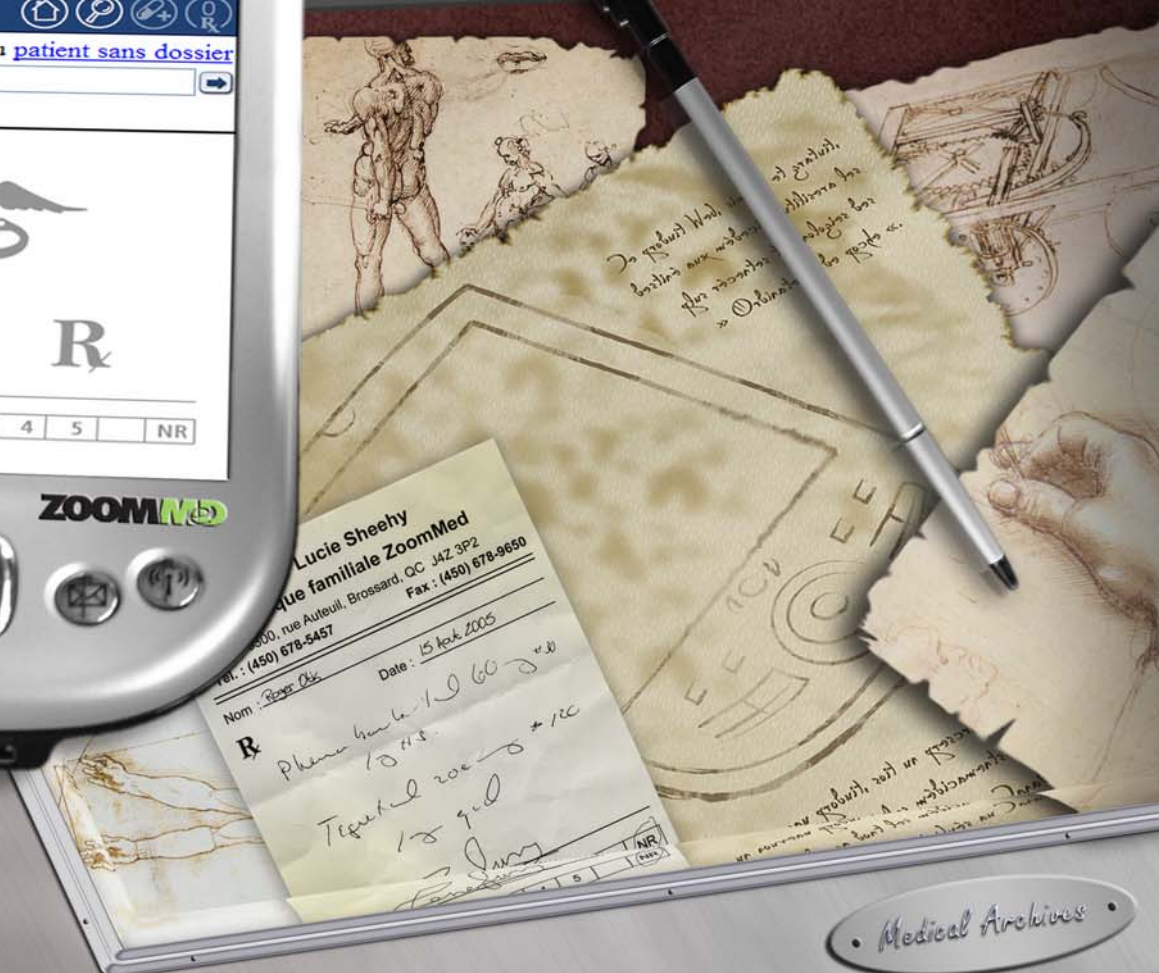
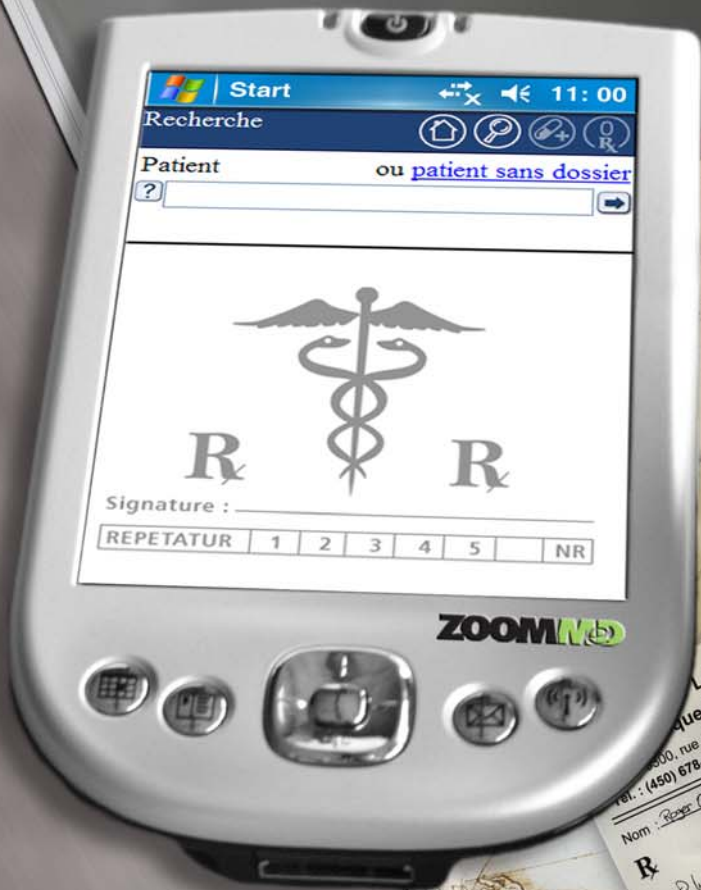


