the condition that the average share exchange is maintained at \$0.70 for a period of 20 consecutive days.

15. Share Capital

The issued common share capital is as follows:

	On September 26th 2007	On July 31st 2007	On April 30th 2007
Options issued and outstanding	763,000	763,000	858,000
Shares issued and outstanding	18,714,810	18,674,810	18,740,268

The Company got the authorization from the TSX Venture Exchange to repurchase shares in the normal course of activities on December 12th, 2006. A total of 936,500 class "A" shares can be repurchased and cancelled during the next 12 months. During the first quarter of 2008, the Company did not repurchase nor cancelled any common shares.

Selected Quarterly Financial Information

	2008				2007			2006
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	1 105 274	1 197 982	1 463 992	1 398 350	1 284 497	1 543 244	1 564 570	1 490 280
Earnings/ net losses (1)	(138 779)	(202 645)	79 159	40 174	24 066	42 620	172 303	147 458
BPA	(0.007)	(0.011)	0.004	0.002	0.001	0.002	0.010	0.010
BPA (diluted)	(0.007)	(0.011)	0.004	0.002	0.001	0.002	0.010	0.010
Earnings/ Net losses (2)	(138 779)	(202 645)	79 159	40 174	24 066	40 564	172 303	147 458
BPA	(0.007)	(0.011)	0.004	0.002	0.001	0.002	0.010	0.010
BPA	(0.007)	(0.011)	0.004	0.002	0.001	0.002	0.010	0.010

Note 1)

Net earnings or (net losses) from continuing activities, basic per share and diluted per share.

Note 2)

Net earnings or (net losses) including discontinued activities, basic per share and diluted per share.

Risks and Uncertainties

Protection in the form of patents is generally not available for software products such as those produced by the Company. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that the Company's competitors will not independently develop similar technology. However the Company does take whatever steps it can to protect itself.

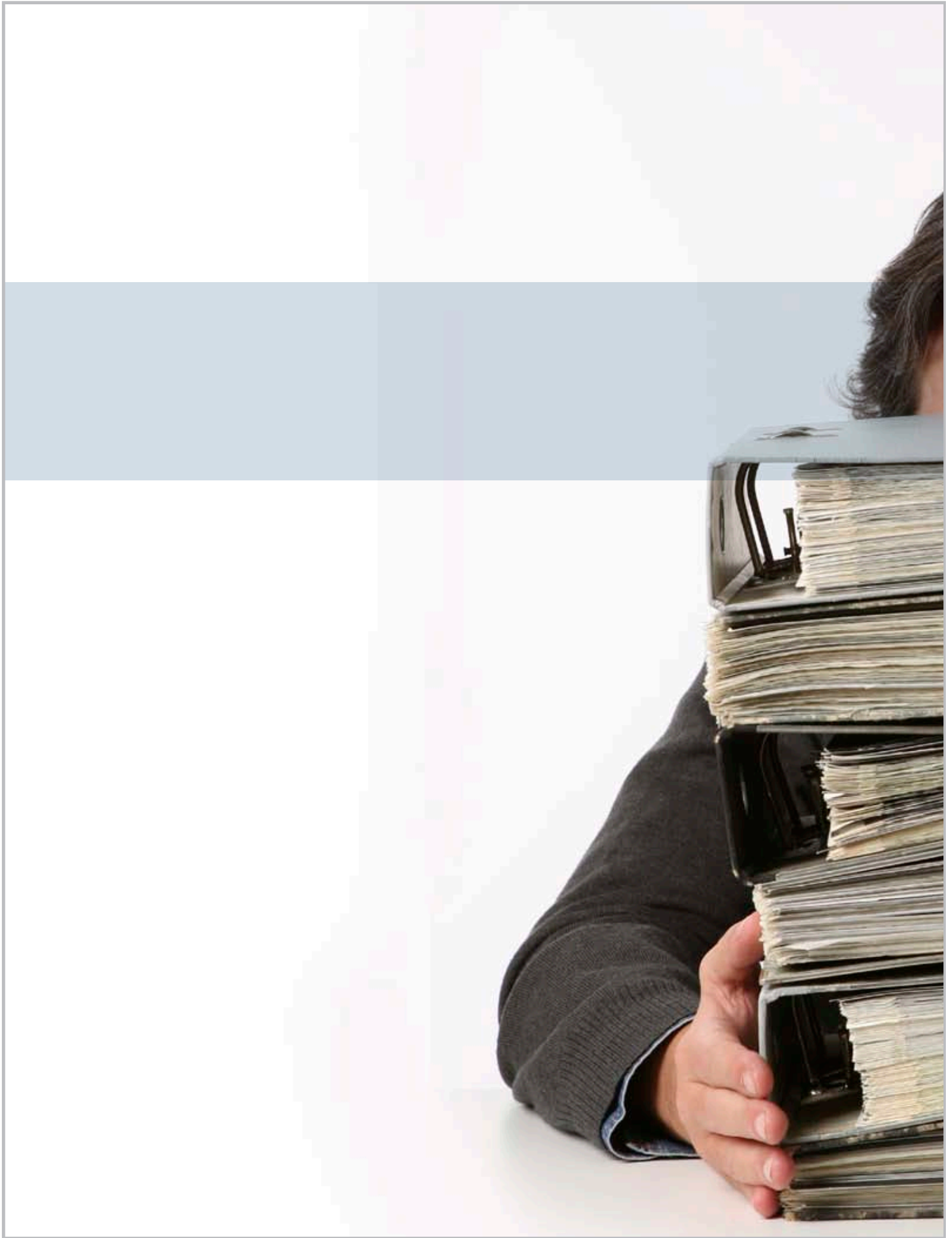
Additional risks and uncertainties which are not presently known could adversely affect the Company, such as changes in economic or political environment, dependence on a particular industry, changes in foreign exchange rates, fluctuations in sales cycles and demand for products, as well as the ability to attract and retain key personnel.

