
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-QSB

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2007

- TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 000-24541

CORGENIX MEDICAL CORPORATION

(Name of Small Business Issuer in its Charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

93-1223466

(I.R.S. Employer Identification No.)

11575 Main Street, Number 400, Broomfield, CO 80020

(Address of principal executive offices, including zip code)

(303) 457-4345

(Issuer's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The number of shares of Common Stock outstanding was 26,075,932 as of February 11, 2008.

Transitional Small Business Disclosure Format. Yes No

CORGENIX MEDICAL CORPORATION

December 31, 2007

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PART I
Item 1. Consolidated Financial Statements
CORGENIX MEDICAL CORPORATION
AND SUBSIDIARIES

Consolidated Balance Sheets

	<u>December 31,</u> <u>2007</u>	<u>June 30,</u> <u>2007</u>
	<u>(Unaudited)</u>	
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 1,894,416	\$ 1,324,072
Accounts receivable, less allowance for doubtful accounts of \$94,097.....	1,116,832	1,225,677
Inventories.....	2,530,739	2,558,456
Prepaid expenses.....	110,624	99,767
Total current assets.....	<u>5,652,611</u>	<u>5,207,972</u>
Equipment:		
Capitalized software costs.....	255,617	255,617
Machinery and laboratory equipment.....	953,919	944,663
Furniture, fixtures, leaseholds & office equipment.....	1,667,696	1,808,698
	<u>2,877,232</u>	<u>3,008,978</u>
Accumulated depreciation and amortization.....	(981,683)	(798,362)
Net equipment.....	<u>1,895,549</u>	<u>2,210,616</u>
Intangible assets:		
License.....	344,591	332,838
	<u>344,591</u>	<u>332,838</u>
Other assets:		
Deferred financing costs net of amortization of \$1,027,432 and \$873,729.....	602,284	743,070
Due from officer.....	12,000	12,000
Due from Biosafe.....	—	125,000
Other assets.....	214,312	257,180
Total assets.....	<u>\$ 8,721,347</u>	<u>\$ 8,888,676</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of notes payable, net of discount.....	\$ 889,353	\$ 1,014,437
Current portion of capital lease obligations.....	233,719	223,127
Accounts payable.....	616,280	844,338
Accrued payroll and related liabilities.....	275,266	271,994
Accrued interest.....	24,239	26,741
Deferred revenue.....	1,752	465,615
Accrued liabilities.....	224,928	291,491
Total current liabilities.....	<u>2,265,537</u>	<u>3,137,743</u>
Notes payable, net of discount, less current portion.....	472,493	1,000,051
Capital lease obligations, less current portion.....	324,754	442,775
Deferred Facility Lease Payable, excluding current portion.....	909,603	1,065,227
Total liabilities.....	<u>3,972,387</u>	<u>5,645,796</u>
Redeemable common stock, \$0.001 par value 531,696 (unaudited) and 669,019 shares issued and outstanding, aggregate redemption value of \$350,003 (unaudited), and \$380,003 net of unaccreted discount and issue costs of \$0 (note 5).....	250,000	250,000
Stockholders' equity:		
Convertible Preferred stock, \$0.001 par value. Liquidation preference of \$99,485 (unaudited) and \$464,730. Authorized 5,000,000 shares, Issued and outstanding 284,242 (unaudited) and 1,327,800 on December 31 and June 30, respectively.....	284,242	1,327,800
Common stock, \$0.001 par value. Authorized 100,000,000 shares; Issued and outstanding 25,347,825 (unaudited) and 14,483,342 December 31 and June 30, respectively.....	24,815	13,814
Additional paid-in capital.....	16,786,268	13,444,483
Accumulated deficit.....	(12,556,568)	(11,808,129)
Accumulated other comprehensive income (loss).....	(39,797)	14,912
Total stockholders' equity.....	<u>4,498,960</u>	<u>2,992,880</u>
Total liabilities and stockholders' equity.....	<u>\$ 8,721,347</u>	<u>\$ 8,888,676</u>

See accompanying notes to consolidated financial statements.

**CORGENIX MEDICAL CORPORATION
AND SUBSIDIARIES**
Consolidated Statements of Operations

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>December 31, 2007</u>	<u>December 31, 2006</u>	<u>December 31, 2007</u>	<u>December 31, 2006</u>
	(Unaudited)		(Unaudited)	
Net sales.....	\$ 2,399,038	\$ 1,684,811	\$ 4,504,226	\$ 3,378,923
Cost of sales.....	<u>1,052,837</u>	<u>671,799</u>	<u>2,016,974</u>	<u>1,316,908</u>
Gross profit.....	1,346,201	1,013,012	2,487,252	2,062,015
Operating expenses:				
Selling and marketing.....	492,175	577,752	1,023,780	1,065,738
Research and development.....	148,572	173,120	312,265	405,807
General and administrative.....	<u>481,230</u>	<u>697,179</u>	<u>924,960</u>	<u>1,293,479</u>
Total expenses.....	<u>1,121,977</u>	<u>1,448,051</u>	<u>2,261,005</u>	<u>2,765,024</u>
Operating income (loss).....	224,224	(435,039)	226,247	(703,009)
Other income (expense).....				
Other income, net.....	21,516	17,902	11,688	59,272
Interest expense.....	<u>(306,050)</u>	<u>(490,984)</u>	<u>(986,374)</u>	<u>(1,107,587)</u>
Net loss.....	(60,310)	(908,121)	(748,439)	(1,751,324)
Net loss per share, basic and diluted.....	\$ (0.00)	\$ (0.08)	\$ (0.03)	\$ (0.15)
Weighted average shares outstanding, basic and diluted (note 2).....	<u>25,048,943</u>	<u>11,959,592</u>	<u>22,179,066</u>	<u>11,542,725</u>
Net loss.....	\$ (60,310)	\$ (908,121)	(748,439)	(1,751,324)
Other comprehensive income (loss)-foreign currency translation.....	<u>(56,880)</u>	<u>2,694</u>	<u>(54,709)</u>	<u>4,396</u>
Total comprehensive loss.....	<u>\$ (117,190)</u>	<u>\$ (905,427)</u>	<u>\$ (803,148)</u>	<u>(1,746,928)</u>

See accompanying notes to consolidated financial statements.

**CORGENIX MEDICAL CORPORATION
AND SUBSIDIARIES**
Consolidated Statement of Stockholders' Equity
For the six months ended December 31, 2007
(Unaudited)

	<u>Preferred Stock, Number of Shares</u>	<u>Preferred Stock, \$0.001 par</u>	<u>Common Stock, Number of Shares</u>	<u>Common Stock, \$0.001 par</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Total stockholders' equity</u>
Balance at June 30, 2007	1,327,800	\$ 1,327,800	14,483,342	\$ 13,814	\$ 13,444,483	\$ (11,808,129)	\$ 14,912	\$ 2,992,880
Issuance of common stock for cash	—	—	3,956,000	3,956	985,044	—	—	989,000
Issuance cost for common stock offering	—	—	—	—	(137,671)	—	—	(137,671)
Issuance of common stock for services	—	—	10,000	10	7,723	—	—	7,733
Issuance of common stock in exchange for debt and interest	—	—	3,193,335	3,192	804,734	—	—	807,926
Addition of discount on convertible notes due to contingent conversion feature	—	—	—	—	536,874	—	—	536,874
Conversion of preferred stock into common stock	(1,043,558)	(1,043,558)	3,215,869	3,216	1,040,342	—	—	—
Compensation expense recorded as a result of stock options issued	—	—	—	—	88,566	—	—	88,566
Exercise of warrants	—	—	626,600	627	(627)	—	—	—
Issuance of warrants for license	—	—	—	—	16,800	—	—	16,800
Cancellation of redeemable stock upon note pay down	—	—	(137,322)	—	—	—	—	—
Foreign currency translation	—	—	—	—	—	—	(54,709)	(54,709)
Net loss	—	—	—	—	—	(748,439)	—	(748,439)
Balance at December 31, 2007	<u>284,242</u>	<u>\$ 284,242</u>	<u>25,347,825</u>	<u>\$ 24,815</u>	<u>\$ 16,786,268</u>	<u>\$ (12,556,568)</u>	<u>\$ (39,797)</u>	<u>\$ 4,498,960</u>

See accompanying notes to consolidated financial statements.

