DYNEX POWER INC.

REPORT FOR THE QUARTER ENDED SEPTEMBER 30th 2007

Our objectives are

To grow and develop as a leading independent manufacturer of high power and high reliability electronic products

Our key values are

Customers

Delivering confidence in our products and services through applying high standards of quality and service whilst maintaining a personal and flexible approach to our customers.

Engineering

Enabling access to the best engineering skills and applying the highest technical standards to our customers' requirements.

Profitability

Sustaining and developing our business through directing efforts into the most profitable sectors of our business.

Integrity

Being honest, straightforward and reliable in dealing with people across all areas of our business.

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Company Profile

Dynex is one of the world's leading independent suppliers of specialist, high power semiconductor products. Dynex Semiconductor Ltd is its main operating business and is based in Lincoln, England in a facility housing the fully integrated silicon fabrication, assembly and test, sales, design and development operations. The Company designs and manufactures high power bipolar discrete semiconductors, high power insulated gate bipolar transistor (IGBT) modules, high power electronic assemblies, and radiation hard silicon-on-sapphire integrated circuits (SOS IC's). Dynex power products are used world wide in power electronic applications including electric power transmission and distribution, renewable and distributed energy, marine and rail traction motor drives, aerospace, electric vehicles, industrial automation and controls and power supplies. Our IC products are used in demanding applications in the aerospace industry.

Company Facts

- DPI Technologies Inc. was founded in February 1998
- DPI Technologies Inc. changed its name to Dynex Power Inc. in May 1999
- Dynex Semiconductor Ltd was formed to acquire the assets of the Lincoln Business Unit in January 2000
- The Lincoln Business Unit was founded in Lincoln England in 1956 and had previously traded as:

AEI Semiconductors Ltd	(AEI)
Marconi Electronic Devices Ltd	(MEDL)
GEC-Plessey Semiconductors Ltd.	(GPS)

- 227 employees (September 2007)
- ISO9001:2000 and ISO14001:2004 approved
- Further information: www.dynexsemi.com

Products

- High power bipolar discrete semiconductors
- High power IGBT modules
- High power electronic assemblies and components
- High reliability silicon-on-sapphire ICs

Customers & Markets

Our customers are electronic equipment manufacturers and maintenance providers in the following sectors:

- Electric power transmission and distribution
- Renewable and distributed power
- Marine and rail propulsion and on-board systems
- Heavy industries such as steel and mining
- Factory automation
- Aerospace
- Medical equipment
- Telecommunications
- Electric vehicles

Letter to Shareholders

Record Performance

I am delighted to present our financial report for the third quarter of 2007. As you read this report you will find the performance improvements and the future outlook, that we previously reported, have continued to get better. This period has delivered a record performance being the best quarter for the past five years: revenues, gross margin and net profits are at their highest level.

So what has changed to enable us to achieve this record result?

There is no doubt that our market is stronger, and our product offering is well positioned. Demand for our power products is high. This is led by the global drive for clean and efficient electric energy, unprecedented industrial growth in China, expansion of transport infrastructures around the world, upgrading marine vessels in the UK and North America, and a global trend towards energy efficient motor drives in all sectors. In parallel, the demand for our silicon-on-sapphire products has exceeded expectations, significantly enhancing our revenues this year.

In many sectors this market demand has exceeded our ability to deliver. Therefore we have been working to increase our capacity, improve our manufacturing efficiencies, and further advance our product capability. Our customers are now seeing the benefits of these improvements, and we are seeing a recovery of our position as a respected supplier of high power semiconductor, power electronic assemblies and silicon-on-sapphire products.

Our material supply-chain difficulties, largely a result of poor liquidity and frequently reported by Dynex between 2003 and 2005, have been overcome. This has been through careful management of expenditure, and loyal support from our employees, directors, shareholders and suppliers.

Demonstrated Growth

Overall our revenue growth has been 31% ahead of last quarter and is 32% ahead of year to date. It is particularly encouraging to see that all four product business segments have demonstrated growth over the last year, as have all three of our geographic segments.

Despite the record revenues our order book has remained steady and represents more than 9 months work at the current rate. For the period, the book to bill ratio was 0.97, whilst year to date the ratio is 1.48. This is giving management confidence that the improved revenues seen this year will be sustained into next year.

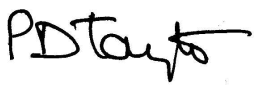
We are continuing to implement our plans to develop and grow our operations. In addition to the production equipment reported in the last quarter's report we have been recruiting additional staff to expand our production operations. Our total business headcount at the end of September was 227 compared to 215 twelve months ago, a growth of 6%.

Further expansion in both personnel and capital equipment is planned, and this will require additional funding. As I advised in our press release of September 27th Dynex remains committed to funding the capital investment programmes commented on in our last two financial reports, whilst at the same time reducing our financial risk. It was pleasing to report, at the same time, that Dynex was able to make an early repayment of a £500,000 loan from Directors

Outlook for 2008

Looking ahead, we are still expecting to end this year with a strong and profitable last quarter. Assuming that is achieved as planned, then our currently robust order book, and the power business forecast from discussions with our key customers, suggests that the outlook for 2008 will be similarly strong in the power segments. For the integrated circuit business segment, however, we do not anticipate such a strong performance as this year owing to the long lead-time to develop the new production capability for this technically demanding product.

I hope you agree that Dynex is today in better shape, and are pleased by the results reported here. There is still much to be done to position Dynex as the leading supplier in its market sector. I look forward to your continued support and if you have any comments regarding our business, our plans, or our reports, please do not hesitate to contact us.



Paul Taylor
President and Chief Executive Officer
November 26th 2007

Management Discussion & Analysis

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes of the Company for the quarter ended September 30th, 2007.

This report contains certain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Group's business and results of operation. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. Such factors include, without limitation, the various factors set forth in the Management Discussion & Analysis of this report as discussed in public disclosure documents filed with Canadian regulatory authorities.