Subsequent Events

On August 29th, 2007, the Company proceeded to the financing of its R&D credit for the fiscal years ending April 30th 2007 and 2008, for a total amount of \$376,000 guaranteed by Investissement Québec.

Disclosure Controls and Procedures

As of July 31st, 2007, there were no changes to the design of disclosure controls and procedures and to the design of internal controls over financial reporting.



A person with dark hair is shown from the side, holding a very thick stack of papers or documents. The person is wearing a dark, long-sleeved sweater. The background is a solid, light blue color. The text is overlaid on the top left and middle left of the image.

CLEMEX intelligent microscopy

Financial Statements
Q1 2007-2008

Consolidated Balance Sheet

As of July 31, 2007 with comparative figures of April 30, 2007

	July 31st 2007 (unaudited) \$	April 31st 2007 (audited) \$
Assets		
Current assets:		
Cash and cash equivalents	-	70,802
Accounts receivable	1,002,323	997,878
Research & development tax credit receivable	307,579	249,288
Inventories	600,024	601,547
Prepaid expenses	43,805	38,244
	1,953,731	1,957,759
Capital assets	367,595	399,427
Long-term assets held for disposal	9,637	9,637
Deffered financing costs net of accumulated amortization of \$ 35 315 (2006: \$ 26 021)	22,909	3,717
	2,353,872	2,370,540
Liabilities and shareholder's equity		
Current Liabilities		
Bank Overdraft	152,487	-
Bank indebtedness	470,352	225,000
Accounts payable	508,691	746,601
Customers deposits & deferred revenue	18,832	19,403
Current portion of long-term debt	130,975	130,975
	1,281,337	1,121,979
Long-term debt	25,972	78,197
Convertible debenture (note 2)	19,412	214,874
Shareholders' equity:		
Other component of shareholders' equity (note 2)	84,312	84,312
Share capital	4,204,850	4,203,950
Contributed surplus	80,245	70,703
Deficit	(3,542,255)	(3,403,475)
	827,151	955,490
	2,353,872	2,370,540

See accompanying notes to consolidated financial statements.

Consolidated Income Statement

For the three month period ending July 31, 2007

	Q1 2007-08 \$	Q1 2006-07 \$
Sales	1,105,274	\$1,284,497
Cost of sales	390,816	548,658
Gross profit	714,458	735,839
Operating Expenses		
Sales & Marketing expenses	400,938	364,850
Administrative expenses	217,051	160,923
Research and development, net of tax credits	134,682	132,059
Depreciation	25,719	23,841
Financial expenses	74,847	30,100
	853,237	711,773
Net earnings before discontinued operations	(138,779)	24,066
Earnings from discontinued operations	-	-
Net Earnings	(138,779)	24,066
Deficit, beginning	(3,403,475)	(3,344,229)
Margin due to the repurchase of a portion of the debenture	-	-
Deficit, end	(3,542,254)	(3,320,163)
Net earnings (loss) per share		
Basic	(0.007)	0.001
Diluted	(0.007)	0.001
Weighted average number of shares outstanding	18,674,810	18,728,060
Dilutive effect of stock options (1)	-	-
Diluted weighted average number of shares	18,674,810	18,728,060

See accompanying notes to consolidated financial statements.

(1) The effect of dilutive effect of stock options and the convertible debenture are not included as the effect would be anti-dilutive.

Consolidated **Cash Flow** Statement
For the three month period ending July 31, 2007

	Q1 2007-2008	Q1 2006-2007
	\$	\$
Operating Activities		
Earning from continuing operations	(138,779)	24,066
Adjustment for:		
Depreciation	25,719	23,841
Amortization of deferred financing costs	1,859	1,859
Increase in the value of the convertible debenture	4,538	2,835
Loss (Gain) on disposal of capital assets	-	-
	(106,663)	52,601
Net change in non-cash working capital items	(305,255)	(134,132)
Cash provided by (used for) continuing operating activities	(411,919)	(81,531)
Financing Activities		
Bank indebtedness	245,352	(100,000)
Repurchasing of the debenture	(21,050)	-
Issuing of shares (category A)	900	-
Other components of shareholders' equity	9,542	-
Margin due to the repurchase of a portion of the debenture	-	-
Repayment of long-term debt	(52,225)	(48,432)
Cash provided by (used for) continuing financing activities	182,519	(148,432)
Investing activities		
Acquisition of capital assets	(5,860)	(21,606)
Proceeds from disposal of capital assets	11,971	-
Cash provided by continuing investing activities	6,111	(21,606)
Net loss (net increase) in cash and cash equivalents of continuing operations	(223,289)	(251,569)
CASH, BEGINNING	70,802	217,955
CASH, END	(152,487)	(33,614)

Notes to consolidated financial statements for the first quarter ending July 31, 2007

1. Basis of presentation

Description of activities

Clemex Technologies Inc. Develops , manufactures and markets image analysis systems and software used by quality control and research microscopy laboratories.