**CORGENIX MEDICAL CORPORATION
AND SUBSIDIARIES**

Consolidated Statements of Cash Flows

	Six Months Ended	
	December 31, 2007	December 31, 2006
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss	\$ (748,439)	\$ (1,751,324)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	195,326	170,132
Accretion of discount on note payable	649,440	582,921
Gain on disposal of equipment	—	(6,729)
Common stock issued for services	7,733	33,645
Common stock issued for interest	86,718	52,156
Compensation expense recorded for stock options issued	88,566	71,694
Amortization of deferred financing costs	153,703	250,960
Changes in operating assets and liabilities:		
Accounts receivable, net	107,479	(26,032)
Inventories	27,121	(548,770)
Prepaid expenses and other assets, net	137,586	(243,402)
Accounts payable	(280,783)	(190,286)
Accrued payroll and related liabilities	7,554	31,594
Accrued interest and other liabilities	(537,394)	35,904
Net cash used in operating activities	(105,390)	(1,104,901)
Cash flows used in investing activities:		
Proceeds from disposal of equipment	—	43,051
Additions to equipment	(23,985)	(214,974)
Net cash used in investing activities	(23,985)	(171,923)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net of financing costs	851,329	—
Payments on notes payable	(44,000)	(407,547)
Payments on capital lease obligations	(107,429)	(87,632)
Net cash provided by (used in) financing activities	699,900	(495,179)
Net increase (decrease) in cash and cash equivalents	570,525	(1,772,003)
Impact of exchange rate changes on cash	(181)	6,460
Cash and cash equivalents at beginning of period	1,324,072	3,118,494
Cash and cash equivalents at end of period	\$ 1,894,416	\$ 1,352,951
Supplemental cash flow disclosures:		
Cash paid for interest	\$ 103,096	\$ 232,385
Noncash investing and financing activities-		
Equipment acquired under capital leases	\$ —	\$ 718,338
Issuance of warrants for license	\$ 16,800	\$ —
Issuance of stock for debt	\$ 721,208	\$ 170,788
Conversion of preferred stock into common stock	\$ 1,043,558	\$ —
Conversion of redeemable common stock to note payable	\$ —	\$ —
Restricted asset applied to note	\$ —	\$ 250,000
Preferred Stock issued in kind for dividend	\$ —	\$ 280,000
Addition of discount on convertible notes due to contingent conversion feature	\$ 536,874	\$ —

See accompanying notes to consolidated financial statements.

CORGENIX MEDICAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Outlook

In fiscal 2008, we are focused on accelerating the market launch of our AspirinWorks assay, continuing to seek clearance by the FDA of our Anti-AtherOx Test Kit, submission of a 510(k) Premarket Notification to the FDA for the Company's AtherOx Test Kit, completing further clinical studies for our Hyaluronic Acid Test Kit and our Fibromyalgia Test Kit and continuing the development and strategic collaboration towards the development of a group of products to detect potential bio-terrorism agents.

Our balance sheet, cash flow and liquidity positions have continued to improve and hopefully will allow us to take advantage of opportunities, as we focus primarily on the organic growth of our business.

Company Overview

Corgenix Medical Corporation, which we refer to as Corgenix or the Company, is engaged in the research, development, manufacture, and marketing of in vitro (outside the body) diagnostic products for use in disease detection and prevention. We currently sell 52 diagnostic products on a worldwide basis to hospitals, clinical testing laboratories, universities, biotechnology and pharmaceutical companies and research institutions. In the United States and the United Kingdom, we sell directly to these customers. Elsewhere in the world, we primarily sell to independent distributors that in turn sell to the laboratories.

Our corporate headquarters is located in Broomfield, Colorado. We have two wholly owned operating subsidiaries:

- Corgenix, Inc. (formerly REAADS Medical Products, Inc.), established in 1990 and located in Broomfield, Colorado. Corgenix, Inc. is responsible for sales and marketing activities for North America, and also executes product development, product support, clinical and regulatory affairs, and product manufacturing.
- Corgenix (UK) Ltd, incorporated in the United Kingdom in 1996 (formerly REAADS Bio-Medical Products (UK) Limited) and located in Peterborough, England. Corgenix UK manages our international sales and marketing activities except for distribution in North America, which is the responsibility of Corgenix, Inc.

We continue to use the REAADS trademark and trade name in the sale of products that we manufacture.

Recent Developments

On July 25, 2007 and September 17, 2007, we entered into subscription and other agreements to complete a private placement with certain institutional and other accredited investors.

Our offering consisted of common stock in the Company (the "Shares") at the price of \$0.25 per share. For each Share purchased, every investor received an equal number of common stock purchase warrants (the "Warrants"). One-third of the Warrants issued to each investor are exercisable at \$0.34 per share with a one-year term, one-third are exercisable at \$0.375 per share with a two-year term, and the remaining third are exercisable at \$0.40 per share with a five-year term.

The Shares and Warrants were offered and sold in reliance on exemptions from registration pursuant to Section 4(2) of the Securities Act of 1933, and Rule 506 of Regulation D there under. Each investor is an "accredited investor" as defined in Rule 501 of the same.

The sale of the Shares and Warrants also included a Registration Rights Agreement whereby we provided the purchasers with "piggy back" registration rights if we propose to register securities under the 1933 Act.

As of September 17, 2007, we had sold the maximum amount plus over allotment amounting to \$989,000 in Shares and Warrants.

Terra Nova Financial, LLC, an Illinois limited liability company (“Terra Nova”), acted as a placement agent for the Company. Iliad Advisors, LLC, an Illinois limited liability company (“Iliad Advisors”), provided advisory services to Terra Nova on the transaction. As compensation for Terra Nova’s services, we paid Terra Nova a fee equal to 7% of the aggregate offering price, at each close of each stage of the transaction.

Terra Nova’s fee also included warrants, due to Terra Nova at the close of the transaction, to purchase shares of our common stock at the exercise price of \$0.25 per share. Since Terra Nova succeeded in selling the maximum offering plus the over-allotment, totaling an aggregate of \$989,000, it received \$69,230 in cash, and warrants to purchase 276,920 shares of common stock at an exercise price of \$0.25 per share.

On March 1, 2007, we executed an exclusive license agreement (the “License Agreement”) with Creative Clinical Concepts, Inc. (“CCC”). The License Agreement provides that CCC license to us certain products and assets related to determining the effectiveness of aspirin and / or anti-platelet therapy (collectively, “Aspirin Effectiveness Technology,” or the “Licensed Products”). The Aspirin Effectiveness Technology includes US trademark registration number 2,688,842, which includes the term “AspirinWorks”® and related designs.

We believe that there is a present and growing need for non-invasive, simple and accurate confirmation of aspirin effectiveness and aspirin therapy, and that the License Agreement will position us to provide products to meet this need. Since 2005, Corgenix and CCC have been engaged in a collaborative partnership to develop, manufacture and market products for aspirin monitoring, including the AspirinWorks® Test Kit, a simple urine test that measures a person’s response to aspirin and allows physicians to determine the effect of aspirin therapy on an individual basis. Under terms of the original agreement, CCC and Corgenix had agreed to equally share expenses and revenues that resulted from the business. Under the License Agreement, Corgenix acquired the remaining 50 percent of the license to CCC’s Aspirin Effectiveness Technology, thereby owning 100 percent of the rights to CCC’s Aspirin Effectiveness Technology.

The License Agreement requires CCC to provide us with a worldwide, perpetual license for the use of CCC’s Aspirin Effectiveness Technology. Additionally, CCC provided us with the names of contacts, customer lists, market information, competitive information and technology related to CCC’s already-developed market in Aspirin Effectiveness Technology. The License Agreement requires CCC to assist with the manufacture of products derived from the Aspirin Effectiveness Technology, and also provide us with a right of first refusal with regard to any new products developed by CCC for the purpose of measuring aspirin effectiveness and the use of thromboxane and prostacyclin metabolites to determine the effect of aspirin on platelets or endothelial cells.

We may use the Licensed Products in connection with any other asset or trademark. We may also enter into sublicense agreements with any other entity for the rights, privileges and licenses granted to us under the License Agreement. We must seek CCC’s consent before entering any sublicense agreement, but CCC may not unreasonably withhold its consent so long as the sublicensee will use its commercially reasonable best efforts to market and sell the Licensed Products. We must use our commercially reasonable best efforts to market and sell the Licensed Products. To this end, within ninety days of the date the FDA grants clearance for the Licensed Products, and for five years thereafter, we must develop and maintain an interactive website dedicated to the Licensed Products. CCC may not use or license or in any way transfer rights to any of the Licensed Products to any third party.

The License Agreement provides that responsibility for manufacture, distribution, and administration of the sale of the Licensed Products is with us. However, the Agreement requires CCC to assist and cooperate with us in this regard.

Our first payment to CCC became due at the execution of the Agreement. We have provided a combination of cash, shares of the Company’s common stock, and warrants to purchase the Company’s common stock. Following FDA clearance of the first Licensed Product, we are required to make additional payments to CCC. On the first, second and third anniversary of that clearance, we will be obligated to make payments consisting of cash, shares of common stock, and warrants to purchase shares of common stock. The amount of cash and number of shares and warrants due in these anniversary payments will be determined by application of a formula including a certain dollar value, the total cumulative revenue received by us from sales of the Licensed Products during that year, and our common stock share price on the relevant anniversary. The dollar value applicable to that ratio increases with each anniversary.

The License Agreement imposes caps on the total amount of cash, common stock, and warrant payments from us to CCC from the date of execution through to and including the third anniversary payment. Under that cap limitation, the total anniversary payments will not exceed \$200,000 in cash, \$300,000 in value of shares of common stock (as valued on the date of issue), and 300,000 warrants to purchase shares of common stock at an exercise price of \$0.35 per share.

The License Agreement also requires that, for all sales of the Licensed Products subsequent to the execution of the agreement, we pay CCC a quarterly royalty fee equal to seven percent of net sales of the Licensed Products during the immediately preceding quarter. The License Agreement's caps on payments from us to CCC do not apply to royalty payments. Royalty payments for the quarter ended December 31, 2007 were minimal.