Overview

The Company enjoyed an increase in profitability in the third quarter of the year. Revenue rose by 31% compared to the preceding quarter. The gross margin percentage rose by over three percentage points to 25.5% as a result of higher sales and a better product mix. Overhead expenses rose by 13.7%, mainly as a result of one off costs. As a consequence of these changes, a profit of $915,000 was reported. This is the highest quarterly profit ever for Dynex other than when there were exceptional items in the quarter. Revenue for the year to date is well ahead of 2006 and with a strong order book, it justifies management's expectation of substantial growth in revenue for 2007 overall. A figure over $30 million is currently forecast, subject to exchange rates remaining constant. This would be more than 25% higher than the revenue figure reported for 2006. The increase in revenue, the improvement in gross margins and management's determination to keep overhead costs under control, all mean that the significant improvement in the net result seen over the last two years should be maintained, with the first annual profit being reported since 2002.

Revenue

Revenue for the third quarter of 2007 was $8.7 million, up by $2.1 million or 31% from the second quarter of 2007 and would have been higher but for the strengthening of the Dollar. Increases in revenue were reported for the Bipolar, Power Modules and Integrated Circuits product groups with a small reduction in revenue for the Power Assemblies group owing to the stronger Dollar. In Sterling terms, growth had been recorded here also.

Compared to the corresponding quarter of last year, revenue was up by $3.0 million or 53%, with good growth recorded in all four product groups.

Year to date, revenue is up $5.5 million or 32% ahead of last year. Approximately one quarter of that increase is as a result of the weaker Dollar, with the rest of the increase a result of volume growth in all product groups.

On a year to date basis, revenue is now 3% ahead of plan in Sterling terms and management expects to exceed planned revenue in Sterling terms in the fourth quarter.

Gross Margin

The gross margin was 25.5% in the third quarter of 2007 compared to 21.9% in the second quarter and 18.2% in the corresponding quarter of 2006. The increases over the preceding quarter and over the corresponding quarter of last year were as a result of the increase in volume and higher increases in sales of the higher margin products.

Gross margin for the year to date was 21.8% in 2007 compared to 17.3% in the previous year. Here again, the improvement was a result of both increased volumes and a better mix of products.

On a year to date basis, gross margin is just over three percentage point higher than in the plan. This reflects a better product mix than expected. Management expects this improvement to be continued in the fourth quarter.

Expenses

Overhead expenses in the third quarter of 2007 of $1.4 million were $117,000 or 9% higher than in the second quarter. The increase arose from one-off costs related to the settlement of two legal disputes and the long term provision for the removal of some test equipment.

Compared to the third quarter of 2006, overhead expenses rose by $167,000 or 14% for the same reasons.

For the year to date, overhead costs of $4.0 million are $208,000 or 5% higher than last year. All of this increase arises from the weakening of the Dollar.

Interest & Other Income

Interest and other income was $94,000 in the third quarter of 2007, compared to $86,000 in the preceding quarter and $61,000 in the corresponding quarter of last year. A major constituent of Other Income continues to be the $40,000 quarterly release of deferred revenue arising from the sale and leaseback of a building in 2003. The figure for the quarter was boosted by $45,000 of non production sales. The figure for the previous quarter had contained $25,000 of non production sales.

Foreign Exchange Gains and Losses

There was a foreign exchange gain in the quarter of $3,000, compared to a loss of $62,000 in the second quarter and a gain of $2,000 in the corresponding quarter of last year. By their nature, these gains and losses are unpredictable.

Income Taxes

As a result of brought forward tax losses, no tax is payable on the profit recorded in the quarter. No tax was payable on the profit reported in the second quarter nor on the loss reported in the corresponding quarter of last year.

Net Earnings/Loss

The Company reported a profit of $915,000 in the quarter compared to a profit in the previous quarter of $189,000. The improvement reflected much higher sales and a better product mix during the third quarter.

The profit in the third quarter was substantially better than the loss of $133,000 reported in the corresponding quarter of last year. The improvement reflected both higher sales and the good product mix achieved in the last quarter.

The profit for the year to date of $1.1 million represents a substantial improvement on the loss of $696,000 reported in the same period last year and results from the increase in the volume of sales and the favourable product mix especially in the last quarter.

Segmental Analysis

Sales prices in Sterling in all business segments remained stable during the quarter but there has been a 4% strengthening in the value of the Dollar since the second quarter. The Dollar has weakened by 1% since the corresponding quarter of last year.

Revenue for the Bipolar Discrete Group in the quarter of $4.3 million was $766,000 or 22% higher than the previous quarter and $797,000 or 23% higher than in the corresponding quarter of last year. In Sterling terms, sales were the highest they have been since 2002. Sales in the next quarter will fall back slightly as a result of the Christmas shutdown but should still remain above those of the last 18 quarters.

Revenue for Power Modules Group in the quarter of $1.1 million was $236,000 or 28% higher than in the second quarter and $215,000 or 25% higher than in the corresponding quarter of last year. In Sterling terms, these were one of the best quarterly figures in the last five years. Sales in the next quarter should rise setting a record quarterly figure for Dynex.

Revenue for the Power Electronic Assemblies Group of $1.3 million was $46,000 or 3% lower than in the previous quarter but $559,000 or 78% higher than in the corresponding quarter of last year. In Sterling terms, sales rose by 1% against the preceding quarter to their highest level since 2003. Sales will probably fall back in the fourth quarter following completion of a major contract, but should still remain at a good level.

Revenue from Integrated Circuits for the quarter of $2.0 million was $1.1 million higher or more than twice the figure in the preceding quarter and was $1.4 million higher or more than three times the number in the corresponding quarter of 2006. The figure for the third quarter continues the trend of strong demand for this product and sets a new quarterly record for Dynex. Management expects sales to remain strong in the fourth quarter, but they will fall back during 2008 until new production stocks have been completed.

Revenues for the year to date are up by 17% for the Bipolar Discrete Group, 18% for the Power Modules Group, 56% for Power Electronic Assemblies and 112% for Integrated Circuits. These figures are affected by an 7% drop in the value of the Dollar between the two periods and the revenue increases in Sterling of 9%, 14%, 45% and 101% respectively are probably a better indication of volume growth by sector.

Seasonality

Management does not regard the business as seasonal. Significant changes in quarterly revenues in Bipolar Discrete units and Power Modules in the past have reflected internal operating conditions. In the case of Power Electronic Assemblies and Integrated Circuits, small numbers of large contracts drive both these segments. The delivery of a large contract in a particular quarter can cause revenue to fluctuate significantly, giving the appearance of seasonality.