# ZOOM<sup>MD</sup>



Today's **TECHNOLOGICAL AND MEDICAL REALITY.**

**To the shareholders of  
ZOOMMED INC.**

## **NOTICE TO READERS**

The financial statements of ZoomMed Inc. for the period ended November 30, 2006 and all information contained in this interim financial report are the responsibility of Management and have been approved by the Board of Directors.

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

The Corporation complies with its TSX Venture Exchange listing agreement. The Corporation 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 six-month periods ended November 30, 2006 and 2005, as well as related comparative data, have not been reviewed or audited by external auditors.

January 26, 2007



**Yves Marmet,  
President and Chief Information Officer**

**INTERIM FINANCIAL REPORT  
AS AT NOVEMBER 30, 2006**

---

**CONSOLIDATED FINANCIAL STATEMENTS**

Statement of income	1
Balance sheet	2
Deficit and contributed surplus	3
Statement of cash flows	4
Notes to financial statements	5 - 12

**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED NOVEMBER 30, 2006 AND 2005**  
**(Unaudited)**

	November 30 2006 (3 months) (unaudited)	November 30 2005 (3 months) (unaudited)	November 30 2006 (6 months) (unaudited)	November 30 2005 (6 months) (unaudited)
<b>REVENUES</b>	\$ 169,601	\$ 204,023	\$ 362,368	\$ 367,729
<b>COST OF GOODS SOLD</b>	88,753	111,090	180,206	166,978
<b>GROSS PROFIT</b>	80,848	92,933	182,162	200,751
<b>OPERATION EXPENSES</b>				
Administrative expenses	361,014	290,176	703,394	843,426
Operation expenses	88,247	9,044	127,646	18,088
Selling expenses	311,734	228,040	528,046	403,107
Financial expenses (Note 3)	5,260	13,427	11,326	24,846
Amortization (Note 3)	80,566	7,591	97,944	10,574
	846,821	548,278	1,468,356	1,300,041
<b>OPERATING LOSS</b>	(765,973)	(455,345)	(1,286,194)	(1,099,290)
<b>IMPAIRMENT OF GOODWILL</b>	(96,592)	-	(96,592)	-
<b>LOSS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST</b>	(862,565)	(455,345)	(1,382,786)	(1,099,290)
<b>NON-CONTROLLING INTEREST</b>	(1,750)	-	(3,500)	-
<b>NET LOSS</b>	\$ (864,315)	\$ (455,345)	\$ (1,386,286)	\$ (1,099,290)
<b>BASIC AND DILUTED EARNINGS PER SHARE (Note 11)</b>	\$ (0.017)	\$ (0.015)	\$ (0.030)	\$ (0.042)
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES (note 11)</b>	50,387,218	29,500,000	46,487,355	25,937,500



