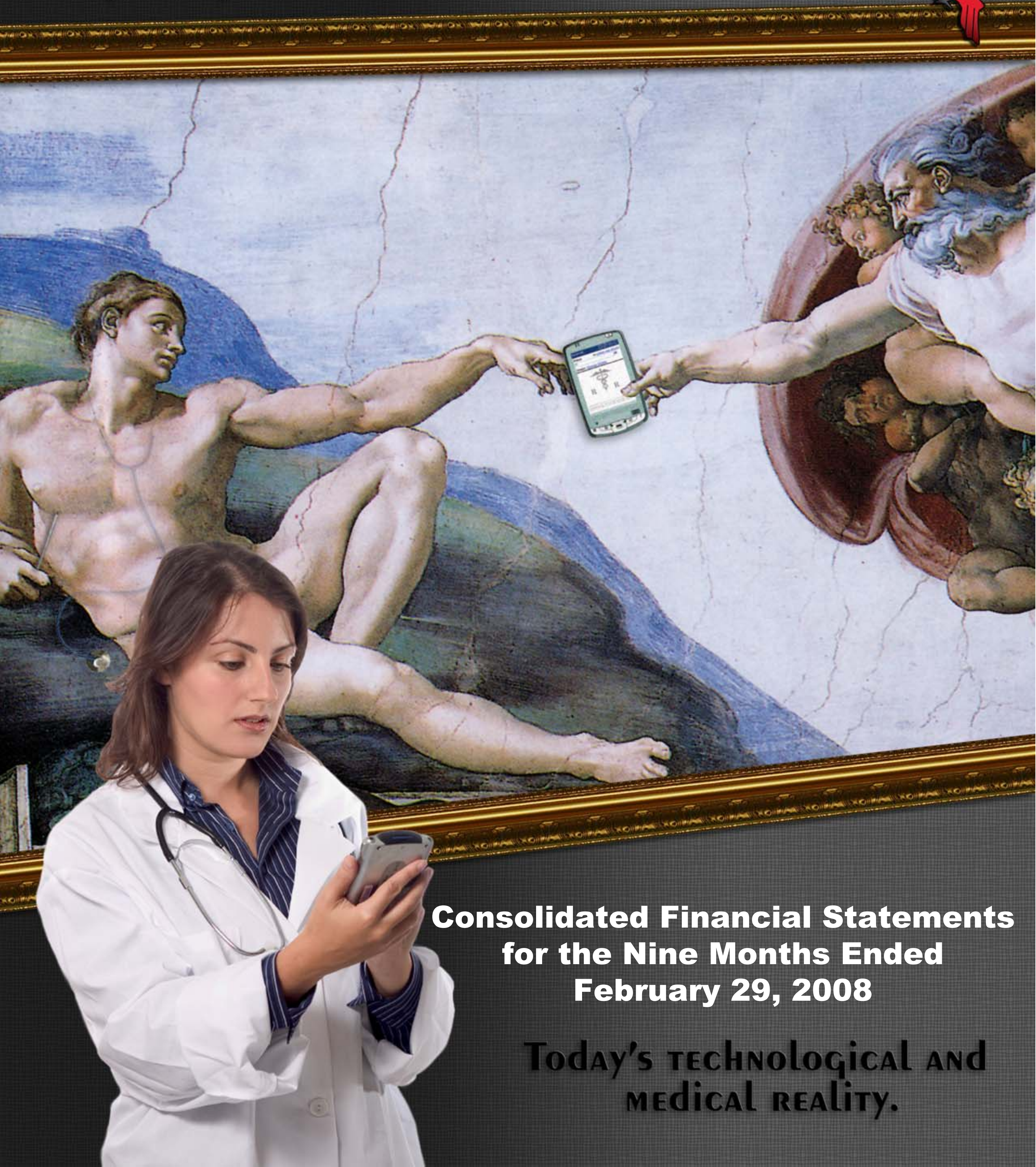
ZOOMMED

EMPOWERING DOCTORS



Consolidated Financial Statements for the Nine Months Ended February 29, 2008

Today's technological and medical reality.

To the shareholders of
ZOOMMED INC.

MANAGEMENT COMMENTS

The financial statements of ZoomMed Inc. for the period ended February 29, 2008 and all information contained in this interim financial report are the responsibility of the management and have been approved by the Board of Directors.

The consolidated financial statements were prepared by the management in accordance with generally accepted accounting principles and are consistent with the Company's business.

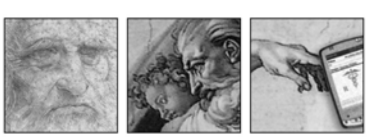
The Company complies with its TSX Venture Exchange listing agreement. The Company maintains rigorous systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the assets are correctly accounted for and protected.

Every year the Board of Directors appoints an Audit Committee composed of a majority of directors who are neither company officers nor employees. The Audit Committee meets periodically with Management and the external auditors to review their tasks and discuss the audit, accounting policies and related financial matters. The results of their audit are discussed as well. The Audit Committee also reviews the financial statements and the external auditors' report and recommends their approval by the Board of Directors.

ZoomMed Inc. interim financial statements for the nine-month period ended February 29, 2008 and February 28, 2007, as well as related comparative data, have not been reviewed or audited by external auditors.

