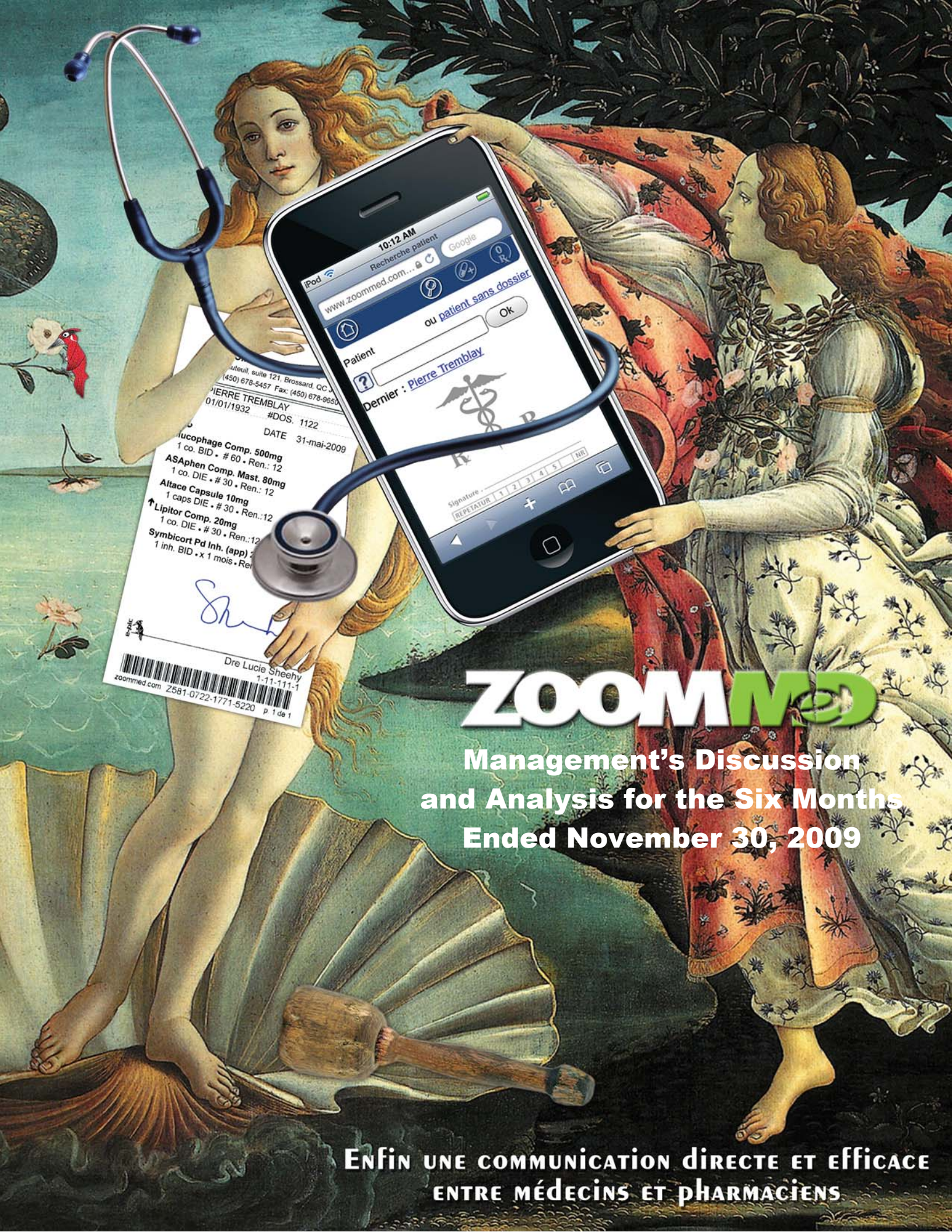

ZOOMMED

Management's Discussion and Analysis for the Six Months Ended November 30, 2009

Enfin une communication directe et efficace entre médecins et pharmaciens

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis explains the results of operations, changes in financial position and cash flows of ZoomMed inc. and ZoomMed Medical inc. ("ZoomMed") as at November 30, 2009. It must be read in the context of the information provided by unaudited and audited consolidated financial statements of ZoomMed and accompanying notes for the periods ended November 30, 2009 and 2008, and information provided by ZoomMed's audited consolidated financial statements and accompanying notes as at May 31, 2009.