**CONSOLIDATED BALANCE SHEETS  
AS AT NOVEMBER 30, 2006 AND AS AT MAY 31, 2006**

	November 30, 2006 (Unaudited)	May 31, 2006 (audited)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,035,328	\$ 590,901
Guaranteed investment certificate, 2,70 %	56,811	107,508
Accounts receivable (Note 4)	200,884	146,793
Inventory	177,600	203,027
Prepaid expenses	36,959	29,391
	1,507,582	1,077,620
<b>FIXED ASSETS</b> (Note 5)	314,606	194,542
<b>INTANGIBLE ASSETS</b> (Note 6)	2,935,934	2,942,501
<b>OTHER ASSETS</b> (Note 7)	923,217	517,027
<b>GOODWILL</b> (Note 8)	-	96,592
	\$ 5,681,339	\$ 4,828,282
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable (Note 9)	\$ 582,654	\$ 405,496
Deferred revenues	-	14,500
Current portion of long-term debt	120,902	195,699
	703,556	615,695
<b>LONG-TERME DEBT</b> (Note 10)	76,970	82,269
<b>LEASE INDUCEMENT</b>	7,680	8,601
<b>NON-CONTROLLING INTEREST</b>	209,333	205,833
	997,539	912,398
<b>SHAREHOLDERS' EQUITY</b>		
<b>SHARE CAPITAL</b> (Note 11)	8,536,576	6,651,576
<b>WARRANTS</b> (Note 13)	237,686	37,688
<b>CONTRIBUTED SURPLUS</b>	521,137	412,600
<b>DEFICIT</b>	(4,611,599)	(3,185,980)
	4,683,800	3,915,884
	\$ 5,681,339	\$ 4,828,282

*Audie Harnet* Director  
*Jus Harnet* Director

**CONSOLIDATED STATEMENTS OF DEFICIT AND CONTRIBUTED SURPLUS  
FOR THE SIX-MONTH PERIODS ENDED NOVEMBER 30, 2006 AND 2005  
(Unaudited)**

---

	November 30 2006 (6 months) (Unaudited)	November 30 2005 (6 months) (Unaudited)
<b>DEFICIT</b>		
<b>BALANCE, BEGINNING OF PERIOD</b>	\$ (3,185,980)	\$ (462,026)
Net loss	(1,386,286)	(1,099,290)
Deferred financial fees	(39,333)	(61,246)
Impact of reverse takeover on future income taxes due to fluctuation in income tax rates	-	23,459
<b>BALANCE, END OF PERIOD</b>	<b>\$ (4,611,599)</b>	<b>\$ (1,599,103)</b>

**CONTRIBUTED SURPLUS**

<b>BALANCE, BEGINNING OF PERIOD</b>	\$ 412,600	\$ -
Fair market value of stock options from the reverse takeover	-	124,600
Fair market value of stock options granted	108,537	288,000
<b>BALANCE, END OF PERIOD</b>	<b>\$ 521,137</b>	<b>\$ 412,600</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED NOVEMBER 30, 2006 AND 2005  
(Unaudited)**