April 22, 2008

Yves Marmet,
President and Chief Executive Officer



INTERIM FINANCIAL REPORT
AS AT FEBRUARY 29, 2008

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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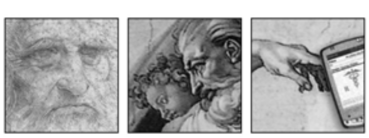


ZOOMMED

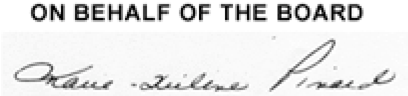
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED FEB. 29, 2008 AND FEB. 28, 2007
(Unaudited)

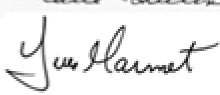
	February 29, 2008 (3 months)	February 28, 2007 (3 months)	February 29, 2008 (9 months)	February 28, 2007 (9 months)
REVENUES	$ 300 892	$ 139,844	$ 913,944	$ 502,212
OPERATING EXPENSES				
Cost of goods sold	97,685	104,152	218,341	285,247
Administrative expenses	258,287	217,654	795,187	921,048
Operating expenses	247,003	114,894	592,908	242,540
Selling expenses	425,330	262,554	1,145,478	789,711
Financial expenses (Note 4)	6,015	4,976	19,844	16,302
Amortization (Note 4)	269,016	162,775	734,080	260,719
	1,303,336	867,005	3,505,838	2,515,567
OPERATING LOSS	(1,002,444)	(727,161)	(2,591,894)	(2,013,355)
IMPAIRMENT OF GOODWILL	-	-	-	(96,592)
LOSS AND NON-CONTROLLING INTEREST	(1,002,444)	(727,161)	(2,591,894)	(2,109,947)
NON-CONTROLLING INTEREST	(1,750)	(1,750)	(5,250)	(5,250)
NET LOSS	$ (1,004,194)	$ (728,911)	$ (2,597,144)	$ (2,115,197)
BASIC AND DILUTED EARNINGS PER SHARE	$ (0.014)	$ (0.014)	$ (0.036)	$ (0.044)
WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES	71,698,709	50,704,800	71,496,268	47,882,883

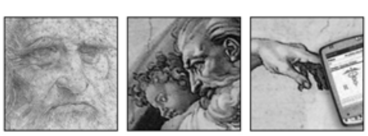
CONSOLIDATED BALANCE SHEET
AS AT FEBRUARAY 29, 2008 AND AT MAY 31, 2007

	February 29, 2008 (Unaudited)	May 31, 2007 (Audited)
ASSETS		
CURRENT ASSETS		
Cash	$ 636,732	$ 5,087,056
Guaranteed investment certificate, 3.35 % (2.75 % in May 31, 2007)	25,000	32,852
Accounts receivable (Note 5)	438,943	471,148
Inventories	107,987	139,372
Prepaid expenses	33,465	21,319
	1,242,127	5,751,747
GUARANTEED INVESTMENT CERTIFICATES (Note 6)	1,399,682	-
FIXED ASSETS (Note 7)	955,856	516,246
INTANGIBLE ASSETS (Note 8)	2,671,480	2,935,880
OTHER ASSETS (Note 9)	934,302	761,073
	$ 7,203,447	$ 9,964,946
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 11)	$ 593,772	$ 666,552
Deferred revenues	143,788	369,167
Current portion of long-term debt	48,160	93,090
	785,720	1,128,809
LONG-TERM DEBT (Note 12)	20,250	20,250
LEASE INDUCEMENT	18,436	6,758
NON-CONTROLLING INTEREST	218,083	212,833
	1,042,489	1,368,650
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 14)	14,570,915	14,426,660
WARRANTS (Note 16)	823,000	851,500
CONTRIBUTED SURPLUS	1,696,970	1,656,275
DEFICIT	(10,929,927)	(8,338,139)
	6,160,958	8,596,296
	$ 7,203,447	$ 9,964,946

ON BEHALF OF THE BOARD

 Director

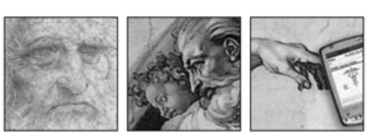
 Director



CONSOLIDATED STATEMENTS OF DEFICIT AND CONTRIBUTED SURPLUS
FOR THE NINE-MONTH PERIOD ENDED FEB. 29, 2008 AND FEB. 28, 2007
(Unaudited)

		February 29, 2008 (9 months)		February 28, 2007 (9 months)
DEFICIT				
BALANCE, BEGINNING OF YEAR	$	(8,338,139)	$	(3,185,980)
Changes in accounting policies (Note 3)		5,356		-
Net loss		(2,597,144)		(2,115,197)
Share issue expenses		-		(39,333)
BALANCE, END OF YEAR	$	(10,929,927)	$	(5,340,510)

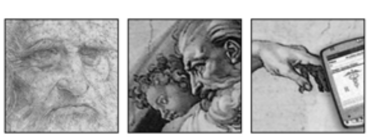
		February 29, 2008 (9 months)		February 28, 2007 (9 months)
CONTRIBUTED SURPLUS				
BALANCE, BEGINNING OF YEAR	$	1,656,275	$	412,600
Fair market value of stock options granted (Note 15)		43,750		108,537
Exercised options		(3,055)		-
BALANCE, END OF YEAR	$	1,696,970	$	521,137



CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED FEB. 29, 2008 AND FEB. 28, 2007
(Unaudited)