The Company and CCC anticipate that the License Agreement will remain in effect in perpetuity; however, the License Agreement provides for termination in the event of material breach, or if we become insolvent or file for protection under the U.S. Bankruptcy Code. Termination would cause all of our rights under the License Agreement to revert to CCC, although any rights sublicensed to a third party would not be revoked or infringed by any such termination.

The License Agreement required that we forgive all unpaid fees, costs and expenses due to us under that certain Product Developing, Manufacturing, and Distribution Agreement between us and CCC dated May 13, 2005. The License Agreement also requires that we forgive all unpaid fees, costs, expenses and charges due to us under that certain license agreement between the parties and McMaster University, dated October 19, 2005. The total value of such forgiven fees, costs, expenses and charges was approximately \$230,000 and was capitalized as part of the license on the accompanying balance sheet.

Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been omitted from these unaudited consolidated financial statements. These unaudited consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-KSB for the fiscal year ended June 30, 2007. The results of operations for the three months and six months ended December 31, 2007 and 2006 are not necessarily indicative of the operating results for the full year.

In the opinion of management, all adjustments, consisting only of normal recurring accruals, have been made to present fairly the Company's financial position at December 31, 2007 and the results of operations and its cash flows for the three months and six months ended December 31, 2007 and 2006.

Our Business

Introduction

Our business includes the research, development, manufacture, and marketing of in vitro diagnostic products for use in disease detection and prevention. We currently sell 52 diagnostic products on a worldwide basis to hospitals, clinical testing laboratories, universities, biotechnology and pharmaceutical companies and research institutions. We have developed and we manufacture most of our products at our Colorado facility, and we purchase what we refer to as OM Products from other healthcare manufacturers for resale by us. All of these products are used in clinical laboratories for the diagnosis and/or monitoring of three important areas of health care:

- Autoimmune disease (diseases in which an individual creates antibodies to one's self, for example systemic lupus erythematosus ("SLE") and rheumatoid arthritis ("RA"));
- Vascular disease (diseases associated with certain types of thrombosis or clot formation, for example antiphospholipid syndrome, deep vein thrombosis, stroke and coronary occlusion); and
- Liver diseases (fibrosis, and cirrhosis).

In addition to our current products, we are actively developing new laboratory tests in other important diagnostic testing areas. We manufacture and market to clinical laboratories and other testing sites worldwide. Our customers include large and emerging health care companies such as diaDexus, Inc., Bio Rad Laboratories, Inc., Instrumentation Laboratories, Helena Laboratories and Diagnostic Grifols, S.A.

Most of our products are based on our patented and proprietary application of Enzyme Linked ImmunoSorbent Assay, or ELISA, technology, a clinical testing methodology commonly used worldwide. Most of our current products are based on this platform technology in a delivery format convenient for clinical testing laboratories. The delivery format,

which is referred to as “Microplate,” allows the testing of up to 96 samples per plate, and is one of the most commonly used formats, employing conventional testing equipment found in virtually all clinical laboratories. The availability and broad acceptance of ELISA Microplate products reduces entry barriers worldwide for our new products that employ this technology and delivery format. Our products are sold as “test kits” that include all of the materials required to perform the test, except for routine laboratory chemicals and instrumentation. A test using ELISA technology involves a series of reagent additions into the Microplate, triggering a complex immunological reaction in which a resulting color occurs. The amount of color developed in the final step of the test is directly proportional to the amount of the specific marker being tested for in the patient or unknown sample. The amount of color is measured and the results calculated using routine laboratory instrumentation. Our technology specifies a process by which biological materials are attached to the fixed surface of a diagnostic test platform. Products developed using this unique attachment method typically demonstrate a more uniform and stable molecular configuration, providing a longer average shelf life, increased accuracy and superior specificity than the products of our competitors.

Some of the OM products which we obtain from other manufacturers and sell through our distribution network utilize technologies other than our patented and proprietary ELISA technology.

Our diagnostic tests are intended to aid in the identification of the causes of illness and disease, enabling a physician to select appropriate patient therapy.

Internally and through collaborative arrangements, we are developing additional products that are intended to broaden the range of applications for our existing products and to result in the introduction of new products.

Since 1990, our sales force and distribution partners have sold over 12 million tests worldwide under the READS and Corgenix labels, as well as products sold under other manufacturers’ labels, referred to as OEM products. An integral part of our strategy is to work with corporate partners to develop market opportunities and access important resources. We believe that our relationships with current and potential partners will enable us to enhance our menu of diagnostic products and accelerate our ability to penetrate the worldwide markets for new products.

We currently use the READS and Corgenix trademarks and trade names in the sale of the products which we manufacture. These products constitute the majority of our product sales.

2. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding. Diluted earnings (loss) per share is computed by dividing net loss attributable to common stockholders by the weighted average number of common shares outstanding increased for potentially dilutive common shares outstanding during the period. The dilutive effect of stock options and their equivalents is calculated using the treasury stock method. Stock options to purchase 150,000 shares were granted during the quarter ended September 30, 2007. No options were granted during the quarter ended December 31, 2007. Options and warrants to purchase common stock totaling 36,516,735 shares as of December 31, 2007, are not included in the calculation of weighted average common shares-diluted below as their effect is anti-dilutive. Redeemable common stock is included in the common shares outstanding for purposes of calculating net income (loss) per share.

	<u>3 Months ended December 31, 2007</u>	<u>3 Months ended December 31, 2006</u>	<u>6 Months ended December 31, 2007</u>	<u>6 Months ended December 31, 2006</u>
Net loss	\$ (60,310)	\$ (908,121)	(748,439)	\$ (1,751,324)
Common and common equivalent shares outstanding:				
Historical common shares outstanding at beginning of period	24,725,431	11,318,291	14,483,342	10,723,205
Weighted average common equivalent shares issued during the period	<u>323,512</u>	<u>641,301</u>	<u>7,695,724</u>	<u>819,520</u>
Weighted average common shares — basic and diluted	<u>25,048,943</u>	<u>11,959,592</u>	<u>22,179,066</u>	<u>11,542,725</u>
Net loss per share — basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.08)</u>	<u>\$ (0.03)</u>	<u>\$ (0.15)</u>

3. INCOME TAXES

On July 1, 2007, we adopted FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement 109," which was issued in July 2006. FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements, tax positions taken or expected to be taken on a tax return, including a decision whether to file or not to file in a particular jurisdiction. If there are changes in net assets as a result of application of FIN 48, these will be accounted for as an adjustment to retained earnings. There were no unrecognized tax benefits as of July 1, 2007, the date that FIN 48 was adopted. If there was an adjustment related to implementation of FIN 48, there would be a reduction to the deferred tax assets and a corresponding reduction to the valuation allowance, resulting in no net effect on accumulated deficit. If any unrecognized benefit would be recognized, it would not affect our effective tax rate since it is subject to a full valuation allowance.

Our practice is to recognize interest and/or penalties related to income tax matters in income tax expense. We have accrued \$0 for interest and penalties as of December 31, 2007.

A valuation allowance was provided for deferred tax assets, as we are unable to conclude under relevant accounting standards that it is more likely than not that deferred tax assets will be realizable.

We did not record a provision for income taxes for the three and six month periods ended December 31, 2007 or 2006 as a result of operating losses and current estimated operating results for the current fiscal year. We have recorded valuation allowances to fully reserve our deferred tax assets, as management believes it is more likely than not that these assets will not be realized. It is possible that management's estimates as to the likelihood of realization of its deferred tax assets could change as a result of changes in estimated operating results. Should management conclude that it is more likely than not that these deferred tax assets are, at least in part, realizable, the valuation allowance will be reduced and recognized as a deferred income tax benefit in the statement of operations in the period of change, except as noted herein.

4. SEGMENT INFORMATION

The Company has two segments of business: North American and International operations. North American operations transacts all sales in North America (US, Canada and Mexico). International operations transacts all other sales. The following table sets forth selected financial data for these segments for the three-and six-month periods ended December 31, 2007 and 2006.