	November 30 2006 (3 months) (Unaudited)	November 30 2005 (3 months) (Unaudited)	November 30 2006 (6 months) (Unaudited)	November 30 2005 (6 months) (Unaudited)
<b>OPERATING ACTIVITIES</b>				
Net loss	\$ (864,315)	\$ (455,345)	\$ (1,386,286)	\$ (1,099,290)
Amortization	81,686	8,576	99,064	11,912
Non-controlling interest	1,750	-	3,500	-
Stock-based compensation	(31,600)	-	108,537	288,000
Gain on disposal of fixed assets	(8,288)	-	(5,294)	-
Impairment of goodwill	96,592	-	96,592	-
Lease inducement	(460)	-	(920)	-
	(724,635)	(446,769)	(1,084,807)	(799,378)
Net change in non-cash working capital items	152,492	119,615	126,426	145,133
Cash flows used in operating activities	(572,143)	(327,154)	(958,381)	(654,245)
<b>FINANCING ACTIVITIES</b>				
Repayments on demand loan	(20,132)	(85,808)	(80,096)	(59,872)
Share issuance	85,000	-	1,885,000	-
Warrant issuance	-	-	200,000	-
Cash flows issued from reverse takeover	-	-	-	1,359,123
Share issue expenses	31,604	-	(39,333)	(61,246)
Cash flows from financing activities	96,472	(85,808)	1,965,571	1,238,005
<b>INVESTING ACTIVITIES</b>				
Proceeds from disposal of a guaranteed investment certificate	1,967	-	50,697	-
Acquisition of a guaranteed investment certificate	-	(1,215)	-	(156,215)
Acquisition of fixed assets	(112,414)	(144,917)	(156,653)	(156,682)
Proceeds from disposal of fixed assets	11,560	3,200	11,560	3,200
Acquisition of other assets	(181,240)	(6,240)	(183,320)	(10,890)
Increase of deferred development costs	(177,191)	(110,752)	(285,047)	(160,867)
Cash flows from investing activities	(457,318)	(259,924)	(562,763)	(481,454)
<b>CASH AND CASH EQUIVALENTS INCREASE (DECREASE)</b>	(932,989)	(672,886)	444,427	102,306
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	1,968,317	789,926	590,901	14,734
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 1,035,328	\$ 117,040	\$ 1,035,328	\$ 117,040

Cash flows related to operating activities include interest paid of \$1,835 for the 3 month period and \$3,998 for the six month period in 2006 and \$6,071 for the 3 month period and \$11,249 for the six month period in 2005. Cash and cash equivalents include cash less bank overdraft.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

**1. IDENTIFICATION AND INDUSTRY**

The Company was incorporated under 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 the totality of 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.

The Company is committed to two business missions: 1) developing and marketing the *ZRx Prescriber*, an innovative product for physicians; and 2) providing paramedical equipment to healthcare agencies and the general public.

**2. BASIS OF INTERPRETATION**

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, 2006. 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.

**3. INFORMATION ON INCOME**

	November,30 2006 (3 months)	November,30 2005 (3 months)	November,30 2006 (6 months)	November,30 2005 (6 months)
a) Financial expenses:				
Interest on long-term debt	\$ 1,835	\$ 6,071	\$ 3,998	\$ 11,249
Interest and bank charges	2,865	5,596	6,208	11,591
Amortization of long-term debt issuance costs	560	1,760	1,120	2,006
	\$ 5,260	\$ 13,427	\$ 11,326	\$ 24,846
b) Amortization:				
Amortization of fixed assets	\$ 17,578	\$ 6,758	\$ 30,322	\$ 8,909
Amortization of intangible assets	10,253	833	14,887	1,665
Amortization of other assets				
i) SantéXpert license	9,722	-	9,722	-
ii) Deferred development costs	43,013	-	43,013	-
	\$ 80,566	\$ 7,591	\$ 97,944	\$ 10,574



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

**4. ACCOUNTS RECEIVABLE**

	November 30, 2006	May 31, 2006
Accounts receivable	\$ 101,736	\$ 106,479
Sales tax receivable	99,148	40,314
	<b>\$ 200,884</b>	<b>\$ 146,793</b>

**5. FIXED ASSETS**

	November 30, 2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Vehicles	\$ 20,889	\$ 16,495	\$ 4,394
Machinery and equipment	18,585	10,928	7,657
Furniture and sign	88,206	14,594	73,612
Computer equipment	116,954	31,292	85,662
Computer equipment for ZRx Prescriber	99,047	6,462	92,585
Leasehold improvements	63,731	13,035	50,696
	<b>\$ 407,412</b>	<b>\$ 92,806</b>	<b>\$ 314,606</b>