Basis of presentation

These consolidated financial statements have been prepared in conformity with Canadian generally accepted principles. The same accounting policies as described in the latest annual report have been used. However, these consolidated financial statements do not include all disclosures required under generally accepted accounting principles and accordingly should be read in connection with the consolidated financial statements and the notes thereto included in the Corporation's latest Annual report.

Seasonability of interim period operations

The first two trimestres ending July 31 and October 31 are traditionnaly slower months in terms of sales due to summer break period . Nevertheless, given the long sales cycles, the Company's results can fluctuate from quarter to quarter.

2. Stock option plan

As per the stock option plan, the Corporation may grant options from time to time to its employees and directors. Options granted under the plan may be exercised over a period of 5 years from the date they were granted and expire no later then the anniversary date.

Variations in stock-option outstanding and the effect on the weighted average exercise price are summarized as follows:

		Number of options	Weighted average exercise price
Balance, as of April 30th, 2007		858,000	0.20
Options granted	first quarter	10,000	
Options exercised	first quarter	5,000	
Options cancelled	first quarter	100,000	
Balance as of July 31, 2007		763,000	0.20

Under the stock option plan terms, the options granted can be exercised at different dates. Therefore, of the total options granted, 5 000 were exercisable immediatly, 5 000 after a six month period.

An amount of \$ 9 245 was accounted for during this quarter as a result of options granted.

3. Segmented information

The sales are broken in geographic area as follows. The sales attributed to each geographic area based on the location of the customer.

Quarter ending July 31, 2007

	Unaudited FY 2007 3 months \$	Audited FY 2006 3 months \$
Sales		
Canada	313,738	314,596
United States	597,006	600,945
Other countries	194,530	368,956
	1,105,274	1,284,497

4. Capital

The issued and outstanding common type "A" share capital of the Corporation is as follows:

	Nbr. shares
Balance as of April 30 2007	18,669,810
Shares issued with respect to options granted	5,000
Repurchased shares (1)	-
Balance as of July 31, 2007	18,674,810
Shares issued with respect to options granted	40,000
Repurchased shares (1)	-
Balance as of March 26, 2007	18,714,810

(1) The Corporation has obtained authorization to proceed to the purchase of a maximum of 5 % of its outstanding shares of the public float on December 12, 2006 through the Normal Course Issuer Bid. No shares were purchased and cancelled during the first quarter, from May 1st to July 31, 2007.

Corporate Information

Headquarters

Clemex Technologies Inc.
800 Guimond, Longueuil, Quebec
J4G 1T5 Canada
Telephone: (450) 651-6573
Fax: (450) 651-9304
info@clemex.com
www.clemex.com

Subsidiary

Clemex Corp
17195 Silver Parkway, suite 409
Fenton, MI USA
48430-3426

Transfer Agent

CIBC Mellon Trust
Montreal, Quebec

Auditors

Massie Pharand Marcil
Turcotte et associés, CA inc.
Chartered Accountants
Brossard, Quebec

Solicitors

Ogilvy Renault
Montreal, Quebec

Bankers

National Bank of Canada
Montreal, Quebec

Trading Symbol

Trading Symbol Clemex Technologies Inc.
is listed on The Canadian Venture Exchange
(CDNX) under the symbol CXG.A

Authorized Number of Class A Shares

unlimited

Issued Class A Shares

18,714,810

Board of Directors

Me Lisane Dostie

*Chairperson of the Board and
Corporate Secretary,
Recruiter
Fitzwilliam Legal Recruitment*

Normand Beauregard

*Director,
Marketing Consultant and UQAM Professor*

Gilles L'Espérance, PhD

*Director,
Material Engineering, Associate Professor
École Polytechnique*

Clément Forget

*Director,
President and Chief Executive Officer
Clemex Technologies Inc.*

Eric Grandjean

*Director,
President
Compumedia Design*

Frédéric Tremblay

*Director,
Vice-President
HKDP (Hill & Knowlton)*

Officers

Clément Forget

*President and Chief Executive Officer
Clemex Technologies Inc.*

Caroline Trudel

*Treasurer,
Vice-President, Finances & Administration
Clemex Technologies Inc.*

Monique Dallaire, eng.

*Vice-President,
Marketing and Product Development
Clemex Technologies Inc.*

September 26th, 2007

www.clemex.com



A small gesture for the environment. When you finish reading this report, you can give it to another person or put it in the recycling bin. You can also consult our financial statements on line at www.clemex.com or at www.sedar.com.