		Three Months Ended December 31,			Six Months Ended December 31,		
		North		Total	North		Total
		America	International		America	International	
Net sales.....	2007	\$ 1,736,015	\$ 663,023	\$ 2,399,038	\$ 3,366,704	\$ 1,137,522	\$ 4,504,226
	2006	\$ 1,188,375	\$ 496,436	\$ 1,684,811	\$ 2,481,401	\$ 897,522	\$ 3,378,923
Net income (loss).....	2007	\$ (295,427)	\$ 235,117	\$ (60,310)	(1,091,628)	\$ 343,189	\$ (748,439)
	2006	\$ (1,049,929)	\$ 141,808	\$ (908,121)	(2,020,530)	\$ 269,206	\$ (1,751,324)
Depreciation and.....	2007	\$ 111,738	\$ 1,128	\$ 112,866	\$ 193,094	\$ 2,232	\$ 195,326
Amortization.....	2006	\$ 91,598	\$ 1,128	\$ 92,726	\$ 167,900	\$ 2,232	\$ 170,132
Interest expense, net...	2007	\$ (305,104)	\$ (946)	\$ (306,050)	\$ (984,397)	\$ (1,977)	\$ (986,374)
	2006	\$ (490,094)	\$ (890)	\$ (490,984)	\$ (1,106,172)	\$ (1,415)	\$ (1,107,587)
Segment assets:							
December 31,.....	2007	\$ 8,021,972	\$ 699,375	\$ 8,721,347	\$ 8,021,972	\$ 699,375	\$ 8,721,347
June 30,.....	2007	\$ 8,156,103	\$ 732,573	\$ 8,888,676	\$ 8,156,103	\$ 732,573	\$ 8,888,676

5. REDEEMABLE COMMON STOCK

On July 1, 2002, as part of the Medical & Biological Laboratories Co., Ltd. (MBL) Agreement, MBL purchased

shares of our common stock for \$500,000, which MBL can require us to repurchase at the same price in the event that a previously existing distribution agreement with their wholly owned subsidiary RhiGene, Inc. (“RhiGene”) is terminated. For no additional consideration, MBL was also issued warrants to purchase an additional 880,282 shares of Common Stock at a price of \$.568 per share, which is equal to an aggregate amount of \$500,000. These warrants originally expired on July 3, 2007 and were to be exercised in whole or in part at any time prior to their expiration. The estimated fair value of the warrants upon issuance was calculated as \$401,809 using the Black-Scholes option-pricing model with the following assumptions: no expected dividend yield, 143% volatility, risk free interest rate of 4.2% and an expected life of five years. The gross proceeds of \$500,000 were allocated \$277,221 to redeemable common stock and \$222,779 to the related warrants based on the relative fair values of the respective instruments to the fair value of the aggregate transaction. Issuance costs and the discount attributed to the redeemable common stock upon issuance were accreted over the 33-month period to the first date whereupon the put option may be exercised, which was the expiration date of the distribution agreement between the Company and RhiGene, Inc. (March 31, 2005). Furthermore, pursuant to the agreement with MBL, as long as MBL holds at least 50% of the common stock purchased under the MBL agreement, MBL must give its written consent with respect to the payment of any dividend, the repurchase of any of our equity securities, the liquidation or dissolution of the Company or the amendment of any provision of our Articles of Incorporation or Bylaws which would adversely affect the rights of MBL under the stock purchase transaction documents. MBL was granted standard anti-dilution rights with respect to stock issuances not registered under the Securities Act. MBL also received standard piggyback registration rights along with certain demand registration rights.

On March 31, 2005 our distribution agreement with RhiGene expired, and we signed a new distribution and OEM Supply Agreement with MBL International, Inc. (“MBLI”), a wholly owned subsidiary of MBL, which grants us non-exclusive rights to distribute MBL’s complete diagnostic line of autoimmune testing products in the United States and exclusive distribution rights to the OEM Label products worldwide excluding the United States, Japan, Korea and Taiwan. In addition, on August 1, 2005 the Company and MBL executed an Amendment to the Common Stock Purchase Agreement and Common Stock Purchase Warrant wherein one-half or 440,141 of the original redeemable shares are exchanged for a three-year promissory note payable with interest at prime (7.25% as of December 31, 2007) plus two percent with payments commencing before September 1, 2005. The shares being exchanged for the promissory note will be returned to the Company quarterly on a pro rata basis as payments are made on the promissory note. As of December 31, 2007, 348,586 redeemable shares have been returned to us under this agreement. The remaining 440,141 shares will be redeemable by us at \$0.568 per share as of August 1, 2008 for any shares still owned at that time by MBL and only to the extent that MBL has not realized at least \$250,000 in gross proceeds upon the sales of its redeemable shares in the open market for the time period August 1, 2005 through August 30, 2008. Finally, the warrants originally issued to MBL to purchase 880,282 shares have been extended to August 31, 2008 and re-priced from \$0.568 per share to \$0.40 per share.

6. STOCK-BASED COMPENSATION

Adoption of SFAS 123(R)

Effective July 1, 2006, we adopted the provisions of Statement of Financial Accounting Standard No. 123 (revised 2004), “*Share-Based Payment*”, (SFAS 123(R)) using the modified prospective transition method. In addition, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 107 “*Share-Based Payment*” (“SAB 107”) in March 2005, which provides supplemental SFAS 123(R) application guidance based on the views of the SEC. Under the modified prospective transition method, compensation cost recognized in the quarterly and six-month periods ended December 31, 2007 includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of July 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, and (b) compensation cost for all share-based payments granted beginning July 1, 2006, based on the grant date fair value estimated in accordance with the provision so SFAS 123(R). In accordance with the modified prospective transition method, results for prior periods have not been restated.

The adoption of SFAS 123(R) resulted in stock compensation expense for the quarterly and six-month period ended December 31, 2007 of \$48,501 and \$88,566 respectively, charged to general and administrative expenses. This expense decreased basic and diluted income per share by less than \$0.01 for the quarter ended December 31, 2007, and increased basic and diluted loss per share by less than \$0.01 for the six months ended December 31, 2007 compared to reported basic and diluted income per share of \$0.00 for the quarter and loss per share of \$0.03 for the six-month period. We did not recognize a tax benefit from the stock compensation expense because we consider it more likely than not that the related deferred tax assets, which have been reduced by a full valuation allowance, will not be realized.

The Black-Scholes option-pricing model was used to estimate the option fair values. The option-pricing model requires a number of assumptions, of which the most significant are expected stock price volatility, the expected pre-vesting forfeiture rate and the expected option term (the amount of time from the grant date until the options are exercised or expire). Expected volatility was calculated based upon actual historical stock price movements over recent periods equal to the expected option term. Expected pre-vesting forfeitures were estimated based on actual historical pre-vesting forfeitures over recent periods for the expected option term. The expected option term was calculated using the “simplified” method permitted by SAB 107.

Stock Options as of the Six-Month Period Ended December 31, 2007

The Company’s Amended and Restated 1999 Incentive Stock Plan, the 2006 and 2007 Incentive Compensation Plans (the “Plans”) provide for two separate components. The Stock Option Grant Program, administered by the Compensation Committee (the “Committee”) appointed by our Board of Directors, provides for the grant of incentive and non-statutory stock options to purchase common stock to employees, directors or other independent advisors designated by the Committee. The Restricted Stock Program administered by the Committee, provides for the issuance of Restricted Stock Awards to employees, directors or other independent advisors designated by the Committee.

The following table summarizes stock options outstanding and changes during the six-month period ended December 31, 2007:

	Outstanding Options			Aggregate Intrinsic Value
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in months)	
Options outstanding at June 30, 2007	2,305,600	0.38	64.38	\$ —
Granted	150,000	0.44	84.0	
Exercised	—	—	—	—
Cancelled or forfeited	6,000	0.625	—	—
Options outstanding at December 31, 2007	<u>2,449,600</u>	<u>0.381</u>	<u>56.25</u>	<u>\$ 171,539</u>
Options exercisable at December 31, 2007	<u>1,582,933</u>	<u>0.43</u>	<u>40.49</u>	<u>\$ 77,606</u>

The total intrinsic value, or the difference between the exercise price and the market price on the exercise dates, of all options exercised during the six-month period ended December 31, 2007, was zero as no options were exercised. Consequently, no cash was received, nor did the Company realize any tax deductions related to exercise of stock options during the quarter.

Stock options outstanding and currently exercisable at December 31, 2007 are as follows:

Range of exercise price	Outstanding options		Exercisable options		
	Number	Weighted average remaining contractual life (months)	Weighted average exercise price	Number	Weighted average exercise price
0.625 — 1.375	77,500	2.205	\$ 0.80	77,500	\$ 0.80
0.30 — 0.46	2,372,100	58.020	0.368	1,505,433	0.41
	<u>2,449,600</u>	56.254	\$ 0.381	<u>1,582,933</u>	\$ 0.43

Total estimated unrecognized compensation cost from unvested stock options as of December 31, 2007 was approximately \$152,926 which is expected to be recognized over a weighted average period of approximately 65 months.

The weighted average per share fair value of stock options granted during the six-month periods ending December 31, 2007 and 2006 was \$0.34 and \$0.33, respectively. The fair value was estimated as of the grant date using the Black-Scholes option pricing model with the following assumptions:

	Six Months Ended December 31,	
	2007	2006
Volatility	84.7 %	111.5 %
Expected option term	7 years	7 years
Risk-free interest rate	4.40 %	4.39 %
Expected dividend yield	0 %	0 %

In addition to the stock options discussed above, the Company recognized share-basis compensation expense related to Restricted Stock awards, of \$3,333 for the three months ended December 31, 2007 and 2006. The following table summarizes Non-vested Restricted Stock and the related activity as of and for the quarter ended December 31, 2007:

	Shares	Weighted Average Grant-Date Fair Value
Non-vested at July 1, 2007	66,667	\$ 0.40
Granted	—	—
Vested	—	—
Non-vested at December 31, 2007	66,667	\$ 0.40

7. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

FAS 157, Fair Value Measurements. In September, 2006, the FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“SFAS 157”). SFAS 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently assessing the impact that SFAS 157 will have on our results of operations and financial position.