	May 31, 2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Vehicles	\$ 20,889	\$ 15,720	\$ 5,169
Machinery and equipment	26,793	15,151	11,642
Furniture and sign	65,238	8,590	56,648
Computer equipment	96,007	22,094	73,913
Computer equipment for ZRx Prescriber	-	-	-
Leasehold improvements	54,496	7,326	47,170
	<b>\$ 263,423</b>	<b>\$ 68,881</b>	<b>\$ 194,542</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

**6. INTANGIBLE ASSETS**

	November 30, 2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized intangible assets			
Web site	\$ 24,080	\$ 24,080	\$ -
Software	3,110	3,110	-
Intellectual property, at unamortized cost	2,935,934	-	2,935,934
	<b>\$ 2,963,124</b>	<b>\$ 27,190</b>	<b>\$ 2,935,934</b>

	May 31, 2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized intangible assets			
Web site	\$ 15,760	\$ 9,193	\$ 6,567
Software	3,110	3,110	-
Intellectual property, at unamortized cost	2,935,934	-	2,935,934
	<b>\$ 2,954,804</b>	<b>\$ 12,303</b>	<b>\$ 2,942,501</b>

**7. OTHER ASSETS**

	November 30 2006	May 31 2006
Amortized deferred development costs ( unamortized as at May 31, 2006)	\$ 731,217	\$ 489,184
Amortized SantéXpert's license costs	165,278	-
Guaranteed investment certificate, 2.70%	25,000	25,000
Amortized long-term debt issuance costs	1,722	2,843
	<b>\$ 923,217</b>	<b>\$ 517,027</b>

**8. GOODWILL**

	November 30 2006	May 31 2006
Balance, beginning of period	\$ 96,592	\$ 45,709
New goodwill for paramedical furniture's	-	96,592
Impairment of value	(96,592)	(45,709)
<b>BALANCE, END OF PERIOD</b>	<b>\$ -</b>	<b>\$ 96,592</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

**9. ACCOUNTS PAYABLE**

	November 30 2006	May 31 2006
Accounts payable and accrued expenses	\$ 283,689	\$ 332,890
SantéExpert's licence of Émergis	199,412	-
Wages and deductions at source	75,403	48,456
Advance from a shareholder, without interest	24,150	24,150
	<b>\$ 582,654</b>	<b>\$ 405,496</b>

**10. LONG-TERM DEBT**

	November 30 2006	May 31 2006
Loan, interest at prime rate plus 3%, secured by a movable hypothec on vehicles, maturing April 2007 <sup>(1)</sup> ;	\$ 1,916	\$ 4,216
Loan, interest at prime rate plus 3%, secured by a movable hypothec on the universality of not specifically mortgaged assets, maturing May 2007 <sup>(1)</sup> ;	1,785	3,315
Loan, interest at 9.4%, secured by a first ranking hypothec on vehicles, by a second ranking hypothec on the universality of present and future tangible assets, by the shareholders and by Investissement Québec, maturing September 2007;	-	15,696
Loan, interest at prime rate plus 2%, secured by the shareholders, monthly capital payment of \$845 plus interest, maturing September 2008 <sup>(2)</sup> ;	18,735	23,805
Loan, Idée-PME program, non-interest bearing, annual capital payment of \$20,250, maturing April 2009;	60,750	60,750
Loan, interest at 10% plus 1.5% of the annual income before income taxes, monthly capital and interest payment of \$634, maturing November 2009;	19,650	22,392
Loan, interest at 9%, secured by the shareholders, monthly capital and interest payment of \$622, maturing December 2009;	20,036	22,794
Note payable, non-interest bearing, secured by the guaranteed investment certificate, \$50,000 payable in February 2007 and \$25,000 in August 2007, maturing August 2007.	75,000	125,000
	197,872	277,968
Current portion	120,902	195,699
	<b>\$ 76,970</b>	<b>\$ 82,269</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

**10. LONG-TERM DEBT (CONT'D)**

- (1) These loans include a covenant providing that earnings before amortization, interest and income taxes cover interest and the current portion of the long-term debt. This covenant is not respected as at November 30, 2006. N'ayant pas obtenu de lettres de tolérance de ces prêteurs, la totalité de ces dettes est présentée à court terme.
- (2) This loan includes covenants providing for maintenance of a minimum current ratio of 1.7 : 1.0 and a maximum long-term debt ratio of 1.0 : 1.0. These ratios are respected as at November 30, 2006.