Liquidity & Capital Resources

As a result of the profit for the year to date, the issue of shares to directors for their services in the second half of 2006 and the change in accounting for financial instruments (see note 2), the deficit on shareholders' funds that existed at the end of 2006 has been eliminated and replaced by a small surplus.

The total borrowings of the Company have risen by $342,000 during the quarter. As virtually all the borrowings of the Company are in Sterling and as the Dollar has strengthened by around 5% since the previous quarter end, the amount of borrowings in Sterling rose by around £340,000. This was mainly to fund increased accounts receivable and capital expenditure. On a year to date basis, borrowings have risen by $72,000. However, as the Dollar has strengthened by 11% since the year end, the rise in Sterling borrowings is around £450,000. This was mainly to fund increased accounts receivable and inventories and capital expenditure. These increases result from growth in turnover.

During the quarter, a $1.1 million short-term loan from two directors, taken in June, was repaid.

The Company believes that it has access to adequate liquidity to meet its operating needs for at least the next twelve months. Management is currently developing significant capital expenditure plans to improve efficiency and to provide additional capacity to enable further growth of the business and different alternatives are currently being explored for financing this expenditure.

The Company has capital commitments at the quarter end of $359,000 mainly for the purchase of a new oven and laser cutting equipment. The purchases will be paid for through leasing and a small amount of cash.

The Company had no off balance sheet financing arrangements at the quarter end.

Selected Financial Information

	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3	2006 Q2	2006 Q1	2005 Q4	2006 FY	2005 FY	2004 FY
Revenue	8,706	6,630	7,163	6,671	5,707	5,253	6,082	7,356	23,713	22,761	23,886
Net earnings/(loss)	915	189	(38)	423	(132)	(629)	66	781	(273)	(1,788)	(5,380)
Basic EPS	0.03	0.01	(0.00)	0.01	(0.00)	(0.02)	0.00	0.03	(0.01)	(0.07)	(0.23)
Diluted EPS	0.03	0.01	(0.00)	0.01	(0.00)	(0.02)	0.00	0.03	(0.01)	(0.07)	(0.23)
Total assets	14,763	13,094	13,377	13,652	12,058	10,923	11,745	12,798	13,652	12,798	14,669
Long term liabilities	3,908	4,165	4,449	4,841	4,494	4,401	4,447	4,444	4,841	4,444	426
Cash Dividends declared	0	0	0	0	0	0	0	0	0	0	0

Selected quarterly financial information (taken from the unaudited quarterly reports) and annual information (taken from the annual reports) is presented above. All figures have been prepared in accordance with Canadian generally accepted accounting principles. All amounts are stated in thousands of Dollars except for earnings per share figures (EPS) which are stated in Dollars per share. The figures for long term liabilities do not include deferred revenues, as these are not a liability of the Corporation and will not give rise to a cash outflow.

Annual revenue in Dollars dipped between 2004 and 2005 by 5% and then recovered in 2006 and then grew significantly during 2007. However, this picture is dramatically affected by fluctuations in the exchange rate of the Dollar. When viewed in Sterling terms, in which all revenues are initially recorded, a different picture emerges. Revenue remained stable between 2004 and 2005 and grew by over 10% in 2006. Revenue year to date in 2007 is running 21% higher than the average level of sales in 2006. Quarterly revenues are more volatile and the underlying trend in has also been affected by exchange rate fluctuations. The general trend is for higher Sterling revenues.

The reduction in the annual loss between 2004 and 2005 and between 2005 and 2006 and the move into profitability in 2007 is encouraging and clearly shows the impact of long-term cost reduction initiatives and more recently of revenue growth. The same trend is evident in the quarterly earnings figures. The net earnings figure in the fourth quarter of 2005 was particularly high due to the large deliveries of Integrated Circuits and that level was uncharacteristic. The return to net losses in the second quarter of 2006 was expected and was a direct result of the lower revenue. An improvement was seen in the third quarter with a return to profit in the fourth quarter. A small loss was reported in the first quarter of 2007. The return to profitability in the second quarter of 2007 came one quarter earlier than expected. There was a significant improvement in profitability in the third quarter reflecting the increase in revenue.

Risk Management

The level of worldwide demand for power semiconductors and power semiconductor assemblies is one of the key uncertainties for the Company. Demand was at a relatively low level during 2002 and 2003. The incidence of widespread power blackouts, the rising cost of energy and the global plan to reduce carbon emissions have led to widespread discussion of the need for significant investment in power electronic equipment, electrification of transport systems, alternative power generation and high quality power transmission and distribution. Such investment would benefit the Company and management has seen strong growth in demand from such investment. The failure to carry through this investment would be detrimental to the future of the business.

Worldwide demand for silicon has risen sharply of late, mainly driven by the demands of the solar power industry. Any shortage in supply of silicon is likely to have a direct impact on costs and the volume of business that the Company can carry out.

As disclosed in the Financial Statements, the Company has one customer that accounted for 18% of revenue during the quarter. Our relationship with this customer, and with all our other main customers and suppliers, remains good.

As also disclosed in the Financial Statements, the Company has one customer at September 30th, 2007 that accounted for 26% of accounts receivable and one customer that accounted for 11% of accounts receivable. Both customers regularly pay all amounts owing when due.

Although the Company buys some materials in continental Europe, the Far East and North America, the bulk of its costs are incurred in Sterling. However, it sells into world markets with many sales denominated in Euros and US dollars. As a consequence, the Company's results are affected by changes in exchange rates between these currencies. Management monitors these exposures but does not believe that it would be beneficial to hedge them at the present time. The need to undertake such hedging is reviewed from time to time.

The Company's operating business is in Lincoln, England and the majority of its assets, liabilities, revenues, expenses and cash flows take place and are recorded in Sterling. These values have to be translated to Dollars for inclusion in the consolidated financial statements of the Company. Movements in the Dollar-Sterling exchange rate directly affect such values. The Company does not hedge such exposures.

Financial Instruments & Other Instruments

The Company does not use financial instruments or other instruments to manage its risks.

Government Assistance

The Company received grants totalling $145,000 during the third quarter from the European Union and the British Government to assist in its research and development activities and a grant of $7,000 in the form of an interest free loan to purchase energy saving equipment.

Related Party Transactions

The Company incurred expenses of $20,000 in the quarter in respect of fees payable to Directors. As at September 30th, 2007 a total of $20,000 was payable to Directors in respect of their fees.