	February 29, 2008 (3 months)	February 28, 2007 (3 months)	February 29, 2008 (9 months)	February 28, 2007 (9 months)
OPERATING ACTIVITIES				
Net loss	$ (1,004,194)	$ (728,912)	$ (2,597,144)	$ (2,115,197)
Amortization	269,043	163,336	734,509	262,400
Amortization of long-term debt using the effective interest rate method	879	-	2,636	-
Non-controlling interest	1,750	1,750	5,250	5,250
Stock-based compensation	14,500	-	43,750	108,537
(Gain) loss on disposal of fixed assets	(1,788)	1,588	2,089	(3,706)
Non-carried out (profit) loss on investments	14,984	-	(29,682)	-
Impairment of goodwill	-	-	-	96,592
Lease inducement	12,599	(462)	11,678	(1,382)
	(692,227)	(562,700)	(1,826,914)	(1,647,506)
Net change in non-cash working capital items	45,809	(166,835)	(246,716)	(40,409)
Cash flows used in operating activities	(646,418)	(729,535)	(2,073,630)	(1,687,915)
FINANCING ACTIVITIES				
Repayments of long-term debt	(5,667)	(57,301)	(42,037)	(137,397)
Share issuance	30,000	-	112,700	1,885,000
Warrant issuance	-	-	-	200,000
Share issue expenses	-	-	-	(39,333)
Cash flows from financing activities	24,333	(57,301)	70,663	1,908,270
INVESTING ACTIVITIES				
Proceeds from disposal of a guaranteed investment activities	880,000	49,435	1,662,852	100,132
Acquisition of guaranteed investment certificates	-	-	(3,025,000)	-
Acquisition of fixed assets	(173,637)	(97,898)	(638,924)	(254,552)
Proceeds from disposal of fixed assets	4,500	4,275	4,500	15,835
Acquisition of other assets	-	(2,120)	-	(185,440)
(Increase) decrease of other assets	(114,214)	25,916	(450,785)	(259,131)
Cash flows used in investing activities	596,649	(20,392)	(2,447,357)	(583,156)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(25,436)	(807,228)	(4,450,324)	(362,801)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	662,168	1,035,328	5,087,056	590,901
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 636,732	$ 228,100	$ 636,732	$ 228,100

Cash flows related to operating activities include interest paid of $813 for the three-month period and $2,892 for the nine-month period in 2008 and $1,458 for the three-month period and $5,445 for the nine-month period in 2007.Cash and cash equivalents include cash.



1. IDENTIFICATION AND INDUSTRY

The Company was incorporated under the Canada business Corporations Act on February 24, 2005.

Until July 27, 2005 the Company carried on business as a “Capital Pool Company”, as this term is defined in the policies of the TSX Venture Exchange. On July 27, 2005, with the acquisition of all of the outstanding Class A shares of “9103-8240 Quebec Inc.”, now being called ZoomMed Medical Inc., the Company completed its qualifying transaction pursuant to the rules of the Exchange. According to Canadian generally accepted accounting principles, these consolidated financial statements are recognized as being the continuity of ZoomMed Medical Inc. The Company is now the reporting issuer resulting from the reverse takeover.

ZoomMed is committed to two business missions:

1) The development and the marketing of the *ZRx Prescriber*, an innovative product for physicians;

2) Sales of paramedical equipment to the general public and healthcare agencies, and the development of a franchise network which operates under the name “ZoomCity”.



2. SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The Consolidated Financial Statements include the accounts of ZoomMed Inc. and ZoomMed Medical Inc. The interim consolidated financial statements are presented in accordance with Canadian generally accepted accounting principles and follow the same accounting policies as those stated in the annual audited financial statements for the year ended May 31, 2007. These interim consolidated financial statements should be read in conjunction with the annual audited financial statements of ZoomMed Inc. and the annual audited consolidated financial statements of ZoomMed Medical Inc. and related notes to financial statements. The interim consolidated financial statements are not representative of a twelve-month, consolidated financial statements period.

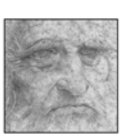
Revenues recognition

Revenues derived from annual advertising contracts, related to the ZRx Prescriber, are recognized on a straight-line basis over the duration of the related agreements.

Revenues from equipment sales and services are recognized as soon as the merchandise leaves the warehouse or as the services are rendered. For the franchises, revenues from the initial fees are recognized when the franchisor has fulfilled most of the important obligations related to the creation of the franchise. Revenues from equipment sales to franchisees are recognized as soon as their merchandise is delivered. For this type of product, the cost of goods sold is not presented separately because it is recorded as a reduction of revenue.

Investments

The investments are shown at fair market value.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Inventory valuation

For new products, inventories are valued at the lower of cost and net realizable value. For used products, inventories are valued at the lower of cost (specific cost method marked up by the revaluation costs) and net realizable value.

Fixed assets

Fixed assets are recorded at cost and are amortized according to the following methods and rates:

	Method	Rates
Vehicles	Declining balance	30 %
Machinery and equipment	Declining balance	20 %
Furniture and signs	Declining balance	20 %
Computer equipment	Declining balance	30 %
Computer equipment for ZRx Prescriber	Declining balance	30 %
Leasehold improvements	Straight-line	20 %

Intangible assets

Intangible assets are recorded at cost and are amortized on a straight-line basis on the following rates:

	Rates
Web site	33 %
Software	50 %
Intellectual property	10 %
SantéXpert™ license	33 %

Intellectual property is recorded at cost plus related future income taxes, and will be amortized over a ten-year period from the marketing date of the product, which was November 2006.

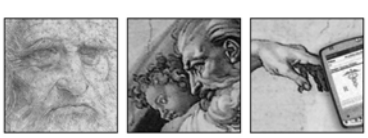
Other assets

a) Development costs

The development costs include the development of prescribing software using a web base technology, are amortized on a straight-line basis over a three-year period from the marketing date of the product, which was November 2006.

Since September 2007, only development costs related to the development of new functionalities are capitalized. The amortization begins as these new functionalities are put into production.

The Company reviews the recoverability of the deferred development costs, by evaluating the future forecasted cash flows related to the marketing of the products, to determine whether there is a reduction in the recoverable value.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

b) Deployment costs

The deployment costs included in operating expenses, associated to the installation and training of the ZRx Prescriber are now capitalized and amortized over a 3 years period.

c) Long-term debt issuance costs

Long-term debt issuance costs are amortized on a straight-line basis over the related debt terms.

Government assistance

The investment tax credits related to operating expenses are applied against these operating expenses. Investment tax credits related to development costs are applied against capitalized costs.

The wage subsidies related to operating expenses are applied against salaries.

Goodwill

Goodwill is not amortized, but is tested for impairment annually or more often when it is more likely than not that an event or a circumstantial change indicates that the fair value of the goodwill may be less than its carrying amount.