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

2007	2008	2009	2010
\$120,902	\$41,829	\$34,523	\$618

**11. SHARE CAPITAL**

**a) Authorized**

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

**b) Declared**

	November 30 2006	May 31 2006
50,704,800 common shares (40,279,800 May 31, 2006)	\$ 8,536,576	\$ 6,651,576

**c) Transactions during the period**

On August 10, 2006, the Company completed a private offering for gross proceeds of \$2,000,000. A total of 10,000,000 units were issued for \$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 for \$0.24 for a three-year period.

November 6, 2006, the Company issued 425,000 common shares of its share capital pursuant to the exercise of 425,000 brokers' warrants which were expiring on November 18, 2006.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

**11. SHARE CAPITAL (CONT'D)**

**d) Share capital break-down**

	Number	Declared
Balance as at May 31, 2006	40,279,800	\$ 6,651,576
Issued from Private Placement (August 10, 2006)	10,000,000	1,800,000
Issued from warrant's exercised by broker (November 6, 2006)	425,000	85,000
Balance as at November 30, 2006	50,704,800	\$ 8,536,576

**e) Basic and diluted earnings per share**

The weighted average outstanding shares calculation does not include the stock option plan and warrants (see Note 12 and 13.)

**12. STOCK OPTION PLAN**

The shareholders of the Corporation approved a resolution modifying of the 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 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 Inc. 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 period ended on November 30, 2006:

		2006
	Options	Average exercise price
Balance as at May 31, 2006	2,810,000	\$0.23
Awarded	1,992,500	\$0.20
Cancelled	(335,000)	\$0.25
Cancelled	(750,000)	\$0.25
Options exercisable, end of the period	3,717,500	\$0.23

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

**12. STOCK OPTION PLAN (CONT'D)**

Non-recurrent payroll charge related to stock option plan amounts to \$ 140,137 for the period ended November 30, 2006.

**13. WARRANTS**

Subsequently to its initial public offering, the Company granted to the brokers 425,000 warrants allowing the holders to purchase 425,000 common shares for \$0.20 per share. These warrants are valid for an eighteen-month period starting May 18, 2005. This date corresponds to the date the Company placed common shares with the broker on the TSX Venture Exchange Inc. These warrants have been exercised November 6, 2006.

In connection with the issue of 10,779,800 common shares during the year 2006, the Company granted to the brokers 538,365 warrants allowing the holders to purchase 538,365 common shares at a price of \$0.20 per share for an eighteen-month period following the date of their issue.

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

The following table summarizes the information about the brokers' outstanding stock options and warrants as at November 30, 2006:

		2006
	Options / Warrants	Weighted average exercise price
Balance as at May 31, 2006	963,365	\$0.20
Warrants to private investors (August 10, 2006)	10,000,000	\$0.24
Warrants exercised (November 6, 2006)	(425,000)	\$0.20
Balance, end of period	10,538,365	\$0.24

**14. SEGMENT DISCLOSURES**

The company's activities are divided in two reportable segments:

- a) Development and marketing of ZRx Prescriber;
- b) The supply of paramedical equipment to health care agencies and the general public.

During the period, revenues and gross margin are mainly coming from the supply of paramedical equipment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT NOVEMBER 30, 2006  
(Unaudited)**

---

**14. SEGMENT DISCLOSURES (CONT'D)**

Given that the company changed its organizational structure during the period, the composition of its reportable segments was changed. As a result, the corresponding information for previous years was restated.

The acquisition of fixed and intangible assets amounts to \$441,700, which \$430,398 is related to the development and deployment of the ZRx Prescriber.

The acquisition of other assets amounts to \$183,320, which \$175,000 is related to the acquisition of a perpetual distribution license of "SantéXpert" of Emergis inc. used in conjunction with the ZRx Prescriber.

**15. COMPARATIVE FIGURES**

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.