Management prepared this report, taking into account all available information as at January 11, 2010.

All financial information and financial statements presented in this analysis have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Unless otherwise indicated, all amounts are in Canadian dollars.

This management's discussion and analysis may contain information and statements on the future performance of ZoomMed, which are forward-looking in nature. These statements reflect management's expectations regarding future events, based on assumptions and uncertainties subject to risk factors, which we have identified in the risks and uncertainties section. Readers are hereby cautioned that actual results may differ materially from our expectations.

This report was submitted to our Audit Committee and approved by the Board of Directors of ZoomMed Inc.

BUSINESS DESCRIPTION

The Company was incorporated under the Canada Business Corporations Act on February 24, 2005. ZoomMed is committed to the development and the marketing:

- the ZRx Prescriber, an innovative product for physicians;
- the e-Pic communication network, enabling prescription information intercommunication between physicians using the ZRx Prescriber and pharmacists who are members of the network;
- the ZRx Pharma communication network allows dissemination and intercommunication of information between pharmaceutical corporations and doctors who use the ZRx Prescriber.

ZoomMed's common shares are trading on the TSX Venture Exchange under the symbol ZMD.

About the ZRx Prescriber

ZoomMed developed the ZRx Prescriber, a technological innovative Web application that enables physicians to use a wireless device, such as the IPod Touch™, IPhone™, other PDA's or computers, to write and rapidly deliver scripts. The ZRx Prescriber is quick, efficient and intuitive. Since it is a stand-alone product, it can easily be integrated to any Electronic Medical Record application (EMR).

About the e-Pic communication network

ZoomMed's e-Pic communication network allows intercommunications between physicians who use the ZRx Prescriber and pharmacists who are members of the network. Thus, physicians and pharmacists can transfer, capture (scan), and electronically receive prescription information and prescription renewal information through this high speed and entirely secure network.

About the ZRx Pharma communication network

ZRx Pharma communication network, the new revolutionary communication tool, allows information dissemination and intercommunication between pharmaceutical corporations and physicians using the ZRx Prescriber, such as; continuing medical education, new product launches, medical training, major medical alerts, clinical studies and surveys.

Discontinued activities

On May 21, 2009, ZoomMed sold substantially all of its paramedical equipment division's assets and its franchise network called "ZoomCité" for cash gross proceeds of $364,785, resulting in a $139,275 gain on disposition of assets (net from selling fees of $40,567). This arms length transaction represented only 2.5% of ZoomMed's total assets.

The Company sold this division to focus its human and financial resources on the development and marketing of the ZRx Prescriber, the e-Pic communication network and ZRx Pharma communication network, all of which represent significantly higher potential for growth.

Continuing activities

The information contained in the consolidated interim financial statements dated November 30, 2009 and the Management's Discussion and Analysis report are based on continuing activities. Therefore, the information from previous years also reflects the Company's continuing activities in order to provide a more appropriate comparison.

OPERATING RESULTS

SELECTED INFORMATION
THREE-MONTH PERIOD

OPERATING RESULTS FROM CONTINUING ACTIVITIES	ZoomMed Inc. As at November 30, 2009		ZoomMed Inc. As at November 30, 2008	
Revenues	$	289,454	$	191,071
Selling expenses		380,003		476,803
Administrative expenses		352,381		576,772
Operating expenses		425,266		385,784
EBITDA		(868,196)		(1,248,288)
Financial expenses		3,398		1,359
Amortization		298,532		322,691
Net loss from continuing activities before discontinued activities		(1,170,126)		(1,572,338)
Profit (loss) from the paramedical equipment division operations	$	-	$	(45,454)
Basic and diluted earnings per share	$	(0.012)	$	(0.016)
Basic and diluted earnings per share from continuing activities	$	(0.012)	$	(0.016)
Weighted average number of outstanding common shares		98,341,785		98,215,785