Impairment of long-lived assets

An impairment loss is recognized when an event or situation indicates that the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. Any resulting impairment loss is recognized during the period of the impairment.

Lease inducement

The lease inducement includes the difference between the rental expense apportioned over the lease term according to a systematic formula and the minimum lease payment, considering the inducements.

Non-controlling interest

The non-controlling interest constitutes a direct non-controlling interest in the Corporation, through 200,000 Class B shares of its subsidiary ZoomMed Medical Inc. Class B shareholders are entitled to receive a cumulative annual dividend of 3.5%. These shares are redeemable for an amount equal to $1 per share.

Stock-based compensation

The company uses the fair value based method of accounting for all stock options granted to its directors, officers, employees and consultants whereby a compensation expense is recognized over the vesting period of the options with a corresponding increase to contributed surplus.

When options are exercised, capital stock is credited by the sum of consideration paid together with the released portion previously recorded to the contributed surplus.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Use of accounting estimates

Preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in financial statements and related notes. Estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ from those estimates.

Financial statement items that require such estimates include future benefits from development costs, intellectual property, future income tax assets and goodwill, income tax provision, the recoverable amount of research and development tax credits, the assumptions used in the determination of the stock-based compensation charge and fair value of financial instruments.

Basic and fully diluted earnings per share

Basic and fully diluted earnings per share are calculated using the weighted average number of outstanding common shares during the year. The Company uses the treasury stock method to determine the dilutive effects of stock options and warrants when cumulating diluted earnings per share. The fully diluted earnings per share are equal to the basic earnings per share because of their anti dilutive effect when a loss is incurred.

3. CHANGES IN ACCOUNTING POLICIES

On June 1 2007, the Company adopted the new accounting standards related to: Section 1530 "Comprehensive Income", Section 3855 "Financial Instruments – Recognition and Measurement" and Section 3865 "Hedges". Figures for periods prior to June 1, 2007 were not amended.

Financial instruments – Recognition and measurement

Under this new standard, all financial assets will be classified in one of the following four categories: 1) held to maturity 2) loans and receivables 3) held for trading and 4) available for sale. Financial liabilities will have to be classified as "held for trading" or "other". Financial assets and liabilities held for trading will be valued at their fair value, and gains and losses will be recorded in net results. Held-to-maturity financial assets, loans and receivables, and financial liabilities classified as "other" will be recognized at amortized cost using the effective interest rate method. Available-for-sale financial assets will be valued at fair value, and all the unrealized gains and losses will be recorded in other comprehensive income. The new standard will enable entities to designate all financial instruments as held for trading when they are initially recognized or when this standard is adopted, even if this financial instrument does not fall within the definition of a financial instrument held for trading. Financial instruments held for trading under the fair value option must have a reliable fair value.

The Company has elected to classify investments held for trading. Consequently, any differences in the fair value of these assets will be recorded directly in net results.

Long-term debts are classified in "other" liabilities and accounted for at cost. Transaction costs related to "other" liabilities are capitalized and depreciated in accordance with the effective interest rate method and recorded in the net result.

3. CHANGES IN ACCOUNTING POLICIES (CONT.)

Comprehensive Income

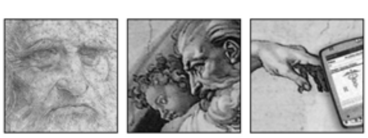
Following the adoption of these new accounting standards, the company must present a statement of other comprehensive income. Other comprehensive income includes the net result and the other elements of the comprehensive income. Considering that the company has classified the whole of its financial tools as financial tools "held for trading" and its long-term debts in the category "other" liabilities, no variation element was classified in the other elements of the comprehensive income, consequently, net loss corresponds to the total of the comprehensive income.

Impact of adopting these new standards

The adjustments related to the classification of investments as financial instruments held for trading were nil and therefore no adjustment was recorded in the deficit's opening balance as at June 1, 2007. the adjustments due to the classification of the long-term debt in the category "other" liabilities, presented net from related transaction fees depreciated in accordance with the effective interest rate method, were recorded in the deficit's opening balance as at June 1, 2007. The result of this adjustment at June 1, 2007 was a reduction in the deficit's opening balance of $5,356.

Here is a summary of the effect of these new accounting standards on the opening balance.

	As at May 31, 2007 (Audited)	Adjustments (Unaudited)	As at June 1, 2007 (Unaudited)
ASSETS			
Current assets	$ 5,751,747	$ -	$ 5,751,747
Fixed Assets	516,246	-	516,246
Intangible assets	2,935,880	-	2,935,880
Other assets	761,073	(601)	760,472
	9,964,946	(601)	9,964,345
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	1,128,809	-	1,128,809
Long-term debt	20,250	(5,957)	14,293
Lease inducement	6,758	-	6,758
Non-controlling interest	212,833	-	212,833
	1,368,650	(5,957)	1,362,693
Shareholders' equity	16,934,435	-	16,934,435
Deficit	(8,338,139)	5,356	(8,332,783)
	8,596,296	5,356	8,601,652
	$ 9,964,946	$ (601)	$ 9,964,345



4. INFORMATION ON INCOME

	February 29, 2008 (3 months)	February 29, 2007 (3 months)	February 29, 2008 (9 months)	February 28, 2007 (9 months)
a) Revenues :				
Sales	$ 284,879	$ 122,864	$ 733,940	$ 480,643
Interest income	12,931	8,842	148,974	13,430
Net income from franchisees	3,082	8,138	31,030	8,139
	$ 300,892	$ 139,844	$ 913,944	$ 502,212
b) Financial expenses :				
Interest on long-term debt	$ 1,692	$ 1,458	$ 5,528	$ 5,455
Interest and bank charges	4,299	2,958	13,887	9,166
Amortization of deferred financing costs	24	560	429	1,681
	$ 6,015	$ 4,976	$ 19,844	$ 16,302
c) Amortization :				
Amortization of fixed assets	$ 77,185	25,745	192,725	$ 56,067
Amortization of intangible assets	88,133	85,316	264,400	109,925
Amortization of others assets	103,698	51,714	276,955	94,727
	$ 269,016	$ 162,775	$ 734,080	$ 260,719