The Company has loans from two Directors totalling $3.5 million, which bear interest at rates between 7% and 10% per annum compounded monthly. Repayment of these loans is scheduled to take place between October 2007 and October 2010.

During the quarter, the Company repaid a loan of $1.1 million taken in June 2007 from two directors.

The Company retains a business law firm in Canada to provide legal services and advice. During the quarter, this firm was paid $15,000 in fees and expenses. One of the Company's independent directors is a partner of this firm.

Business Development

Revenue in Sterling terms in the third quarter was at its highest level for over five years and is expected to be at least as good in the fourth quarter.

The business reported a substantial improvement in profitability in the third quarter. The fourth quarter is expected to produce another good profit

Looking forward to 2008, further modest growth in sales is forecast. However, a change in the mix of sales, with lower sales of integrated circuits and within the high power businesses an increase in the proportion of lower margin products, means that net earnings may fall back from the levels seen in the third quarter and that forecast for the fourth quarter of 2007.

Order Book

At the end of September, the order book stood at $23.5 million, one of the highest figure in many years. The value of orders for delivery in this calendar year plus the revenue already recorded so far this year exceeds $30 million.

Changes in Accounting Policies

The CICA has issued two new accounting policies that came into effect for fiscal years beginning on or after October 1st, 2006 and which affect the Company's financial statements. Section 1530 of the CICA Handbook, Comprehensive Income deals with the change in net assets that results from transactions, events and circumstances from sources other than the Company's shareholders. Section 3855, Financial Instruments-Recognition and Measurement requires that most financial assets, some financial liabilities and all derivative financial instruments be measured at fair value.

These new accounting policies have been taken into account in the preparation of these quarterly financial statements.

Disclosure Controls

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Controls

Internal control over financial reporting has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

During the quarter ending September 30th, 2007, there have been no changes in the design of the Company's internal controls over financial reporting that has materially affected, or is reasonably likely to affect materially the Company's internal control over financial reporting.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com

Bob Lockwood.
Director and Chief Financial Officer
November 26th 2007

DYNEX POWER INC.
Consolidated Balance Sheets (Unaudited)
As At September 30th, 2007 and December 31st, 2006

	Sept 30th 2007	Dec 31st 2006
CURRENT ASSETS		
Cash	**$ 304,872**	$ 357,042
Accounts receivable	**5,844,310**	4,936,028
Inventories (Note 4)	**7,510,676**	7,198,306
Prepaid expenses and deposits	**414,927**	715,935
	14,074,785	13,207,311
CAPITAL ASSETS (Note 5)	**688,435**	444,715
	$ 14,763,220	$ 13,652,026
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**$ 4,484,231**	$ 4,592,004
Short-term loan (Note 6)	**4,017,600**	3,013,654
Due to directors (Note 7)	**-**	-
Current portion of long-term debt (Note 8)	**1,800,728**	1,269,994
Current portion of deferred revenue (Note 9)	**156,815**	175,832
	10,459,374	9,051,484
LONG-TERM DEBT (Note 8)	**2,106,954**	3,570,847
LONG-TERM DEFERRED REVENUE (Note 9)	**1,489,739**	1,802,283
	14,056,067	14,424,614
CONTINGENCIES (Note 19)	-	-
SHAREHOLDERS' SURPLUS (DEFICIENCY)		
Share capital (Note 10)	**14,130,108**	13,888,690
Deficit	**(12,836,490)**	(14,098,044)
Accumulated other comprehensive loss (Note 2)	**(586,465)**	(563,234)
	707,153	(772,588)
	$ 14,763,220	$ 13,652,026

DYNEX POWER INC.
Consolidated Statement of Earnings (Losses) and Deficits (Unaudited)
Quarter and Year To Date Ended September 30th, 2007 and 2006

	3 months Sept 30th 2007	3 months Sept 30th 2006	**YTD Sept 30th 2007**	YTD Sept 30th 2006
Revenue	**$ 8,706,374**	$ 5,706,698	**$ 22,499,302**	$ 17,041,865
Cost of sales	**6,486,247**	4,668,074	**17,596,426**	14,085,348
Gross margin	**2,220,127**	1,038,624	**4,902,876**	2,956,517
Expenses				
General and administration	**797,642**	604,284	**2,099,998**	1,954,366
Sales and marketing	**211,082**	242,822	**790,568**	722,541
Research and development (Note 11)	**175,062**	181,839	**477,095**	541,146
Interest expense	**218,611**	204,825	**647,766**	589,780
	1,402,397	1,233,770	**4,015,427**	3,807,833
Earnings (loss) before other income and income taxes	**817,730**	(195,146)	**887,449**	(851,316)
Other income				
Interest and other income	**94,041**	60,551	**231,221**	185,051
Foreign exchange gain (loss)	**3,478**	1,962	**(52,830)**	(29,849)
	97,519	62,513	**178,391**	155,202
Income taxes (Note 12)	**-**	-	**-**	-
NET EARNINGS (LOSS)	**915,249**	(132,633)	**1,065,840**	(696,114)
DEFICIT, BEGINNING OF PERIOD	**(13,751,739)**	(14,388,076)	**(14,098,044)**	(13,824,595)
Adjustment to deficit, beginning of period (Note 2)	**-**	-	**195,714**	-
DEFICIT, END OF PERIOD	**$ (12,836,490)**	$ (14,520,709)	**$ (12,836,490)**	$ (14,520,709)
Earnings (Loss) per share				
Basic	**$ 0.03**	$ (0.00)	**$ 0.03**	$ (0.02)
Diluted (Note 13)	**$ 0.03**	$ (0.00)	**$ 0.03**	$ (0.02)
Weighted average number of shares				
Basic	**33,343,908**	32,196,183	**33,303,066**	30,650,637
Diluted (Note 13)	**33,778,444**	32,196,183	**33,676,678**	30,650,637

DYNEX POWER INC.
Consolidated Statement of Comprehensive Income (Loss) (Unaudited)
Quarter and Year To Date Ended September 30th, 2007 and 2006