SELECTED INFORMATION
SIX-MONTH PERIOD

OPERATING RESULTS FROM CONTINUING ACTIVITIES	ZoomMed Inc. As at November 30, 2009		ZoomMed Inc. As at November 30, 2008	
Revenues	$	463,920	$	302,426
Selling expenses		771,164		855,138
Administrative expenses		759,907		820,277
Operating expenses		863,517		745,807
EBITDA		(1,930,668)		(2,118,796)
Financial expenses		7,401		3,242
Amortization		591,923		631,091
Net loss from continuing activities before discontinued activities		(2,529,992)		(2,753,129)
Profit (loss) from the paramedical equipment division operations	$	-	$	(69,084)
Basic and diluted earnings per share	$	(0.026)	$	(0.030)
Basic and diluted earnings per share from continuing activities	$	(0.026)	$	(0.030)
Weighted average number of outstanding common shares		98,341,785		92,835,899

Revenues have increased by 53% and are generated by the ZRx Prescriber. These revenues come primarily from pharmaceutical corporation contracts for the use of the ZRx Pharma communication network. The revenues from these contracts are recognized on a straight-line basis over the 12 month duration of the related agreements.

As at November 30, 2009, the Company reports revenues of $434,599 and deferred revenues of $917,883 totalling $1,352,482, compared respectively with $215,662 and $373,292 totalling $588,954 for the same 2008 period, representing a 129,6% revenue increase. The ZRx Pharma intercommunication system is now well recognized as an efficient solution, providing great added values to communication efforts made by small and large pharmaceutical corporations in order to reach physicians.

Overall operating expenses were constant for the six-month period ended November 30, 2009. However, for the second quarter, operating expenses decreased by 17.2% due to lower selling and administrative expenses.

Decrease in administration expenses is a result of a decrease in stock based compensation fees which totalled $272,356 in 2008 compared to $43,110 in 2009.

Selling expenses decreased due to external consultant fees which were no longer required.

However, operating expense increase is, in part, related to an increase in development costs which represent an additional charge of $79,735.

ZoomMed shows an EBITDA (earnings (loss) before interest, taxes, depreciation and amortization) of $(1,930,668) for the six-month period ended November 30, 2009 and $(2,118,796) for the corresponding period ended November 30, 2008.

ZoomMed recorded a net operating loss from continued activities of $1,170,126 for the three-month period ended November 30, 2009 compared to $1,572,338 for the three-month period ended November 30, 2008.

The cumulative loss as at November 30, 2009 is $2,529,992 and $2,753,129 for the six-month period ended November 30, 2008.

ZoomMed recorded a net operating loss from the paramedical equipment division of $45,454 for the three-month period ended November 30, 2008 and $69,084 for the six-month period ended November 30, 2008. The Company sold this division to focus its human and financial resources, on the development and marketing of the ZRx Prescriber, the e-Pic communication network and the ZRx Pharma communication network, all of which represent significantly higher potential for growth.

ZoomMed registered a $0.012 net loss per share for the three-month period ended November 30, 2009, and $0.016 for the three-month period ended November 30, 2008. ZoomMed registered a $0.026 net loss per share for the six-month period ended November 30, 2009 and $0.030 for the six-month period ended November 30, 2008.