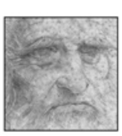


5. ACCOUNTS RECEIVABLE

	February 29, 2008	May 31, 2007
Accounts receivable	$ 134,637	$ 225,109
Research and development tax credits	193,786	193,786
Accrued interest receivable	65,004	-
Sales tax receivable	45,516	52,253
	$ 438,943	$ 471,148

6. GUARANTEED INVESTMENT CERTIFICATES

	February 29, 2008	May 31, 2007
Guaranteed investment certificate, 4.75 % (Maturing June 29, 2009)	$ 375,962	$ -
Guaranteed investment certificate, 4.95 % (Maturing June 29, 2010)	1,023,720	-
	$ 1,399,682	$ -



7. FIXED ASSETS

February 29, 2008		COST		ACCUMULATED AMORTIZATION		NET BOOK VALUE
Vehicles	$	1,185	$	582	$	603
Machinery and equipment		18,585		13,067		5,518
Furniture and sign		146,364		39,188		107,176
Computer equipment		167,505		70,946		96,559
Computer equipment for Prescriber ZRx		858,529		172,546		685,983
Leasehold improvements		93,157		33,140		60,017
	$	1,285,325	$	329,469	$	955,856

May 31, 2007		COST		ACCUMULATED AMORTIZATION		NET BOOK VALUE
Vehicles	$	1,185	$	407	$	778
Machinery and equipment		18,585		12,093		6,492
Furniture and sign		98,447		23,240		75,207
Computer equipment		136,251		47,400		88,851
Computer equipment for Prescriber ZRx		326,322		37,713		288,609
Leasehold improvements		73,514		17,205		56,309
	$	654,304	$	138,058	$	516,246

8. INTANGIBLE ASSETS

February 29, 2008		COST		ACCUMULATED AMORTIZATION		NET BOOK VALUE
Amortized intangible assets						
Web site	$	26,200	$	26,200	$	-
Software		4,322		3,868		454
SantéXpert™ license		175,000		72,916		102,084
Intellectual property		2,935,934		366,992		2,568,942
	$	3,141,456	$	469,976	$	2,671,480

May 31, 2007		COST		ACCUMULATED AMORTIZATION		NET BOOK VALUE
Amortized intangible assets						
Web site	$	26,200	$	26,200	$	-
Software		4,322		3,413		909
SantéXpert™ license		175,000		29,166		145,834
Intellectual property		2,935,934		146,797		2,789,137
	$	3,141,456	$	205,576	$	2,935,880

9. OTHER ASSETS

	February 29, 2008		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized others assets			
Development costs	$ 1,305,886	$ 396,751	$ 909,135
Deployment costs	27,719	2,552	25,167
	$ 1,333,605	$ 399,303	$ 934,302

	May 31, 2007		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized other assets			
Development costs	$ 883,421	$ 122,348	$ 761,073
Deployment costs	-	-	-
	$ 883,421	$ 122,348	$ 761,073

During the year ended May 31, 2007, the Company applied research and development tax credits totalling $319,089 against capitalized development costs.

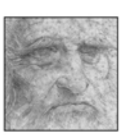
10. GOODWILL

	February 29, 2008	May 31, 2007
BALANCE, BEGINNING OF YEAR	$ -	$ 96,592
Impairment	-	(96,592)
BALANCE, END OF YEAR	$ -	$ -

The Company ceased all physiotherapy activities during the year. Goodwill was therefore written off.

11. ACCOUNTS PAYABLE

	February 29, 2008	May 31, 2007
Accounts payable and accrued liabilities	$ 349,166	$ 512,845
Wages and deductions at source	220,456	129,557
Advance from a shareholder, without interest	24,150	24,150
	$ 593,772	$ 666,552



12. LONG-TERM DEBT

		February 29, 2008		May 31, 2007
Loan, interest at prime rate plus 3%, secured by a movable hypothec on the universality of not specifically mortgaged assets, maturing May 2007 ;	$	-	$	255
Loan, interest at prime rate plus 2%, secured by the shareholders, monthly capital payment of $845 plus interest, maturing September 2008 [(1)];		6,060		13,665
Loan, Idée-PME program, non-interest bearing, annual capital payment of $20,250, maturing April 2009;		37,780		40,500
Loan, La Solide ville de Longueuil, net financing cost, interest at 10% plus 1.5% of the annual income before income taxes, monthly capital and interest payment of $634, maturing November 2009 [(2)];		12,032		16,769
Loan, le CLD de Longueuil, net financing cost, interest at 9%, secured by the shareholders, monthly capital and interest payment of $622, maturing December 2009 [(2)];		12,538		17,151
Note payable regarding the acquisition of PhysioGélinas, non-interest bearing, secured by the guaranteed investment certificate, maturing August 2007.		-		25,000
		68,410		113,340
Current portion		48,160		93,090
	$	20,250	$	20,250

[(1)] This loan includes covenants providing that a subsidiary maintain a current ratio of at least 1.7:1.0 and a maximum long-term debt ratio of 1.0: 1.0. These ratios are not respected as at February 29, 2008.

[(2)] These contracts are presented on a current basis due to a change of control which occurred with the reverse takeover in July 2005.

Principal repayments required for the next two years are as follows:

	2009		2010
$	48,160	$	20,250

13. COMMITMENTS

a) As at February 29, 2008, the balance of commitments under operating leases amounts to $689,892.