SFAS 159, “The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115.” In November 2007, the FASB issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115 (“SFAS 159”). SFAS 159 is effective for fiscal years beginning after November 15, 2007. SFAS 159 permits an entity to choose to measure many financial instruments and certain other items at fair value at specified election dates. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. We do not believe that the adoption of SFAS 159 will have a material impact on our consolidated financial statements.

In November 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combination* (FAS 141(R)) and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51* (FAS 160). FAS 141(R) will change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. FAS 160 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of equity. FAS 141(R) and FAS 160 are effective for both public and private companies for fiscal years beginning on or after December 15, 2008 (fiscal 2010 for the Company). FAS 141(R) will be applied prospectively. FAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of FAS 160 will be applied prospectively. Early adoption is prohibited for both standards. Management is currently evaluating the requirements of FAS 141(R) and FAS 160 and has not yet determined the impact on its financial statements.

8. NOTES PAYABLE

Notes payable consist of the following at December 31, 2007 and June 30, 2007:

	<u>December 30, 2007</u>	<u>June 30, 2007</u>
Convertible term note payable to institutional investors, net of discount of \$117,317 with interest at the greater of 12%, as adjusted by a stock trading formula, or prime plus 3% (10.75% and 11.25% as of December 31, 2007 and June 30, 2007), interest only from June 1, 2006 through October 1, 2006 and, via a note modification dated November 30, 2006, December 1, 2006 through November 1, 2007 and then due in monthly installments of \$19,350.71 plus interest from December 1, 2007 through November 1, 2009, collateralized by all assets of the company and a partial guaranty by an officer of the Company	\$ 327,746	\$ 720,992
Convertible term note payable to institutional investors, net of discount of \$490,459 with interest at the greater of 12%, as adjusted by a stock trading formula, or prime plus 3% (10.75% and 11.25% as of December 31, 2007 and June 30, 2007), interest only from December 28, 2006 through June, 2006 and, via a note modification dated November 30, 2006, December 1, 2006 through November 1, 2007 and then due in monthly installments of \$42,546.04 plus interest from December 1, 2007 through November 1, 2009, collateralized by all assets of the company and a partial guaranty by an officer of the Company	488,100	703,496
Term note payable to institutional investors, with interest at the greater of 12% or prime plus 3% (10.75% and 11.25% as of December 31, 2007 and June 30, 2007), interest only payments commencing June 1, 2006 until May 19, 2008, collateralized by all assets of the Company	500,000	500,000
Note payable, unsecured, to redeemable common stockholders, with interest at prime plus 2.0% (9.75% and 10.25% as of December 31, 2007 and June 30, 2007) due in monthly installments with principal payments ranging from \$5,000 to \$10,000 plus interest through August 2008	46,000	90,000
Current portion, net of current portion of discount	<u>1,361,846</u> (889,353)	<u>2,014,488</u> (1,014,437)
Notes payable, excluding current portion and net of long-term portion of discount	<u>\$ 472,493</u>	<u>\$ 1,000,051</u>

The convertible notes payable restrict the payment of dividends on the Company's common stock.

Item 2.

CORGENIX MEDICAL CORPORATION Management's Discussion and Analysis Of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included elsewhere herein.

General

Since the Company's inception, we have been primarily involved in the research, development, manufacturing and marketing/distribution of diagnostic tests for sale to clinical laboratories. We currently market 52 products covering autoimmune disorders, vascular diseases, infectious diseases and liver disease. Our products are sold in the United States, the UK and other countries through our marketing and sales organization that includes direct sales representatives, contract sales representatives, internationally through an extensive distributor network, and to several significant OEM partners.

We manufacture products for inventory based upon expected sales demand, shipping products to customers, usually within 24 hours of receipt of orders if in stock. Accordingly, we do not operate with a significant customer order backlog.

Except for the fiscal year ending June 30, 1997, we have experienced revenue growth since our inception, primarily from sales of products and contract revenues from strategic partners. Contract revenues consist of service fees from research

and development agreements with strategic partners.

Beginning in fiscal year 1996, we began adding third-party OM licensed products to our diagnostic product line. Currently we sell 128 products licensed from or manufactured by third party manufacturers. We expect to expand our relationships with other companies in the future to gain access to additional products.

Although we have experienced growth in revenues every year since 1990, except for 1997, there can be no assurance that, in the future, we will sustain revenue growth, current revenue levels, or achieve or maintain profitability. Our results of operations may fluctuate significantly from period-to-period as the result of several factors, including: (i) whether and when new products are successfully developed and introduced, (ii) market acceptance of current or new products, (iii) seasonal customer demand, (iv) whether and when we receive research and development payments from strategic partners, (v) changes in reimbursement policies for the products that we sell, (vi) competitive pressures on average selling prices for the products that we sell, and (vii) changes in the mix of products that we sell.

Recently Issued Accounting Pronouncements

FAS 157, Fair Value Measurements. In September, 2006, the FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (“SFAS 157”). SFAS 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We are currently assessing the impact that SFAS 157 will have on our results of operations and financial position.

SFAS 159, “The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115.” In November 2007, the FASB issued Statement of Financial Accounting Standards No. 159, The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115 (“SFAS 159”). SFAS 159 is effective for fiscal years beginning after November 15, 2007. SFAS 159 permits an entity to choose to measure many financial instruments and certain other items at fair value at specified election dates. Subsequent unrealized gains and losses on items for which the fair value option has been elected will be reported in earnings. We do not believe that the adoption of SFAS 159 will have a material impact on our consolidated financial statements.

In November 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combination* (FAS 141(R)) and SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51* (FAS 160). FAS 141(R) will change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. FAS 160 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of equity. FAS 141(R) and FAS 160 are effective for both public and private companies for fiscal years beginning on or after December 15, 2008 (fiscal 2010 for the Company). FAS 141(R) will be applied prospectively. FAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of FAS 160 will be applied prospectively. Early adoption is prohibited for both standards. Management is currently evaluating the requirements of FAS 141(R) and FAS 160 and has not yet determined the impact on its financial statements.

Critical Accounting Policies

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and our significant accounting policies are summarized in Note 1 to the accompanying consolidated financial statements. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

We disclosed in Note 1 to its consolidated financial statements included in the Form 10-KSB those accounting policies that we consider to be significant in determining our results of operations and financial position. There have been no material changes to or application of the accounting policies previously identified and described in the Form 10-KSB.

We maintain an allowance for doubtful accounts based on our historical experience and provides for any specific collection issues that are identified. Such allowances have historically been adequate to provide for our doubtful accounts but

involve a significant degree of management judgment and estimation. Worse than expected future economic conditions, unknown customer credit problems and other factors may require additional allowances for doubtful accounts to be provided for in future periods.

Equipment and software are recorded at cost. Equipment under capital leases is recorded initially at the present value of the minimum lease payments. Depreciation and amortization is calculated primarily using the straight-line method over the estimated useful lives of the respective assets that range from 3 to 7 years.

The internal and external costs of developing and enhancing software costs related to website development, other than initial design and other costs incurred during the preliminary project stage, are capitalized until the software has been completed. Such capitalized amounts began to be amortized commencing when the website was placed in service on a straight-line basis over a three-year period.

When assets are sold, retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and a gain or loss is recognized.

Repair and maintenance costs are expensed as incurred.

We evaluate the realizability of our long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue from sale of products is recognized upon shipment of products.

Revenue from research and development contracts represents amounts earned pursuant to agreements to perform research and development activities for third parties and is recognized as earned under the respective agreement. Because research and development services are provided evenly over the contract period, revenue is recognized ratably over the contract period. Research and development agreements in effect in 2007 and 2006 provided for fees to the Company based on time and materials in exchange for performing specified research and development functions. Research and development and advertising costs are expensed when incurred. Inventories are recorded at the lower of cost or market, using the first-in, first-out method.

Results of Operations

Three Months Ended December 31, 2007 compared to 2006

Net sales. Net sales for the quarter ended December 31, 2007 were \$2,399,038 a 42.4% increase from \$1,684,811 for the quarter ended December 31, 2006. This increase resulted primarily from an increase in worldwide demand for most of our product lines. Total North American sales increased \$547,640 or 46.1% to \$1,736,015 while total sales to international distributors increased \$166,587 or 33.6% to \$663,023 from year to year. With respect to the Company's major revenue categories and product lines, North American direct product-only sales increased \$213,837 or 23.2% to \$1,134,809 whereas international direct product-only sales increased \$122,354 or 31.1% to \$515,778. Worldwide category results were as follows: Phospholipids kit sales increased \$237,503 or 31.5% to \$990,754 for the period. Coagulation kit sales increased \$32,808 or 7.7% to \$460,107. HA kit sales increased \$110,924 or 41.7% to \$363,321, while Autoimmune kit sales decreased \$9,315 or 32.0% to \$19,773. Additionally, worldwide OEM/contract manufacturing revenues increased \$397,754, or 71.2% to \$956,624. Overall, worldwide non-product revenue increased \$104,498, or 109.4% to \$200,040. Sales of products manufactured for us by other companies while still relatively small, are expected to continue to increase during fiscal 2008.

Cost of sales. Cost of sales, as a percentage of sales, increased to 43.9% for the quarter ended December 31, 2007 from 39.9% in 2006. This increase was primarily attributable to increases in raw material costs due to price increases of certain key materials.