	3 months Sept 30th 2007	3 months Sept 30th 2006	**YTD Sept 30th 2007**	YTD Sept 30th 2006
Net earnings (loss)	**$ 915,249**	$ (132,633)	**$ 1,065,840**	$ (696,114)
Other Comprehensive loss, net of tax:				
Unrealized loss on translating financial statements of self-sustaining foreign operations	**(45,271)**	(46,358)	**(23,231)**	(63,772)
OTHER COMPREHENSIVE LOSS	**(45,271)**	(46,358)	**(23,231)**	(63,772)
COMPREHENSIVE INCOME (LOSS)	**$ 869,978**	$ (178,991)	**$ 1,042,609**	$ (759,886)

DYNEX POWER INC.
Consolidated Statement of Accumulated Other Comprehensive Loss (Unaudited)
As At September 30th, 2007 and December 31st, 2006

	Sept 30th 2007	Dec 31st 2006
Accumulated other comprehensive loss, beginning of period	**$ (563,234)**	$ -
Adjustment to accumulated other comprehensive loss, beginning of period (Note 2)		
Cumulative adjustment on translation of financial statements of self-sustaining foreign operations	**-**	(415,092)
Accumulated other comprehensive loss, beginning of period	**(563,234)**	(415,092)
Other comprehensive income (loss)	**(23,231)**	(148,142)
ACCUMULATED OTHER COMPREHENSIVE LOSS	**$ (586,465)**	$ (563,234)

DYNEX POWER INC.
Consolidated Statement of Cash Flows (Unaudited)
Quarter and Year To Date Ended September 30th, 2007 and 2006

	3 months Sept 30th 2007	3 months Sept 30th 2006	**YTD Sept 30th 2007**	YTD Sept 30th 2006
OPERATING				
Net earnings (loss)	**$ 915,249**	$ (132,633)	**$ 1,065,840**	$ (696,114)
Items not affecting cash				
Amortization	**30,583**	59,930	**154,617**	169,622
Gain on disposal of capital assets	**(40,778)**	(40,032)	**(139,922)**	(118,575)
Shares and options issued for services (Note 10)	**2,453**	109,569	**47,771**	284,287
Non cash interest (Note 2)	**44,143**	-	**145,848**	-
Non cash grant income (Note 2)	**-**	-	**(28,660)**	-
Changes in non-cash operating working capital (Note 15)	**(1,576,226)**	(1,211,482)	**(2,054,508)**	(171,438)
	(624,576)	(1,214,648)	**(809,014)**	(532,218)
FINANCING				
Shares issued for cash	**762**	-	**762**	550,000
Increase in short-term debt	**1,844,404**	1,180,308	**1,361,387**	69,384
Decrease in loans from a director	**(1,098,138)**	-	**-**	-
Decrease in long-term debt	**(108,900)**	(42,493)	**(183,887)**	(105,987)
	638,128	1,137,815	**1,178,262**	513,397
INVESTING				
Proceeds of disposal of capital assets	**-**	-	**12,518**	-
Purchase of capital assets	**(128,633)**	(14,955)	**(474,519)**	(99,861)
	(128,633)	(14,955)	**(462,001)**	(99,861)
NET DECREASE IN CASH	**(115,081)**	(91,788)	**(92,753)**	(118,682)
Effect of foreign currency translation on cash	**39,937**	(6,336)	**40,583**	(1,919)
Cash, beginning of period	**380,016**	309,420	**357,042**	331,897
CASH, END OF PERIOD	**$ 304,872**	$ 211,296	**$ 304,872**	$ 211,296
Supplementary Information:				
Interest paid during period	**$ 215,751**	$ 134,609	**$ 531,757**	$ 489,559
Income taxes paid during period	**-**	-	**-**	-

1. DESCRIPTION OF BUSINESS

The Company is engaged in the design and manufacture of industrial power equipment.

2. ADOPTION OF NEW ACCOUNTING POLICIES

From January 1st 2007, the Company has adopted the following new accounting standards. Any changes in measurement resulting from applying the new standards on January 1st 2007 has been recorded against Deficit or opening Accumulated Other Comprehensive Income with no impact on net income for the quarter.

Comprehensive income

A new statement has been included of Comprehensive Income. Comprehensive Income includes net earnings, as reported in the profit and loss account, and other comprehensive income. Other Comprehensive Income includes changes in net assets other than from transactions with shareholders. Such changes are now reported separately from the net earnings. In particular, the unrealised gain or loss on translating the financial statements of self-sustaining foreign operations is reported as part of other comprehensive income. At December 31, 2006, $415,092 of cumulative translation adjustment was reclassified as accumulated other comprehensive loss.

Financial instruments

All financial assets and liabilities are now required to be recorded on the balance sheet. Initial recognition of financial assets and liabilities is at fair value. Subsequent measurement of the financial assets and liabilities is determined as described below.

Accounts receivable, accounts payable and accrued liabilities, short term loans and amounts due to directors are valued at amortized cost with interest accretion recorded in net income. Due to the short term nature of all these assets and liabilities, the amortised cost is similar to their book value.

Long term debt is valued at amortized cost with interest accretion recorded in net income.

At the start of the year, the Company had one interest free loan that required revaluing to meet the new policy. An amount of $12,500 was debited to the loan and credited to the opening deficit to reflect the amounts that will be charged to interest expense over the then remaining life of the loan in accordance with the effective interest rate method.

At the start of the year, the following adjustments were made to reflect the impact of the new accounting policy on the value of convertible debt: an amount of $376,099 was debited to the loan account, $183,214 was credited to the opening deficit and $192,885 was credited to share capital.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies

The consolidated financial statements presented here are prepared using the same accounting policies as were used last year, details of which are set out in the Annual Report for 2006, apart from the changes discussed in Note 2 above and are in accordance with Canadian generally accepted accounting principles.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Dynex Semiconductor Limited and Dynex SARL, and are prepared in accordance with Canadian generally accepted accounting principles. All intercompany transactions and balances have been eliminated.

Currency of reporting

All figures are in Canadian dollars except as otherwise stated.

Use of accounting estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the Company's management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period presented. Examples of such estimates include the anticipated useful lives of assets, the provisions required against inventory and accounts receivable, the fair value of financial liabilities and assets, stock based compensation and warranties. Actual results could differ from the estimates made by management.

Inventories

Raw materials and work in progress are valued at the lower of cost and replacement cost, and finished goods at the lower of cost and net realizable value. Raw materials are valued at standard cost that accurately reflects their purchase cost. Work in progress and finished goods are valued at the standard cost of direct materials and labour plus allocated overheads. Inventory obsolescence is provided for if raw materials have not moved in six months and if work in progress or finished goods have not moved in three months unless the Company has orders or a realistic expectation of orders for those parts.