FINANCIAL SITUATION

BALANCE SHEETS	**ZoomMed Inc. As at November 30, 2009**	**ZoomMed Inc. As at May 31, 2009**
Cash	$ 275,730	$ 606,397
Guaranteed investment certificate	1,113,753	2,609,658
Working capital	331,666	2,547,798
Fixed assets	1,097,129	1,181,734
Intangible assets	2,622,877	2,839,832
Total assets	5,663,389	7,469,408
Long-term debt including current portion	78,226	111,200
Shareholders equity	4,018,105	6,504,987
Share capital	$ 20,501,758	$ 20,501,758

No material transactions have been completed during the first six-month period ended November 30, 2009. Changes in assets and liabilities are the result of normal operations of the Company. Management believes that revenues generated by the ZRx Prescriber are sufficient for Company growth.

Actually, as at January 11, 2010, the Company signed, since the beginning of fiscal year 2010, multiple contracts with pharmaceutical corporations totalling $1,808,200. The full value of such 12-month contracts is recognized on a straight-line basis over the duration of the related agreements.. The ZRx Pharma intercommunication system is now well recognized as an efficient solution, providing great added values to communication efforts made by small and large pharmaceutical corporations in order to reach physicians.

During the first six-month period ended November 30, 2009 acquisitions of $302,513 were recorded. Fixed and intangible assets have experienced a slight decrease as a result of amortization expense of $591,923.

Long-term debt as at May 31, 2009 was $111,200 compare to $78,226 as at November 30, 2009. The Company did not contract any additional debt during the quarter.

As at November 30, 2009, the Company's shareholders equity decreased by $2,486,882, attributable to the six-month period loss ended November 30, 2009.

CASH FLOW SITUATION

CASH FLOWS SITUATION (THREE-MONTH PERIOD)	ZoomMed Inc. As at November 30, 2009		ZoomMed Inc. As at November 30, 2008	
Cash flows used in operating activities	$	(423,594)	$	(1,208,938)
Cash flows from financing activities		(18,689)		(9,781)
Cash flows used in investment activities		416,269		(3,238,118)
Cash increase		(26,014)		(4,456,837)
Cash end of year	$	275,730	$	2,320,092

CASH FLOWS SITUATION (SIX-MONTH PERIOD)	ZoomMed Inc. As at November 30, 2009		ZoomMed Inc. As at November 30, 2008	
Cash flows used in operating activities	$	(1,531,208)	$	(1,847,815)
Cash flows from financing activities		(37,300)		6,680,018
Cash flows used in investment activities		1,237,841		(3,465,054)
Cash increase		(330,667)		1,367,149
Cash end of year	$	275,730	$	2,320,092

Cash flows used for operating activities amounted to $1,531,208 for the six-month period ended November 30, 2009, compared to $1,847,815 for the corresponding 2008 period. This decrease is mainly attributable to deferred revenues which increased considerably during the second quarter.

During the six-month period ended November 30, 2009, repayment of long-term debt was $37,300. During the six-month period ended November 30, 2008 financing activities amounted to $6,680,018 as a result of a $7,671,514 public offering, of which $1,797,515 was recorded to the contributed surplus.

During the six-month period ended November 30, 2009, the Company cashed a $1,525,000 guaranteed investment certificate, acquired fixed assets for a net value of $99,554 and $187,605 in intangible assets. For the corresponding period ended November 30, 2008, The Company acquired a $3,000,000 guaranteed investment certificate, fixed assets for a net value of $316,133 and $148,921 in intangible assets.

The net cash increase (decrease) from the three types of activities amounts to $(330,667) for the six-month period ended November 30, 2009 and $1,367,149 for the six-month period ended November 30, 2008.

CASH FLOWS AND LOANS

According to management, in addition to $1,389,483 available, the cash flows required to finance our operating activities will come from revenues generated through agreements with pharmaceutical corporations using the ZRx Pharma communication network, as well as transactional revenues from pharmacists using our e-Pic communication network which allows the capture (scan), the transfer and/or the reception of prescription information electronically from physicians using the ZRx Prescriber.

BELOW-THE-LINE ARRANGEMENTS

There were no below-the-line arrangements or arrangements likely to have an impact on our operating results or our financial situation.