Selling and marketing. For the quarter ended December 31, 2007, selling and marketing expenses decreased 14.8% to \$492,175 from \$577,752 for the quarter ended December 31, 2006. The decrease was primarily due to decreases in labor-related expense and consulting expenses, partially offset by increases in royalties, trade show expenses, travel-related expenses, commissions and advertising.

Research and development. Research and development expenses decreased 14.2% to \$148,572 for the quarter ended

December 31, 2007, from \$173,120 for the quarter ended December 31, 2006. This decrease primarily involved decreases in labor-related costs, laboratory supplies, and product testing expenses, partially offset by increases in legal fees, clinical studies expense and legal expense.

General and administrative. For the quarter ended December 31, 2007, general and administrative expenses decreased \$215,949 or 31.0% to \$481,230 from \$697,179 for the quarter ended December 31, 2006. This decrease was primarily attributable to decreases in aborted licensing costs, merger related costs, outside services, sales and use taxes, consulting expenses, and bad debt expense partially offset by increases in bank charges, insurance expense, labor-related expenses, repairs and maintenance, and legal expenses.

Interest expense. Interest expense decreased \$184,934 or 37.7% to \$306,050 for the quarter ended December 31, 2007, from \$490,984 for the quarter ended December 31, 2006 due primarily to a reduction of the amortization of deferred financing costs and discount on the notes payable as a result of the twelve month principal payment deferral on the Company's convertible debt which commenced in November 2006, partially offset by the additional discount and amortization on the convertible notes triggered by the common stock private placement during the first fiscal quarter.

Six Months Ended December 31, 2007 compared to 2006

Net sales. Net sales for the six months ended December 31, 2007 were \$4,504,226 a 33.3% increase from \$3,378,923 for the six months ended December 31, 2006. This increase resulted primarily from an increase in worldwide demand for most of our product lines. Total North American sales increased \$885,303 or 35.7 to \$3,366,704 while total sales to international distributors increased \$240,000 or 26.7% to \$1,137,522 from year to year. With respect to the Company's major revenue categories and product lines, North American direct product-only sales increased \$350,956 or 18.4% to \$1,134,140 whereas international direct product-only sales increased \$135,560 or 17.9% to \$892,445. Worldwide category results were as follows: Phospholipids kit sales increased \$294,420 or 18.1% to \$1,922,557 for the period. Coagulation kit sales increased \$150,524 or 18.5% to \$962,724. HA kit sales increased \$167,964 or 38.6% to \$603,619, while Autoimmune kit sales decreased \$1,472 or 2.7% to \$53,567. Additionally, worldwide OEM/contract manufacturing revenues increased \$397,754, or 71.2% to \$956,624. Overall, worldwide non-product revenue increased \$201,406, or 004.5% to \$394,157. Sales of products manufactured for us by other companies while still relatively small, are expected to continue to increase during fiscal 2008.

Cost of sales. Cost of sales, as a percentage of sales, increased to 44.8% for the six months ended December 31, 2007 from 39.0% in 2006. This increase was primarily attributable to an increase in raw materials costs as mentioned above plus unexpected scrapping of numerous production lots of one of our larger product lines during the first fiscal quarter. This, normally difficult to produce product, encountered numerous difficulties during the first fiscal quarter which resulted in a much higher than normal failure rate. Management has implemented a number of changes to the manufacturing process and the quality control testing protocols, and this problem did not reoccur during the second fiscal quarter.

Selling and marketing. For the six months ended December 31, 2007, selling and marketing expenses decreased 3.9% to \$1,023,780 from \$1,065,738 for the six months ended December 31, 2006. The decrease was primarily due to decreases in labor-related expense, trade show expenses, and retention kits partially offset by an increase in royalties.

Research and development. Research and development expenses decreased 23.1% to \$312,265 for the six months ended December 31, 2007, from \$405,807 for the six months ended December 31, 2006. This decrease primarily involved decreases in labor-related costs, travel-related expenses, and product testing expenses, partially offset by increases in legal fees and laboratory supplies.

General and administrative. For the six months ended December 31, 2007, general and administrative expenses decreased \$368,519 or 28.5% to \$924,960 from \$1,293,479 for the six months ended December 31, 2006. This decrease was primarily attributable to decreases in aborted licensing costs, merger related costs, labor-related expenses, outside services, consulting expenses, and supplies, partially offset by increases in equipment lease expense, rent and legal expenses.

Interest expense. Interest expense decreased \$121,213 or 10.9% to \$986,374 for the six months ended December 31, 2007, from \$1,107,587 for the six months ended December 31, 2006 due primarily to a reduction of the amortization of deferred financing costs and discount on the notes payable as a result of the twelve month principal payment deferral on the Company's convertible debt which commenced in November 2006, partially offset by the additional discount and acceleration of the discount amortization on the convertible notes triggered by the common stock private placement during

the first fiscal quarter.

Liquidity and Capital Resources

For the six months ended December 31, 2007, cash used by operating activities amounted to \$105,390, versus \$1,104,901 for the six months ended December 31, 2006. The significant decrease in cash used by operations for the current six month period resulted primarily from a substantially reduced net loss for the current period, plus a decrease in accounts receivable, and a decrease in prepaid expenses and other assets partially offset by a large decrease in accounts payable and accrued interest and other liabilities plus a small increase in inventories.

Net cash used in investing activities, the purchase of laboratory equipment, leasehold improvements and computer equipment was \$23,985 for the six months ended December 31, 2007, compared to purchases of laboratory, computer and office equipment totaling \$171,923 for the six months ended December 31, 2006. This substantial decrease in capital expenditures was due to the June 2007 move to a new and larger facility, which necessitated increased spending on new furniture, computers, laboratory and refrigeration equipment and flooring in the prior fiscal year.

Net cash provided by financing activities amounted to \$699,900 for the six months ended December 31, 2007 compared to cash used by financing activities of \$495,179 for the six months ended December 31, 2006. This large difference in cash provided by financing activities versus the amount used by financing activities in the comparable prior year was primarily due to the proceeds of the recently closed common stock private placement, in addition to the decreased principal payments on notes payable in the current period as a result of the principal deferral agreement reached in November 2006.

Cash on the balance sheet amounted to \$1,894,416 as of December 31, 2007 compared to \$1,324,072 as of June 30, 2007.

Working capital as of December 31, 2007 amounted to \$3,387,074 compared to \$2,070,229 as of June 30, 2007.

Total liabilities were \$3,972,387 as of December 31, 2007 compared to \$5,645,796 as of June 30, 2007.

Stockholders' equity amounted to \$4,498,960 as of December 31, 2007 compared to \$2,992,880 as of June 30, 2007.

We have incurred operating losses and negative cash flow from operations for most of our history. Losses incurred since its inception, net of dividends on convertible preferred stock, have aggregated \$10,276,568, and there can be no assurance that we will be able to generate positive cash flows to fund our operations in the future or to pursue our strategic objectives. Historically, we have financed its operations primarily through long-term debt and the sales of common, redeemable common, and preferred stock. We have also financed operations through sales of diagnostic products and agreements with strategic partners. Accounts receivable decreased 8.9% to \$1,116,832 from \$1,225,677 as of June 30, 2007, primarily as a result of accelerated collection procedures.

We have developed and are continuing to strive to implement an operating plan intended to eventually achieve sustainable profitability and positive cash flow from operations. Key components of this plan include accelerating revenue growth and the cash to be derived from existing product lines as well as new diagnostic products, expansion of our strategic alliances with other biotechnology and diagnostic companies, improving operating efficiencies to reduce cost of sales, thereby improving gross margins, and lowering overall operating expenses. Although we cannot yet conclude that the above objectives have been fully met, management has been successful in increasing revenues in the current six months ended December 31, 2007 by \$1,125,303 or 33.3%, and is forecasting continued revenue growth for the remainder of the fiscal year ended June 30, 2008. In addition, during the initial six months of fiscal 2008, management has been successful in reducing operating expenses by \$521,716 or 18.9%, converting an operating loss of \$703,009 for the prior fiscal year's initial six-month period into operating income of \$286,911 in the current period and substantially reducing our negative cash flow from operations.

Although the operating plan is intended to achieve sustainable profitability and positive cash flow from operations, it is possible that we may not be fully successful in our efforts, as it will take additional time for our strategic and operating initiatives to have a sustained positive effect on our business operations and cash flow. In view of this, in July 2007, we reported that we had entered into subscription and other agreements to complete a private placement with certain institutional and other accredited investors. As of September 30, 2007 we had sold the maximum \$989,000 in interests in this placement.

Should any other significant negative events occur, our financial liquidity position will most likely be negatively impacted by our not achieving positive cash flow from operations. Given all of these circumstances, as noted above, we have secured additional equity financing. It is also possible that we may also experience future defaults under the agreements with our convertible debt holders and/or redeemable common shareholder, e.g., for non payment of amounts due, in which case they would be entitled to accelerate the amounts payable to them. However, we do not believe that any defaults will occur in fiscal 2008 or thereafter. Management believes that we will have adequate resources to continue operations for longer than 12 months.