Minimum lease payments in each of the next five years are as follows:

	2009	2010	2011	2012	2013
Leasehold - Head office	$ 111,665	$ 112,908	$ 103,499	$ -	$ -
Leasehold - ZoomCity	42,504	28,336	-	-	-
Leasehold - Toronto	57,252	57,252	57,252	57,252	28,626
Vehicles	1,790	-	-	-	-
Multifunction Printers	7,012	7,012	7,012	7,012	3,508
	$ 220,223	$ 205,508	$ 167,763	$ 64,264	$ 32,134

b) The Company has undertaken under a licensing agreement relating to database access software to pay an annual amount of $31,500 for mandatory updates. This agreement relates to an initial term of three years ending in September 2009 and is renewable annually at the end of the term.

14. SHARE CAPITAL

a) Authorized

An unlimited number of common shares, voting, participating, without par value.

b) Issued and fully paid

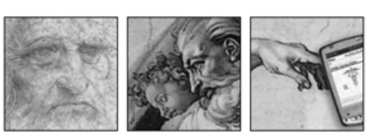
	February 29, 2008	May 31, 2007
71,742,290 common shares (71,293,790 shares as at May 31, 2007)	$ 14,570,915	$ 14,426,660

c) Transactions for the nine-month period

On August 1st, 2007, the Company issued 100,000 shares of its share capital for a cash consideration of $24,000 after 100,000 warrants, with a carrying value of $2,000, were exercised. These warrants were held by an investor.

On August 14, 2007, the Company issued 23,500 shares of its share capital for a cash consideration of $4,700 after 23,500 stock options, with a carrying value of $3,055, were exercised. These stock options were held by employees.

On October 31, 2007, the Company issued 100,000 shares of its share capital for a cash consideration of $24,000 after 100,000 warrants, with a carrying value of $2,000, were exercised. These warrants were held by an investor.



14. SHARE CAPITAL (CONT.)

On November 23, 2007, the Company issued 100,000 shares of its share capital for a cash consideration of $30,000 after 100,000 warrants, with a carrying value of $22,000, were exercised. These warrants were held by a broker.

On December 20, 2007, the Company issued 100,000 shares of its share capital for a cash consideration of $24,000 after 100,000 warrants, with a carrying value of $2,000, were exercised. These warrants were held by an investor.

On February 22, 2008, the Company issued 25,000 shares of its share capital for a cash consideration of $6,000 after 25,000 warrants, with a carrying value of $500, were exercised. These warrants were held by an investor.

d) Transactions during fiscal year 2007

On August 10, 2006, the Company completed a private offering for gross proceeds of $2,000,000 in cash. A total of 10,000,000 units were issued at $0.20 per unit. Each of the units includes one common share and one warrant. Each warrant entitles the holder to acquire one common share at $0.24 for a three-year period. The fair value of the warrants is $200,000.

On November 6, 2006, the Company issued 425,000 shares of its share capital pursuant to the exercise of 425,000 brokers' warrants for cash proceeds of $85,000, which were expiring on November 18, 2006. These warrants had a carrying value of $31,600.

On April 24, 2007, the Company completed a private offering for gross proceeds of $6,000,000 in cash. The Company issued 20,000,000 units at a price of $0.30 per unit. Each unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of $0.45 for a two-year period. The fair value of the warrants is $300,000.

During the fourth quarter, the Company issued 588,990 shares of its share capital for a cash consideration of $119,796 after 588,990 warrants with a carrying value of $38,688 were exercised. A total of 538,990 of these warrants were held by a broker and 50,000 were held by an investor.

e) Share capital break-down

	Number		Declared
Balance as at May 31, 2006 :	40,279,800	$	6,651,576
Issued for private placement (August 10, 2006)	10,000,000		1,800,000
Issued for private placement (April 24, 2007)	20,000,000		5,700,000
Issued after the exercising of warrants by a broker and an investor	1,013,990		275,084
Balance as at May 31, 2007	71,293,790	$	14,426,660
Issued after the exercising of warrants by a broker and an investor	425,000		136,500
Issued after the exercising of stock options	23,500		7,755
Balance as at February 29, 2008	71,742,290	$	14,570,915

14. SHARE CAPITAL (CONT.)

f) Escrowed shares

In accordance with the requirements of the TSX Venture Exchange, all of the 3,000,000 common shares issued before the initial public offering and the 18,000,000 issued common shares from the reverse takeover are held in escrow under two securities escrow agreements.

For the first agreement representing 3,000,000 common shares, under the terms of the agreement, 10% of common shares held in escrow have been released upon publication of the Final Exchange Bulletin and 15% of the additional common shares will be released at six-month intervals on the 6th, 12th, 18th, 24th, 30th and 36th months following the initial releases.

For the second agreement representing 18,000,000 common shares, under the terms of the agreement, 0% of common shares held in escrow have been released upon publication of the Final Exchange Bulletin and 5% of the additional common shares will be released at six-month intervals on the 6th, 12th, 18th, 24th, and 10% on the 30th, 36th, 42nd, 48th, 54th, 60th, 66th, 72nd months following the initial releases.

As at February 29, 2008, 13,050,000 common shares (14,850,000 at May 31, 2007) were still held in escrow.

15. STOCK OPTION PLAN

The shareholders of the Company approved a resolution modifying its stock option plan, from a 10% "fixed" stock option plan to a 10% "rolling" stock option plan, as described in the management proxy circular for the annual and special meeting of shareholders held on October 27, 2006. Under the plan terms, the exercise price of the options will be determined by the directors of the Company limited to the extent of other restrictions described in the plan and some requirements of the TSX Venture Exchange. The maximum period for which an option is issued is limited to five years and the exercise price of these options must be paid in full before the issue of the related shares.