RELATED PARTY TRANSACTIONS

During the six-month period ended November 30, 2009, the Company paid professional fees totalling $42,000 to one corporation owned by shareholder and officer. As at November 30, 2009, accounts payable include an amount of $7,000 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.

OUTSTANDING SHARES, OPTIONS AND WARRANTS AS AT JANUARY 11, 2010

Common shares	98,341,785
Warrants to agent and investors	13,205,747
Stock options in accordance with the stock option plan	9,736,500

ACCOUNTING ESTIMATES AND PRINCIPLES

Preparation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles requires that management formulate estimates and assumptions affecting the amounts recorded in our financial statements and related notes. These estimates are based on management's best knowledge of current events, as well as actions, which the Company may take in the future. While actual results may differ from the estimates provided.

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. The notes 2, 15 and 16 of the financial statements describe the assumptions used.

The Company initiated a 10% rolling stock option plan. In accordance with the section 3870 of the Canadian Institute of Chartered Accountants (CICA) Handbook, "Stock-based compensation and other stock-based payments", the Company uses the fair value based method of accounting for all stock options granted. According to this method, the compensation expense in regard of the stock options is measured at the grant date's estimated fair value, using an option-pricing model (Black & Scholes), and is recognized during the grant date period, the counterpart being recognized as contributed surplus.

CHANGES IN ACCOUNTING POLICIES

On June 1, 2008, the Company adopted the new accounting standards related to: Section 1535 -"Capital Disclosures", Section 3862 - "Financial Instruments - Disclosures", Section 3863 - "Financial Instruments – Presentation" and Section 3031 - "Inventories". Figures for periods prior to June 1, 2008 were not restated.

Capital Disclosures (Section 1535)

This section establishes disclosure requirements concerning capital such as: qualitative information about an entity's objectives, policies and processes for managing capital; quantitative data about what it is defined as capital; whether the entity has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance. For additional information regarding the adoption of these new rules, see note 18.

Financial instruments – Disclosure and Presentation (Sections 3862 and 3863)

These new standards replace Section 3861 - "Financial Instruments – Disclosure and Presentation", revising and enhancing disclosure requirements. Presentation requirements remain unchanged.

Inventories (Section 3031)

In March 2007, the CICA published Section 3031 - "Inventories", which aligns accounting for inventories under Canadian GAAP with International Financial Reporting Standards ("IFRS"). This new standard provides more guidance on the measurement and disclosure requirements for inventories. It requires the measurement of inventories at the lower of cost and net realizable value and includes guidance on the determination of cost, including allocation of overheads and other costs incurred in bringing the inventories to their present location and condition. The standard also requires, for fungible inventories, the use of either first in, first out ("FIFO") or weighted average cost formula to measure the cost of inventories.

Besides the disclosure requirements under the terms of the Sections described above, the adoption of these new standards had no material impact on the Company's consolidated financial statement.

Intangible assets

In November 2007, the CICA issued Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets", and section 3450, "Research and Development Costs". Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section will be applicable to financial statement relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the new standards for its fiscal year beginning June 1, 2008. It establishes standards for the recognition of goodwill and intangible assets by profits-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of these new standards had no material impact on the Company's consolidated financial statement.

FUTURES CHANGES IN ACCOUNTING POLICIES

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In December 2008, the CICA approved three new accounting standards Handbook Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-Controlling Interests, replacing Section 1581, Business Combinations and Section 1600, Consolidated Financial Statements. Section 1582 provides the Canadian equivalent to IFRS 3 – Business Combinations (January 2008) and Sections 1601 and 1602 to IAS 27 – Consolidated and Separate Financial Statements (January 2008). Section 1582 requires additional use of fair value measurements, recognition of additional assets and liabilities, and increased disclosure for the accounting of a business combination.