Off -Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Contractual Obligations and Commitments

On February 8, 2006, we entered into a Lease Agreement (the "Lease") with York County, LLC, a California limited liability company ("Landlord") pursuant to which we leased approximately 32,000 rentable square feet (the "Property") of Landlord's approximately 102,400 square foot building, commonly known as Broomfield One and located at 11575 Main Street, Broomfield, Colorado 80020. The Property is part of Landlord's multi-tenant real property development known as the Broomfield Corporate Center. We use the Property for our headquarters, laboratory research and development facilities and production facilities.

On the following dates, we executed the following amendments to the Lease:

- December 1, 2006- The First Amendment to the Lease Agreement (the "First Amendment") established July 6, 2006 as the date of the commencement of the Lease
- June 19, 2007- The Second Amendment to the Lease Agreement (the "Second Amendment") redefined the amount of available rental space from 32,480 to 32,000 square feet and recalculated the lease rates per square foot, and
- July 19, 2007- The Third Amendment to the Lease Agreement (the "Third Amendment") established the base rent matrix for the period 11/28/2013 to 12/05/2013 which was inadvertently omitted in the Second Amendment.

The term of the Lease (the "Term") is seven years and five months and commenced on July 6, 2006 with tenant options to extend the Term for up to two five-year periods. We have a one time right of first refusal to lease contiguous premises.

Initially there was no base lease rate payable on 25,600 square feet of the Property, plus estimated operating expenses of \$1.61 per square foot.

The base lease rate payable on 25,600 square feet of the Property increased to \$4.00 per square foot on January 28, 2007, plus amortization of tenant improvements of \$5.24 per square foot, plus estimated operating expenses of \$1.61 per square foot. The base lease rate on 25,600 square feet of the Property increases to \$5.64 per square foot on January 28, 2008, with fixed annual increases each January 28 thereafter during the initial Term, plus the amortization of tenant improvements of \$5.24 per square foot, and estimated operating expenses of \$1.61 per square foot.

Initially, there was no base lease rate payable on 6,400 square feet of the Property, plus estimated operating expenses of \$1.61 per square foot. The base lease rate on 6,400 square feet of the Property increases to \$3.00 per square foot commencing on August 28, 2007, and increases to \$3.09 on January 28, 2008, with fixed annual increases each January 28 thereafter during the initial Term, plus estimated operating expenses of \$1.61 per square foot.

Thus, the estimated total rent (this is dependent upon the actual operating expenses) on the entire 32,000 square feet of the Property is initially \$1.61 per square foot, then increased to approximately \$9.00 per square foot on January 28, 2007, then increased to approximately \$9.60 per square foot on August 28 2007, then increased to approximately \$10.93 per square foot on January 28, 2008, with annual increases in the base lease rate each January 28 thereafter during the initial Term, up to

an estimated total rent of \$13.18 per square foot during the final year of the initial Term.

The base lease rate for an extension period is 100% of the then prevailing market rental rate (but in no event less than the rent for the last month of the then current Term) and shall thereafter increase annually by 3% for the remainder of the applicable extension period.

We have not invested in any real estate or real estate mortgages.

Item 3.

Controls and Procedures

Under the supervision and with the participation of our President and Chief Accounting Officer, our management has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report as defined in Rule 13a-15(b) or Rule 15(d)-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”). Based on that evaluation, the President and Chief Accounting Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective and ensure that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to management, including the President and our Chief Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting as of the end of the period covered by this report that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Forward-Looking Statements and Risk Factors

This 10-QSB includes statements that are not purely historical and are “forward-looking statements” within the meaning of Section 21E of the Securities Act of 1934, as amended, including statements regarding our expectations, beliefs, intentions or strategies regarding the future. All statements other than historical fact contained in this 10-QSB, including, without limitation, statements regarding future capital requirements, acquisition strategies, strategic partnership expectations, technological developments, the development, the availability of necessary components, research and development programs and distribution plans, are forward-looking statements. All forward-looking statements included in this 10-QSB are based on information available to us on the date hereof, and we assume no obligation to update such forward-looking statements. Although we believe that the assumptions and expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct or that we will take any actions that may presently be planned.

An investment in Corgenix entails certain risks that should be carefully considered. In addition, these risk factors could cause actual results to differ materially from those expected include the following:

We continue to incur losses and are likely to require additional financing.

We have incurred operating losses and negative cash flow from operations for most of our history. Losses incurred since our inception have aggregated \$10,276,568 and there can be no assurance that we will be able to generate positive cash flows to fund our operations in the future or to pursue our strategic objectives. Assuming no significant changes from our budget, we believe that we will have sufficient cash to satisfy our needs for at least the next twelve months. If we are not able to operate profitably and generate positive cash flows, we will undoubtedly need to raise additional capital, most likely via the sale of equity securities, to fund our operations. If we do in fact need additional financing to meet our requirements, there can be no assurance that we will be able to obtain such financing on terms satisfactory to us, if at all. Alternatively, any additional equity financing may be dilutive to existing stockholders, and debt financing, if available, may include restrictive covenants. If adequate funds are not available, we might be required to limit our research and development activities or our selling, marketing and administrative activities any of which could have a material adverse effect on the future of the business.

We depend upon collaborative relationships and third parties for product development and commercialization.

We have historically entered into research and development agreements with collaborative partners, from which we derived revenues in past years. Pursuant to these agreements, our collaborative partners have specific responsibilities for the costs of development, promotion, regulatory approval and/or sale of our products. We will continue to rely on future collaborative partners for the development of products and technologies. There can be no assurance that we will be able to negotiate such collaborative arrangements on acceptable terms, if at all, or that current or future collaborative arrangements will be successful. To the extent that we are not able to establish such arrangements, we could be forced to undertake such activities entirely at our own expense. The amount and timing of resources that any of these partners devotes to these activities may be based on progress by us in our product development efforts. Collaborative arrangements may be terminated by the partner upon prior notice without cause and there can be no assurance that any of these partners will perform its contractual obligations or that it will not terminate its agreement. With respect to any products manufactured by third parties, there can be no assurance that any third-party manufacturer will perform acceptably or that failures by third parties will not delay clinical trials or the submission of products for regulatory approval or impair our ability to deliver products on a timely basis.

There can be no assurance of successful or timely development of additional products.

Our business strategy includes the development of additional diagnostic products for the diagnostic business. Our success in developing new products will depend on our ability to achieve scientific and technological advances and to translate these advances into commercially competitive products on a timely basis. Development of new products requires significant research, development and testing efforts. We have limited resources to devote to the development of products and, consequently, a delay in the development of one product or the use of resources for product development efforts that prove unsuccessful may delay or jeopardize the development of other products. Any delay in the development, introduction and marketing of future products could result in such products being marketed at a time when their cost and performance characteristics would not enable them to compete effectively in their respective markets. If we are unable, for technological or other reasons, to complete the development and introduction of any new product or if any new product is not approved or cleared for marketing or does not achieve a significant level of market acceptance, our ability to remain competitive in our product niches would be impaired.

Competition in the human medical diagnostics industry is, and is expected to remain, significant.

Our competitors range from development stage diagnostics companies to major domestic and international pharmaceutical and biotechnology companies. Many of these companies have financial, technical, marketing, sales, manufacturing, distribution and other resources significantly greater than ours. In addition, many of these companies have name recognition, established positions in the market and long standing relationships with customers and distributors also greater than ours. Moreover, the diagnostics industry continues to demonstrate a degree consolidation, whereby some of the large domestic and international pharmaceutical companies have been acquiring mid-sized diagnostics companies, further increasing the concentration of resources. There can be no assurance that technologies will not be introduced that could be directly competitive with or superior to our technologies.

Our products and activities are subject to regulation by various governments and government agencies.

The testing, manufacture and sale of our products is subject to regulation by numerous governmental authorities, principally the United States Food and Drug Administration and certain foreign regulatory agencies. Pursuant to the Federal Food, Drug, and Cosmetic Act, and the regulations promulgated there under, the FDA regulates the preclinical and clinical testing, manufacture, labeling, distribution and promotion of medical devices. We are limited in our ability to commence marketing or commercial sales in the United States of new products under development until we receive clearance or approval from the FDA. The testing for, preparation of and subsequent FDA regulatory review of required filings can be a lengthy, expensive and uncertain process. Noncompliance with applicable requirements can result in, among other consequences, fines, injunctions, civil penalties, recall or seizure of products, repair, replacement or refund of the cost of products, total or partial suspension of production, failure of the government to grant pre-market clearance or pre-market approval for devices, withdrawal of marketing clearances or approvals, and criminal prosecution.

There can be no assurance that we will be able to obtain necessary regulatory approvals or clearances for our products on a timely basis, if at all, and delays in receipt of or failure to receive such approvals or clearances, the loss of

previously received approvals or clearances, limitations on intended use imposed as a condition of such approvals or clearances or failure to comply with existing or future regulatory requirements could negatively impact our sales and thus have a material adverse effect on our business.