The following table summarizes the changes in the plan position for the years ended on May 31, 2007 and for the six-month period ended February 29, 2008:

	Options	Average Exercise price
Balance as at May 31, 2006	2,810,000	$ 0.23
Awarded	5,450,000	$ 0.38
Cancelled	(1,140,000)	$ 0.22
Balance as at May 31, 2007	7,120,000	$ 0.35
Awarded	195,000	$ 0.40
Exercised	(23,500)	$ 0.20
Cancelled	(120,000)	$ 0.20
Balance as at February 29, 2008	7,171,500	$ 0.35

15. STOCK OPTION PLAN (CONT.)

The following table summarizes the information about the outstanding stock options as at February 29, 2008 and May 31, 2007.

a) As at February 29, 2008

Outstanding options			Exercisable options	
Number	Weighted average outstanding maturity (months)	Weighted average exercise price	Number	Weighted average exercise price
540,000	28	$0.20	540,000	$0.20
1,250,000	30	$0.25	1,250,000	$0.25
1,089,000	37	$0.20	1,089,000	$0.20
640,000	45	$0.20	640,000	$0.20
150,000	47	$0.25	150,000	$0.25
3,307,500	50	$0.50	3,307,500	$0.50
45,000	55	$0.40	45,000	$0.40
100,000	56	$0.40	100,000	$0.40
50,000	59	$0.40	- [1]	- [1]
7,171,500	43	$0.35	7,121,500	$0.35

[1] The shares issued under this plan are subject to transfer restrictions for a period of four months from the grant date.

During the nine-month period ended February 29, 2008 the following transactions occurred:

In August 2007, the Company issued 23,500 shares of its capital stock after 23,500 options held by employees were exercised. These options were expiring on June 29, 2011.

On September 4, 2007, the Company granted 45,000 options entitling the holder to purchase 45,000 common shares at an exercise price of $0.40 per share.

On October 6, 2007, the Company granted 100,000 options entitling the holder to purchase 100,000 common shares at an exercise price of $0.40 per share.

On January 23, 2008, the Company granted 50,000 options entitling the holder to purchase 50,000 common shares at an exercise price of $0.40 per share.

15. STOCK OPTION PLAN (CONT.)

b) As at May 31, 2007

Outstanding options			Exercisable options	
Number	Weighted average outstanding maturity (months)	Weighted average exercise price	Number	Weighted average exercise price
540,000	37	$0.20	540,000	$0.20
1,250,000	39	$0.25	1,250,000	$0.25
1,112,500	49	$0.20	1,112,500	$0.20
760,000	54	$0.20	760,000	$0.20
150,000	56	$0.25	150,000	$0.25
3,307,500	59	$0.50	3,307,500	$0.50
7,120,000	52	$0.35	7,120,000	$0.35

During 2007, the Company granted the following stock options:

On June 29, 2006, 1,232,500 options entitling the holder to purchase 1,232,500 common shares at $0.20 per share;

On November 17, 2006, 760,000 options entitling the holder to purchase 760,000 common shares at $0.20 per share;

On January 22, 2007, 150,000 options entitling the holder to purchase 150,000 common shares at $0.25 per share;

On April 26, 2007, 3,307,500 options entitling the holder to purchase 3,307,500 common shares at $0.50 per share;

The shares issued under this plan are subject to transfer restrictions for a period of four months from the grant date.

The fair value of the options awarded during the year was estimated on the grant date using the Black-Scholes' options pricing model with the following assumptions:

February 29, 2008

Date	September 4, 2007	October 6, 2007	January 23, 2008
Quantity	45,000	100,000	50,000
Value granted	$0.25	$0.18	$0.29
Dividend yield	Nil	Nil	Nil
Expected volatility	75%	75%	75%
Risk-free interest rate	4.36%	4.35%	3.48%
Expected life	60 months	60 months	60 months

15. STOCK OPTION PLAN (CONT.)

The compensation expense related to the stock option plan amounts to $43,750.

The fair value of the options awarded during the year was estimated on the grant date using the Black-Scholes' options pricing model with the following assumptions:

May 31, 2007

Date	June 29, 2006	November 17, 2006	January 22, 2007	April 26, 2007
Quantity	1,232,500	760,000	150,000	3,307,500
Value granted	$0.13	$0.13	$0.16	$0.30
Dividend yield	Nil	Nil	Nil	Nil
Expected volatility	75%	75%	75%	70%
Risk-free interest rate	4.47%	3.92%	4.04%	4.14%
Expected life	60 months	60 months	60 months	60 months



The compensation expense related to the stock option plan amounts to $1,251,275. An additionnal amount of $24,000 was applied to issuance costs for the year ended May 31, 2007.

16. WARRANTS

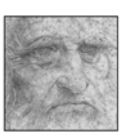
The following table summarizes the changes in the plan position as at May 31, 2007 and for the nine-month period ended February 29, 2008:

	Warrants	Weighted average Exercise price
Balance as at May 31, 2006	963,990	$0.20
Awarded to private investors	19,999,996	$0.34
Awarded to brokers	2,250,000	$0.35
Warrants exercised	(1,013,990)	$0.20
Balance as at May 31, 2007	22,199,996	$0.34
Warrants exercised	(425,000)	$0.25
Balance as at February 29, 2008	21,774,996	$0.34

a) Transactions for the nine-month period

On August 1st, 2007, a private investor exercised 100,000 warrants; the Company issued 100,000 shares of its share capital.

On October 31, 2007, a private investor exercised 100,000 warrants; the Company issued 100,000 shares of its share capital.



16. WARRANTS (CONT.)

On November 23, 2007, a broker exercised 100,000 warrants; the Company issued 100,000 shares of its share capital.

On December 18, 2007, a private investor exercised 100,000 warrants; the Company issued 100,000 shares of its share capital.

On February 22, 2008, a private investor exercised 25,000 warrants; the Company issued 25,000 shares of its share capital.

The following table summarizes information about outstanding warrants to agents and private investors as at February 29, 2008.