The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Entities adopting Section 1582 will also be required to adopt Sections 1601 and 1602. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

These standards will require a change in the measurement of non-controlling interest and will require the non-controlling interest to be presented as part of shareholders' equity on the balance sheet. In addition, the net earnings will include 100% of the subsidiary's results and will be allocated between the controlling interest and non-controlling interest. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted. All three standards are effective at the same time Canadian public companies will have adopted IFRS, for fiscal year beginning on or after January 1, 2011.

The Company is currently evaluating the impact of this standard on its consolidated financial statements.

International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed January 1, 2011 as the date that IFRS will replace current Canadian GAAP for publicly accountable enterprises. Even if Canadian GAAP and IFRS are both principles-based and use comparable conceptual frameworks, there are significant recognition, measurement, presentation and disclosure differences. In the period leading up to the changeover, the AcSB expect to issue converged accounting standards, intentionally mitigating the impact of adopting IFRS at the changeover date.

We plan to prepare our interim and annual financial statements in accordance with IFRS for periods commencing June 1, 2011. Currently, the Company assesses the impact on the recognition and measurement of certain financial statement items according to IFRS. In the next interim financial report, the Company will be able to demonstrate some preliminary findings.

As mentioned in Note 4 of the interim financial statements, you will find below a table explaining our transition plan and a table of our preliminary conclusions.

Our IFRS changeover plan

We have developed a detailed changeover plan, comprised of four phases expected to be completed according to the following timeline:

Phase	Selected key activities	Expected completion date
Diagnostic	. Identify significant high-level differences between the existing Canadian GAAP and IFRS, as relevant to our specific instance.	Completed
Design and planning	. Establish project strategy, infrastructure and timeframe;	Completed
	. Identify internal stakeholders that may be affected by the changeover;	Completed
	. Train the core project team;	Completed
	. Raise awareness across the organization.	Completed
Solution development	. Perform a detailed review of all relevant IFRS standards to identify differences with our current accounting policies;	In progress
	. Select new accounting policies under IFRS including those in accordance with IFRS-1	During 2010 fiscal year
	. Develop a model for our IFRS financial statements;	During 2010 fiscal year
	. Design a process to prepare the IFRS comparative information;	During 2010 fiscal year
	. Identify effect on other internal and external stakeholders.	During 2010 fiscal year
Implementation	. Gathering information and testing necessary changes in processes and systems;	During 2010 fiscal year
	. Prepare the opening balance sheet according to IFRS;	During 2011 fiscal year
	. Prepare the comparative financial statements according to IFRS;	During 2011 fiscal year
	. Prepare interim and annual financial statements according to IFRS;	During 2012 fiscal year

Preliminary conclusions

The following are some of our key preliminary conclusions with respect to the recognition and measurement of certain financial statement items, based on current IFRS. Other key analyses are progressing well, but preliminary conclusions have not yet been reached and as such were not reported in this table. The impact of some of the analyses not reported below could be significant, and will be reported once conclusions are reached.

Standards	Preliminary conclusions	Potential impact
Revenue	Existing Canadian standards are substantially convergent with IFRS regarding revenue recognition.	Not expected to have a significant impact on revenue recognition.
Fixed Assets	According to IFRS, corporations are allowed to adopt two accounting methods. IFRS provides a choice between “cost model» and “revaluation model» for accounting recognition of fixed assets.	We do not expect to use the “revaluation model» following our “cost vs. benefits” preliminary assessment.
	The “cost model” converges with existing Canadian standards, except for the requirement to breakdown fixed asset costs of important elements for depreciation purposes.	The breakdown costs of important elements method will not have a significant impact.
Intangible Assets	According to IFRS, corporations are allowed to adopt two accounting methods. IFRS provides a choice between “cost model» and “revaluation model» for accounting recognition of intangible assets.	We do not expect to use the “revaluation model“, since there is no active market for the intangible assets owned by our Company.
Impairment of long-lived assets	Existing Canadian standards regarding the impairment of long-lived assets, including depreciable intangible assets, use a two step recoverability test. Step one, requires a company to estimate the future undiscounted cash flows expected from the use of that asset and its eventual disposition.	The difference between the impairment of long-lived assets evaluations will probably generate more frequent accounting recognition of revaluations. As at the convergence date, which is June 1, 2010, we will proceed with an evaluation of new impairment indicators susceptible to cause a revaluation of the impairment of long-lived assets, in accordance with IFRS.
	IFRS require using the present value of future cash flows. (Defined in IFRS as the “Value in use”). Regarding these assets, IFRS approach requires that impairment loss be calculated if "impairment indicators" exist.	We are not, at this time, in position to determine if impairment losses will have to be recognized as at the convergence date