As a manufacturer of medical devices for marketing in the United States, we are required to adhere to applicable regulations setting forth detailed good manufacturing practice requirements, which include testing, control and documentation requirements. We must also comply with Medical Device Report (MDR) requirements, which require that a manufacturer reports to the FDA any incident in which its product may have caused or contributed to a death or serious injury, or in which its product malfunctioned and, if the malfunction were to recur, it would be likely to cause or contribute to a death or serious injury. We are also subject to routine inspection by the FDA for compliance with Quality System Regulations requirements, MDR requirements and other applicable regulations. Labeling and promotional activities are subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. We may incur significant costs to comply with laws and regulations in the future, which would decrease our net income or increase our net loss and thus have a potentially material adverse effect upon our business, financial conditions and results of operations.

Distribution of diagnostic products outside the United States is subject to extensive foreign government regulation. These regulations, including the requirements for approvals or clearance to market, the time required for regulatory review and the sanctions imposed for violations, vary from country to country. We may be required to incur significant costs in obtaining or maintaining foreign regulatory approvals. In addition, the export of certain of our products that have not yet been cleared for United States commercial distribution may be subject to FDA export restrictions. Failure to obtain necessary regulatory approval or the failure to comply with regulatory requirements could reduce our product sales and thus have a potentially material adverse effect on our business, financial condition and results of operations.

We depend upon distribution partners for sales of diagnostic products in international markets.

We have entered into distribution agreements with collaborative partners in which we have granted distribution rights for certain of our products to these partners within specific international geographic areas. Pursuant to these agreements, our collaborative partners have certain responsibilities for market development, promotion, and sales of the products. If any of these partners fails to perform its contractual obligations or terminates its agreement, this could reduce our sales and cash flow and thus have a potentially material adverse effect on our business, financial condition and results of operations.

Third party reimbursement for purchases of our diagnostic products is uncertain.

In the United States, health care providers that purchase diagnostic products, such as hospitals and physicians, generally rely on third party payers, principally private health insurance plans, federal Medicare and state Medicaid, to reimburse all or part of the cost of the purchase. Third party payers are increasingly scrutinizing and challenging the prices charged for medical products and services and they can affect the pricing or the relative attractiveness of the product. Decreases in reimbursement amounts for tests performed using our diagnostic products, failure by physicians and other users to obtain reimbursement from third party payers, or changes in government and private third party payers' policies regarding reimbursement of tests utilizing diagnostic products, may affect our ability to sell our diagnostic products profitably. Market acceptance of our products in international markets is also dependent, in part, upon the availability of reimbursement within prevailing health care payment systems.

Our success depends, in part, on our ability to obtain patents and license patent rights, to maintain trade secret protection and to operate without infringing on the proprietary rights of others.

There can be no assurance that our issued patent will afford meaningful protection against a competitor, or that patents issued or licensed to us will not be infringed upon or designed around by others, or that others will not obtain patents that we would need to license or design around. We could incur substantial costs in defending the Company or our licensees in litigation brought by others. The potential for reduced sales and increased legal expenses would have a negative impact on our cash flow and thus our overall business could be adversely affected.

We may not be able to successfully implement our plans to acquire other companies or technologies.

Our growth strategy includes the acquisition of complementary companies, products or technologies. There is no assurance that we will be able to identify appropriate companies or technologies to be acquired, to negotiate satisfactory

terms for such an acquisition, or to obtain sufficient capital to make such acquisitions. Moreover, because of limited cash resources, we will be unable to acquire any significant companies or technologies for cash and our ability to effect acquisitions in exchange for our capital stock may depend upon the market prices for our common stock, which could result in significant dilution to its existing stockholders. If we do complete one or more acquisitions, a number of risks arise, such as disruption of our existing business, short-term negative effects on our reported operating results, diversion of management's attention, unanticipated problems or legal liabilities, and difficulties in the integration of potentially dissimilar operations. Any of these factors could materially harm Corgenix's business or its operating results.

We depend on suppliers for our products' components.

The components of our products include chemical, biological and packaging supplies that are generally available from several suppliers, except certain antibodies and other critical components, which we purchase from single suppliers. We mitigate the risk of a loss of supply by maintaining a sufficient supply of such antibodies to ensure an uninterrupted supply for at least three months. We have also qualified second vendors for all critical raw materials and believe that we can substitute a new supplier with respect to any of these components in a timely manner. If, for some reason, we lose our main supplier for a given material, there can be no assurances that we will be able to substitute a new supplier in a timely manner and failure to do so could impair the manufacturing of certain of our products and thus have a material adverse effect on our business, financial condition and results of operations.

We have only limited manufacturing experience with certain products.

Although we have manufactured over twelve million diagnostic tests based on our proprietary applications of ELISA (enzyme linked immuno-absorbent assay) technology, certain of our diagnostic products in consideration for future development, incorporate technologies with which we have limited manufacturing experience. Assuming successful development and receipt of required regulatory approvals, significant work may be required to scale up production for each new product prior to such product's commercialization. There can be no assurance that such work can be completed in a timely manner and that such new products can be manufactured cost-effectively, to regulatory standards or in sufficient volume.

Due to the specialized nature of our business, our success will be highly dependent upon our ability to attract and retain qualified scientific and executive personnel.

We believe our success will depend to a significant extent on the efforts and abilities of Dr. Luis R. Lopez and Douglass T. Simpson, who would be difficult to replace. There can be no assurance that we will be successful in attracting and retaining such skilled personnel, who are generally in high demand by other companies. The loss of, inability to attract, or poor performance by key scientific and executive personnel may have a material adverse effect on our business, financial condition and results of operations.

The testing, manufacturing and marketing of medical diagnostic devices entails an inherent risk of product liability claims.

To date, we have experienced no product liability claims, but any such claims arising in the future could have a material adverse effect on our business, financial condition and results of operations. Potential product liability claims may exceed the amount of our insurance coverage or may be excluded from coverage under the terms of our policy or limited by other claims under our umbrella insurance policy. Additionally, there can be no assurance that our existing insurance can be renewed by us at a cost and level of coverage comparable to that presently in effect, if at all. In the event that we are held liable for a claim against which we are not insured or for damages exceeding the limits of our insurance coverage, such claim could have a material adverse effect on our cash flow and thus potentially a materially adverse effect on our business, financial condition and results of operations.

There has, to date, been no active public market for our Common Stock, and there can be no assurance that an active public market will develop or be sustained.

Although our Common Stock has been traded on the OTC Bulletin Board® since February 1998, the trading has been sporadic with insignificant volume.

Moreover, the over-the-counter markets for securities of very small companies historically have experienced

extreme price and volume fluctuations. These broad market fluctuations and other factors, such as new product developments, trends in our industry, the investment markets, economic conditions generally, and quarterly variation in our results of operations, may adversely affect the market price of our common stock. In addition, our common stock is subject to rules adopted by the Securities and Exchange Commission regulating broker-dealer practices in connection with transactions in “penny stocks.” Such rules require the delivery prior to any penny stock transaction of a disclosure schedule explaining the penny stock market and all associated risks and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors, which are generally defined as institutions or an investor with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 together with the spouse. For these types of transactions the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser’s written consent to the transaction prior to sale. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from effecting transactions in securities subject to the penny stock rules.

There are risks associated with fluctuating exchange rates.

Our financial statements are presented in US dollars. At the end of each fiscal quarter and the fiscal year, we convert the financial statements of Corgenix UK, which operates in pounds sterling, into US dollars, and consolidate them with results from Corgenix, Inc. We may, from time to time, also need to exchange currency from income generated by Corgenix UK. Foreign exchange rates are volatile and can change in an unknown and unpredictable fashion. Should the foreign exchange rates change to levels different than anticipated by us, our business, financial condition and results of operations may be adversely affected.

CORGENIX MEDICAL CORPORATION

PART II

Other Information

Item 1. Legal Proceedings

None

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K.

a. Index to and Description of Exhibits.

Exhibit Number	Description of Exhibit
31.1*	Certification of Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officers pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification by Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, or adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.

(b) Reports on Form 8-K.

None

SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORGENIX MEDICAL CORPORATION

February 11, 2008

By: /s/ Douglass T. Simpson
Douglass T. Simpson
President and Chief Executive Officer
(Principal Executive Officer)

/s/ William H. Critchfield
William H. Critchfield
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATION

I, Douglass T. Simpson, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Corgenix Medical Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of a quarterly report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of registrant's board of directors:
 - (a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 11, 2008

/s/ Douglass T. Simpson

President and Chief Executive Officer

CERTIFICATION

I, William H. Critchfield, Senior Vice President and Chief Financial Officer certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Corgenix Medical Corporation.
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c. Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of a quarterly report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of registrant's board of directors:
 - a. All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: February 11, 2008

/s/ William H. Critchfield
Senior Vice President and Chief Financial Officer

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
SUBSECTIONS (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), the undersigned officers of Corgenix Medical Corporation, a Nevada corporation (the "Company"), does hereby certify with respect to the Quarterly Report of the Company on Form 10-QSB for the quarter ended September 30, 2006 as filed with the Securities an Exchange Commission (the "10-QSB Report") that:

- i. the 10-QSB Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- ii. the information contained in the 10-QSB Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 11, 2008

This Certification is made solely for purposes of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This written statement shall not be deemed to be "filed" as part of the quarterly report on Form 10-QSB that it accompanies.

/s/ Douglass T. Simpson
President and Chief Executive Officer

/s/ William H. Critchfield
Senior Vice President and Chief Financial Officer