Outstanding warrants			Exercisable warrants	
Number	Weighted average outstanding maturity (months)	Weighted average exercise price	Number	Weighted average exercise price
9,625,000	18	$0.24	9,625,000	$0.24
9,999,996	14	$0.45	9,999,996	$0.45
2,150,000	14	$0.35	2,150,000	$0.35
21,774,996	16	$0.35	21,774,996	$0.35

b) Transactions during fiscal year 2007

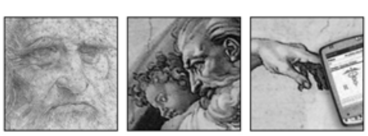
As at August 10, 2006, the Company granted to private investors 10,000,000 warrants allowing the holders to acquire 10,000,000 common shares at a price of $0.24 per share for a thirty-six-month period from their issuance. The fair value attributed to the warrants was $200,000.

On November 6, 2006, the Company issued 425,000 common shares of its capital pursuant to the exercise of 425,000 broker's warrants.

During the 2007 fourth quarter, 538,990 warrants were exercised by a broker and 50,000 by a private investor. The Company issued 588,990 common shares of its capital.

On April 24, 2007, the Company granted to private investors 9,999,996 warrants allowing the holders to acquire 9,999,996 common shares at a price of $0.45 per share for a twenty-four month period from their issuance. The fair value attributed to the warrants was $300,000. The Company also issued 1,500,000 broker warrants to the agent entitling it to buy 1,500,000 units at $0.30, each unit includes one common share and one-half of one transferable common share purchase warrant at $0.45 for an eighteen-month period following the issuance date. The fair value attributed to the warrants was $352,500.

The following tables summarize the information about brokers' outstanding stock options and warrants to private investors as at May 31, 2007.



16. WARRANTS (CONT.)

Outstanding warrants			Exercisable warrants	
Number	Weighted average outstanding maturity (months)	Weighted average exercise price	Number	Weighted average exercise price
9,950,000	27	$0.24	9,950,000	$0.24
9,999,996	23	$0.45	-	-
2,250,000	23	$0.35	-	-
22,199,996	25	$0.35	9,950,000	$0.24

The fair value of the warrants awarded to private investors is $0.02 for each of the 10,000,000 warrants and $0.03 for each of the 9,999,996 warrants, using a 10% discounted market price to determine the value of the unit attributable to each share.

The fair value of units awarded to the broker is $0.22 each. The fair value was estimated at the grant date by using the Black-Scholes' pricing model with the following assumptions:

Dividend yield	Nil
Expected volatility	70%
Risk-free interest rate	4.14%
Expected life	18 months

17. RELATED PARTY TRANSACTIONS

Period ending February 29, 2008

During the period ending February 29, 2008, the Company paid professional fees totaling $57,100 to one company owned by a shareholder and officer (RSP Management Inc.). These transactions were carried out in the normal course of business and are measured at the exchange value which is the value of the consideration established and agreed upon by the related parties.

Period ending February 28, 2007

During the period ending February 28, 2007, the Company paid professional fees totaling $258,650 to two companies owned by shareholders and officers, of which $226,775 to Funtastica Divertissements Inc. and $31,875 to RSP Management Inc. As at February 28, 2007, accounts payable include an amount of $2,385 relating to these transactions. These transactions were carried out in the normal course of business and are measured at the exchange value, which is the value of the consideration established and agreed upon by the related parties.

18. SEGMENT DISCLOSURES

The Corporation activities are divided in three reportable segments:

a) The *ZRx Prescriber*, an innovative product for physicians;
b) Sales of paramedical equipment to the general public and to healthcare agencies;
c) ZoomCity franchises; Sales of paramedical equipment to franchisees.

During the nine-month period, revenues and expenses are allocated as follows:

	Pres-criber	Équip-ment	Fran-chises	Head Office	Total
Revenues and expenses					
Sales	$ 375,833	$ 358,107	$ 31,030	$ -	$ 764,970
Interest income	-	878	-	118,414	119,292
Non-carried out profit on Investments	-	-	-	29,682	29,682
	375,833	358,985	31,030	148,096	913,944
Cost of goods sold	-	218,341	-	-	218,341
Selling expenses	574,097	200,088	43,859	327,434	1,145,478
Administrative expenses	196,818	34,067	754	563,548	795,187
Operating expenses	484,807	-	-	108,101	592,908
Financial expenses	-	14,716	-	5,128	19,844
Amortization	684,517	42,653	-	6,910	734,080
Non-Controlling interest	-	5,250	-	-	5,250
Total expenses	1,940,239	515,115	44,613	1,011,121	3,511,088
Segment results before income taxes	$ (1,564,406)	$ (156,130)	$ (13,583)	$ (863,025)	$ (2,597,144)

For the period ended February 28, 2007, the Company's revenues and gross profit relate mainly to the supply of paramedical equipment. Operating expenses cannot be apportioned. Since the Company modified its organizational structure during the year, the composition of its reportable segments was changed. The corresponding information was therefore restated.

Segment assets are allocated as follows:

	February 29, 2008	May 31, 2007
Supply of paramedical equipment	$ 847,456	$ 655,417
ZRx Prescriber segment	6,355,991	9,309,529
	$ 7,203,447	$ 9,964,946

18. SEGMENT DISCLOSURES (CONT.)

Acquisitions of fixed assets and other intangible assets for the period ended February 29, 2008 and for the period ended February 28, 2007, are as follows:

	February 29, 2008	February 28, 2007
Supply of paramedical equipment	$ 103,843	$ 39,743
ZRx Prescriber segment	985,866	473,940
	$ 1,089,709	$ 513,683

19. SUBSEQUENT EVENTS

On March 10, 2008, the Company granted 100,000 options entitling the holder to purchase 100,000 common shares at an exercise price of $0.40 per share.

20. COMPARATIVE FIGURES

For comparison purposes, some of the prior year's figures have been reclassified.