Capital assets

Capital assets are recorded at cost. Amortization is calculated using the straight-line method over the anticipated useful lives of the assets as follows:

Equipment	3-8 years

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. An impairment loss is recognised when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. To date, no such impairment losses have been recognised.

Long-term debt

Long-term debt is valued at amortized cost with interest accretion recorded in net income.

Deferred revenue

The gain on the sale and leaseback of the land and buildings (Note 9) is being amortized over the 15 year minimum term of the resulting lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Company recognizes revenues from sales to end-customers and to its distributors at the time title passes provided that all significant contractual obligations, including customer acceptance, have been satisfied and collection is reasonably assured. Any potential for warranty claims is provided for at the time of sale, based on warranty terms and prior claims experience.

Foreign currency translation

The Company considers its wholly owned subsidiaries, Dynex Semiconductor Limited and Dynex SARL, to be self-sustaining subsidiaries and the accounts in foreign currency are translated into Canadian dollars using the current rate method of foreign currency translation. Under this method, assets and liabilities are translated at the exchange rate in effect as of the balance sheet date and income and expense items are translated at the average exchange rate for the period. Net unrealized exchange adjustments arising on translation of foreign currency are included in Accumulated Other Comprehensive Loss.

Research and development costs

Research costs are expensed as incurred. Expenditures for research and development equipment are capitalized. Development costs are expensed as incurred, unless the criteria for deferral under generally accepted accounting principles are met. To date, no such costs have been capitalised.

Income taxes

The Company and its subsidiaries account for income taxes using the liability method. Under this method, current income taxes are recognized for estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities. Tax assets for the benefits of tax losses available to be carried forward to future years are recognised if these are more likely than not to be realized.

Stock-based compensation

The fair value of stock options granted to employees is calculated using the Black-Scholes pricing model. The resulting fair value is charged to General and Administrative Expenses over the period to the vesting date of the options.

Warrants and conversion rights

The fair value of warrants and conversion rights relating to loans is calculated using the Black-Scholes pricing model. The resulting fair value is charged to interest expense over the life of the loans using the effective interest method.

4. INVENTORIES

		Sept 30th 2007		Dec 31st 2006
Raw materials	**$**	**1,940,413**	$	1,896,099
Work in progress		**4,635,540**		4,240,482
Finished goods		**934,723**		1,061,725
	$	**7,510,676**	$	7,198,306

Inventory is stated net of a provision of $5,752,133 (Dec 31st, 2006 - $5,905,448) for obsolescence.

5. CAPITAL ASSETS

		Cost		**Accumulated Amortization**		**Net Book Value**
Sept 30th, 2007						
Equipment	**$**	**2,595,688**	**$**	**1,907,253**	**$**	**688,435**
Total	**$**	**2,595,688**	**$**	**1,907,253**	**$**	**688,435**
Dec 31st, 2006						
Equipment	$	2,428,080	$	1,983,365	$	444,715
Total	$	2,428,080	$	1,983,365	$	444,715

6. SHORT-TERM LOAN

The Company has a short-term loan of $4,017,600 (Dec 31st, 2006 - $3,013,654) secured by a first charge on all capital assets, inventory, cash and cash equivalents and accounts receivable. The loan is repayable on demand.

7. DUE TO DIRECTORS

During the quarter the Company repaid short-term unsecured loans from two directors advanced in June 2007.

8. LONG-TERM DEBT

		Sept 30th 2007		Dec 31st 2006
Interest free unsecured loan with a face value of $20,623 payable in monthly instalments of $10,311 to November 2007 (see Note 2).	**$**	**19,730**	$	127,182
Interest free unsecured loan with a face value of $108,237 payable in monthly instalments of $3,492 to April 2010 (see Note 2).		**89,246**		-
Loans from individual shareholders payable in monthly instalments of $25,059 to October 2008, bearing interest at 10% and secured by a general security agreement. A total of $73,864 of these loans is convertible into 211,039 shares at a conversion price of $0.35 per share at any time prior to the repayment date at the option of the lender (See Note 2).		**325,768**		575,889
Loans from two directors with a face value of $2,473,672 payable in an initial instalment of $371,051 and monthly instalments thereafter of $61,842 to July 2010, bearing interest at 7% and secured by a general security agreement. A total of $1,751,364 of these loans is convertible into approximately 33.2% of the share capital of Dynex Semiconductor Limited at any time prior to the repayment date at the option of the lender (see Note 2).		**2,256,378**		2,773,670
Loan from a director payable in an initial instalment of $91,242 and monthly instalments of $30,414 to October 2010 bearing interest at 10% and secured by a general security agreement.		**1,216,560**		1,364,100
		3,907,682		4,840,841
Current portion		**1,800,728**		1,269,994
	$	**2,106,954**	$	3,570,847

Principal payments

Principal payments required in each of the next four years are:

Under 1 year	**$**	**1,800,728**
1-2 years		**1,093,969**
2-3 years		**982,571**
3-4 years		**30,414**
	$	**3,907,682**

Interest expense

Total interest expense on long-term debt for the quarter ended September 30th, 2007 was $150,505 (Sept 30th, 2006 - $155,528) and for the year to September 30th, 2007 was $436,909 (Year to Sept 30th, 2006 - $437,515).

9. DEFERRED REVENUE

On March 25th, 2003 the Company's subsidiary entered into a sale and leaseback of its Lincoln, England land and buildings. The gain realized on the sale has been deferred. Amortization of this gain, amounting to $40,778, is included in other income for the quarter ended September 30th, 2007 (Sept 30th, 2006 - $40,184).

10. SHARE CAPITAL

Authorized:
An unlimited number of common shares.
An unlimited number of preferred shares issuable in series.

Issued:
The Company's issued and outstanding share capital is as follows:

			Sept 30th 2007		Dec 31st 2006
Common shares	- amount	**$**	**14,130,108**	$	13,888,690
	- number		**33,348,566**		32,767,613

The Company has no issued and outstanding preferred shares.

Common share transactions

On May 8th, 2006 the Company issued 5,000,000 shares by way of a private placement at $0.11 per share.