Long term debt	When an entity does not meet a long term debt obligation before its financial year end, obligations to classify long term debts as a current liability are more constraining under IFRS.	Not expected to have a significant impact, taking into account the Company's capital and limited debt obligations.
Financial instruments	Although existing Canadian standards are, substantially convergent with IFRS, ongoing changes are made by the IASB. CICA expects to immediately include some changes in order to reduce differences with international standards, as changeover occurs.	Considering the already applied reclassification and the nature of the Company's financial instruments, the modifications are not expected to have a significant impact. We will continuously follow up on possible future changes that could potentially have an impact.
Stock based compensation expenses	Existing Canadian standards are generally convergent with IFRS, although there are some noteworthy differences.	Taking into account our stock option attributes, it is not expected to have a significant impact.

CONTROLS AND PROCEDURES

The Company's President and Chief Executive Officer and Chief Financial Officer have reviewed the disclosure controls and procedures as required by Multilateral Instrument 52-109 of the Canadian Securities Administrators.

The Company's President and Chief Executive Officer and Chief Financial Officer have concluded that, to the best of their knowledge, there have been no changes to the Company's internal controls over financial reporting during the most recent quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal controls aver financial reporting. In conclusion, after analysis of controls and procedures and to the best of their knowledge, Company's President and Chief Executive Officer and the Chief Financial Officer consider that the controls and procedures are adequate.

RISKS AND UNCERTAINTIES

Credit risk management

The Company extends credit to its customers in normal course of business. Ongoing credit assessments are conducted and the balance sheet reflects the allowance for doubtful accounts. No qualitative assessments were conducted, since the management believes the credit risk is immaterial.

Interest rate risk management

The Company does not have any variable rate debt. Furthermore, the Company invests its cash in financial instruments bearing guaranteed interest. These financial instruments represent a minimal risk for the Company.

Market risk
The future performance of ZoomMed and its subsidiary is dependent on the continued popularity of its existing products and its ability to develop and introduce products that gain acceptance and satisfy consumer preferences in targeted markets. The popularity of any of its products may decline over time as consumer preferences change or as new competing products are introduced in targeted markets. The development of new systems and their distribution within the targeted market, require significant investments.

Liquidity risk

In order to meet additional capital requirements, ZoomMed may consider collaborative arrangements and additional public or private financing to fund all or a part of particular product development programs. Private financing could include the issuance of debt and the incurrence of additional equity securities, which could result in dilution to shareholders. There can be no assurance that additional funding will be available. The Company manages this risk by establishing detailed cash forecasts, as well as long-term operating and strategic plans. According to these forecasts, cash flows for operating activities will be generated by pharmaceutical corporation contracts and transaction revenues generated through the use, by pharmacists, of our prescription information communication network.

Key personnel risk

Recruiting and retaining qualified personnel is essential to ZoomMed and its subsidiary's success. We believe that we have been successful in recruiting excellent personnel to help them meet their objectives but, as their activities grow, it is possible that additional key financial, administrative, research and marketing personnel will be required. Although ZoomMed and its subsidiary believe that they will be successful in attracting qualified personnel, there can be no assurance to that effect.

CONTINUOUS DISCLOSURE AND SUPPLEMENTARY INFORMATION

ZoomMed files its consolidated financial statements, its management's discussion and analysis, its press releases and other required filing documents on SEDAR's database at www.sedar.com.