On May 8th, 2006 the Company issued 137,939 shares to the independent directors who are related parties for their services in the second half of 2005 under the Independent Directors' Share Plan at a price of $0.2955 per share.

On August 8th, 2006 the Company issued 571,430 shares to the independent directors who are related parties for their services in the first half of 2006 under the Independent Directors' Share Plan at a price of $0.07 per share.

On January 18th, 2007 the Company issued 571,430 shares to the independent directors who are related parties for their services in the second half of 2006 under the Independent Directors' Share Plan at a price of $0.07 per share.

On August 14th, 2007 the Company issued 9,523 shares to an employee at $0.08 per share following an exercise of an option under the Company's stock option plan.

Warrant transactions

During July and August 2006 warrants to acquire 3,233,334 shares at the option of the holders at $0.60 per share expired unexercised.

During the first, second and third quarters of 2007 warrants to acquire 146,104 shares at $0.35 per share lapsed. The Company still has outstanding warrants to acquire 211,039 shares at the option of the holders at $0.35 per share any time before October 2008.

10. SHARE CAPITAL (Continued)

Stock option plan

A total of 2,657,316 (Dec 31st, 2006 – 2,657,316) of the common shares of the Company outstanding from time to time are reserved for the issuance of stock options pursuant to the Company's stock option plan. Generally, options granted under the plan vest evenly over a three-year period commencing one year from the date of grant and expire five years from the date of the grant. Options are not assignable. The movements in stock options are summarized below:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31st, 2005	875,000	$ 0.24
Granted	-	-
Exercised	-	-
Cancelled	(75,000)	1.59
Outstanding at December 31st, 2006	800,000	0.11
Granted	-	-
Exercised	(9,523)	0.08
Cancelled	-	-
Outstanding at September 30th, 2007	**790,477**	**$ 0.11**

The weighted average remaining life of the outstanding options is 2 years and 8 months (Dec 31st, 2006 - 3 years and 5 months). At September 30th, 2007 there are 357,144 options exercisable with a weighted average exercise price of $0.14 and a weighted average remaining life of 2 years and 1 month (Dec 31st, 2006 – 366,667 options exercisable at $0.14 cents with a remaining life of 2 years and 10 months).

At September 30th, 2007 the following stock options are outstanding:

	Grant Date	Expiry Date	Number of Options	Exercise Price
Officers	April 28, 2003	April 27, 2008	150,000	$ 0.23
	Nov 30, 2005	Nov 29, 2010	550,000	0.08
All other employees	Nov 30, 2005	Nov 29, 2010	90,477	0.08
Total outstanding			**790,477**	**$ 0.11**

Stock-based compensation

As a result of accounting for stock based compensation related to options granted to employees using the fair-value based method, the Company recorded $1,898 of stock based compensation in general & administrative expenses in the quarter ended September 30th, 2007 (Sept 30th, 2006 - $4,136).

10. SHARE CAPITAL (Continued)

Share continuity

The movement in share capital is summarized below:

		Sept 30th 2007		Dec 31st 2006
Share Capital at start of the year	**$**	**13,888,690**	$	12,955,163
Adjustment to share capital at start of year (see Note 2)		**192,885**		-
Adjusted share capital at start of year		**14,081,575**		12,955,163
Shares issued for cash		**762**		550,000
Shares issued for services		**40,000**		80,761
Stock based compensation re employee options		**7,771**		26,914
Stock based compensation re loans		**-**		275,852
Share Capital at the end of the period	**$**	**14,130,108**	$	13,888,690

11. RESEARCH & DEVELOPMENT

The Company received grants totalling $144,972 in the quarter ending September 30th, 2007 (Sept 30th, 2006 - $60,597) from the European Union and the British Government to assist in its research and development activities. These grants paid for specific work carried out under agreed research and development programmes. The income received has been credited against research and development expenditure.

12. INCOME TAXES

The provision for income taxes reported differs from the amount computed by applying the Canadian statutory rate to earnings before income taxes for the following reasons:

	3 months Sept 30th 2007	3 months Sept 30th 2006	**YTD Sept 30th 2007**	YTD Sept 30th 2006
(Loss) earnings before income taxes	**915,249**	$ (132,633)	**$ 1,065,840**	$ (696,114)
Expected tax provision (recovery) at enacted rates	**330,405**	(47,881)	**384,768**	(251,297)
Increase (decrease) resulting from unrecorded				
Benefit of tax loss	**-**	47,881	**-**	251,297
Prior year losses utilized	**(330,405)**	-	**(384,768)**	-
Permanent differences	**-**	-	**-**	-
	$ -	$ -	**$ -**	$ -

The Canadian statutory tax rate of 36.1% (Sept 30th, 2006 – 36.1%) comprises Federal income tax at approximately 22.1% (Sept 30th, 2006 – 22.1%) and Provincial income tax at approximately 14% (Sept 30th, 2006 – 14%). The United Kingdom statutory rate is 30% (Sept 30th, 2006 – 30%).

As at September 30th, 2007 the Company has undeducted research and development expenditures of approximately $43,000 (Dec 31st, 2006- $43,000) which are available without expiry to reduce future years' Canadian Federal and Provincial taxable income.

As at September 30th, 2007 the Company also has Canadian tax loss carry forwards available to reduce future years' income for tax purposes. These loss carry forwards expire as follows:

Year of expiry	Provincial	Federal
2007	**$ 424,000**	**$ 424,000**
2008	**421,000**	**421,000**
2010	**688,000**	**688,000**
2014	**109,000**	**109,000**
2015	**498,000**	**498,000**
2026	**260,000**	**260,000**
2027	**590,000**	**590,000**
	$ 2,990,000	**$ 2,990,000**

12. INCOME TAXES (Continued)

As at September 30th, 2007 the Company has United Kingdom tax loss carry forwards of approximately £3,150,000 ($6,386,940) (Dec 31st, 2006- £3,900,000 ($8,870,000)) available to reduce future years' income for tax purposes. These tax loss carry forwards have no expiry date.

The potential future income tax benefits related to the above items have not been recorded in the financial statements.

13. EARNINGS PER SHARE

For the quarter ended September 30th, 2007 the number of shares that could potentially dilute basic earnings per share in future but which were not included in the computation of diluted earnings per share because to do so would have been anti-dilutive was 361,039 (Sept 30th, 2006 – 1,157,143).

14. COMMITMENTS

Minimum operating lease commitments over the next three years are as follows:

2007	**$**	**130,435**
2008		**576,972**
2009		**590,654**
	$	**1,298,061**

15. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

		3 months Sept 30th 2007		3 months Sept 30th 2006		**YTD Sept 30th 2007**		YTD Sept 30th 2006
Accounts receivable	**$**	**(2,247,510)**	$	(544,175)	**$**	**(1,452,457)**	$	1,217,142
Inventories		**(21,839)**		(228,698)		**(1,187,436)**		(241,309)
Prepaid expenses and deposits		**(67,015)**		(175,521)		**261,638**		(35,199)
Accounts payable and accrued liabilities		**760,138**		(263,088)		**323,747**		(1,112,072)
	$	**(1,576,226)**	$	(1,211,482)	**$**	**(2,054,508)**	$	(171,438)

16. ECONOMIC DEPENDENCE

For the quarter ended September 30th, 2007 the Company had one customer accounting for approximately 18% of revenue (Sept 30th, 2006 - no customers accounting for more than 10% of revenue).

At September 30th, 2007 there was one customer who accounted for 26% of accounts receivable and one customer who accounted for 11% of accounts receivable (Sept 30th, 2006 – no customers accounted for more than 10% of accounts receivable).

17. FINANCIAL INSTRUMENTS

There is financial risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company has not used derivative instruments to hedge its exposure to foreign currency risk. The exposure to foreign currency risk is primarily due to fluctuations in the value of the United Kingdom Pound, the Euro and the United States Dollar.

The Company is exposed to credit risk from customers. The Company's business is mostly with large corporations, governments and quasi-governmental organisations. The Company has credit evaluation, approval and monitoring processes intended to mitigate potential credit risk.

The book value for accounts receivable, accounts payable, short-term loans and amounts due to directors approximates the amortized cost because of the short maturity of these instruments.

The amortized cost of long-term debt is determined by calculating the fair value of such debt when taken and then accreting interest over the life of the liability using the effective interest method.

18. BUSINESS SEGMENT INFORMATION

Business area

The business operates in four distinct product areas – high power bipolar discrete devices, high power modules, power electronic assemblies (the design and assembly of power devices into stacks) and high reliability integrated circuits. The product manufacturing for these areas are supported by common infrastructure at the Company's Lincoln, England facility. As at September 30th, 2007 the Company does not segregate assets or other balance sheet accounts by product area nor does the Company measure operating profits by these areas. The Company evaluates performance and allocates resources based on revenue by product area.

Geographic area

The destination of sale (the location of the customer) of revenues and the location of tangible assets determine the geographic areas.

	3 months Sept 30th 2007	3 months Sept 30th 2006	**YTD Sept 30th 2007**	YTD Sept 30th 2006
Revenue:				
Business segment				
Bipolar Discrete Group	**$ 4,317,493**	$ 3,520,326	**$ 11,975,285**	$ 10,270,458
Power Modules Group	**1,088,257**	872,886	**3,100,671**	2,617,124
Power Electronic Assemblies	**1,278,069**	719,092	**3,842,621**	2,464,908
Integrated Circuits	**2,022,555**	594,394	**3,580,725**	1,689,375
	$ 8,706,374	$ 5,706,698	**$ 22,499,302**	$ 17,041,865
Geographic area				
Europe	**$ 6,296,939**	$ 3,535,454	**$ 15,391,592**	$ 11,015,199
North America	**1,121,913**	1,097,949	**3,183,171**	2,776,131
Far East	**756,243**	696,019	**2,433,579**	2,270,970
Other	**531,279**	377,276	**1,490,960**	979,565
	$ 8,706,374	$ 5,706,698	**$ 22,499,302**	$ 17,041,865

All capital assets of the Company are located in Europe.

19. CONTINGENCIES

An action against the Company was commenced by a former consultant of the Company in the Ontario Superior Court of Justice on February 4th, 2002 for payment of $321,000 in respect of claimed outstanding payments. The Company has defended this action and believes there is a reasonable prospect of a settlement of this matter that will not have a material adverse effect on the operating results and financial condition of the Company. However, the outcome is not determinable at this time.

20. PENSION PLAN

The Company incurred expenses of $90,395 (Sept 30th, 2006 - $87,573) with respect to a defined contribution pension plan in place at Dynex Semiconductor Limited.

21. RELATED PARTY TRANSACTIONS

The Company incurred expenses in the quarter of $20,000 (Sept 30th, 2006 - $20,000) with respect to fees payable to directors. As at September 30th, 2007, $20,000 is payable to directors (Dec 31st, 2006 - $40,000). The directors fees are recorded at the negotiated amounts.

The Company has loans from two directors totalling $3,472,938 (Dec 31st, 2006 - $4,137,770). Full details of these loans are set out in Note 7 & 8.

The Company incurred interest expenses in the quarter of $128,132 (Sept 30th, 2006 - $141,601) relating to loans from two directors and $378,258 for the year to date (Year to date 2006 - $395,145).

The Company retains a business law firm in Canada to provide legal services and advice. During the quarter ended September 30th, 2007, this firm was paid $14,885 (Sept 30th, 2006 - $17,279) in fees and expenses. One of the Company’s independent directors is a partner of this firm.

Corporate Information

Board of Directors

David F. Banks [1] [3]
Chairman

Paul Taylor [1] [3]
Director, President & CEO

Bob Lockwood [1]
Director, VP Finance & CFO

Debbie Weinstein [1] [2] [3]
Director & Company Secretary

Keith Ralls [1] [2] [3]
Director

Daniel Owen [1] [2]
Director

[1] Member of the Governance Committee
[2] Member of Audit Committee
[3] Member of Compensation Committee

Senior Officers, VP's & Senior Managers

Paul Taylor
President & CEO

Bob Lockwood
VP Finance & CFO

Bill McGhie
Power Electronic Assemblies Business Manager

Mark Kempton
Bipolar Discretes Business Manager

Stock Exchange Listing

Toronto Ventures Exchange
Symbol: DNX

Auditors

Canada – Deloitte & Touche LLP
UK – Deloitte & Touche LLP

Legal Counsel

LaBarge Weinstein Professional Corporation
Ottawa, Ontario

Transfer Agent

Computershare Trust Company of Canada

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