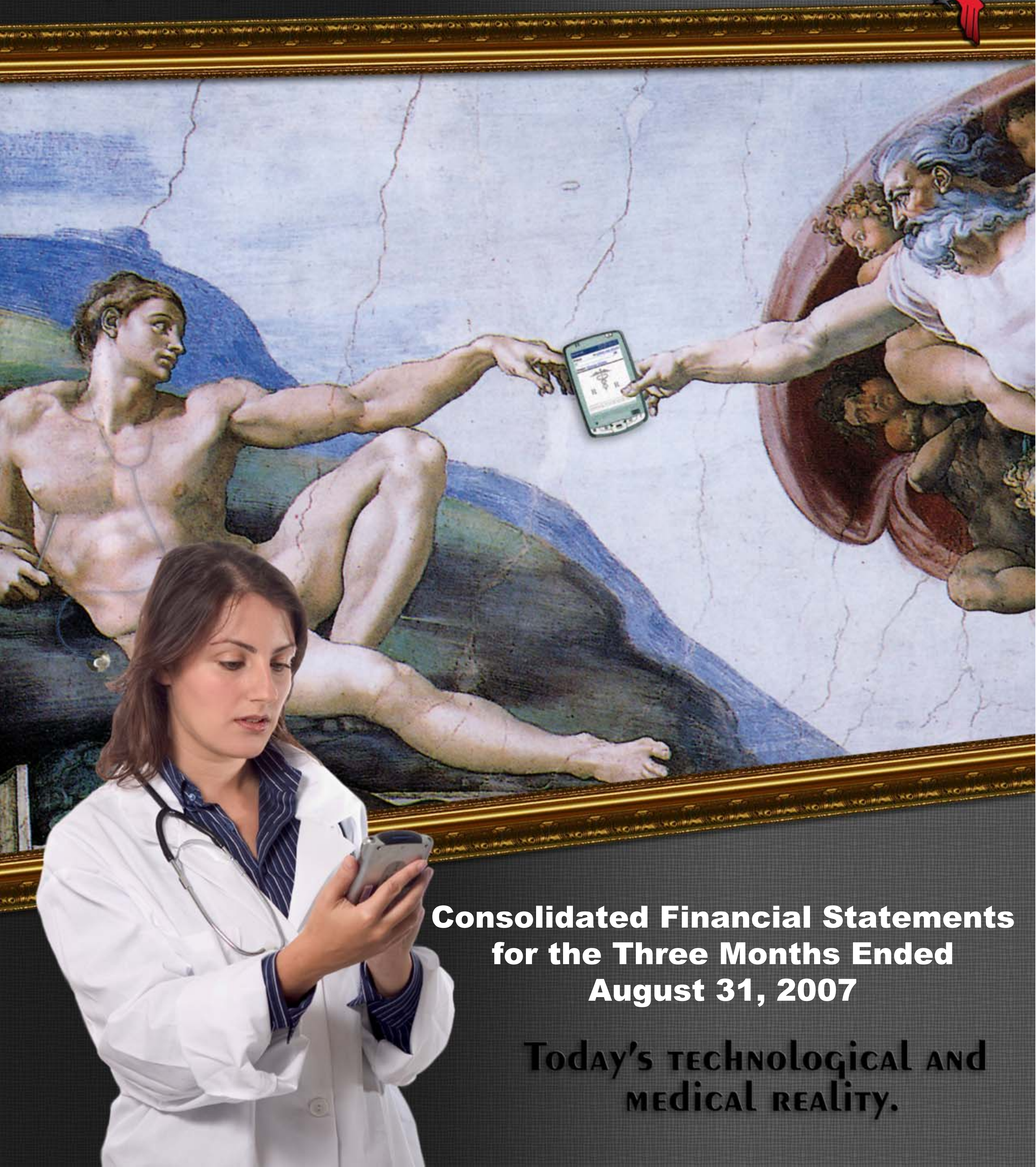
ZOOMMED

Empowering Doctors



Consolidated Financial Statements for the Three Months Ended August 31, 2007

Today's technological and medical reality.

To the shareholders of
ZOOMMED INC.

MANAGEMENT COMMENTS

The financial statements of ZoomMed Inc. for the period ended August 31, 2007 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.

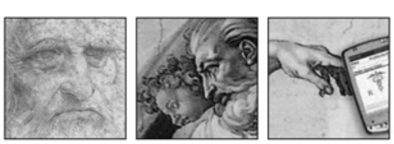
The Company complies with its TSX Venture Exchange listing agreement. The Company maintains rigorous systems of internal accounting and administrative controls to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the assets are correctly accounted 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 three-month periods ended August 31, 2007 and 2006, as well as related comparative data, have not been reviewed or audited by external auditors.

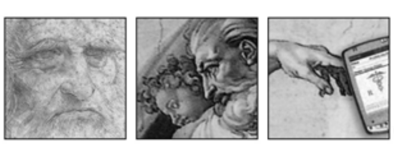
October 23, 2007

Yves Marmet,
President and Chief Executive Officer



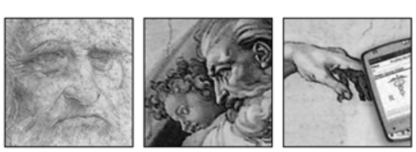
INTERIM FINANCIAL REPORT
AS AT AUGUST 31, 2007

CONSOLIDATED INTERIM FINANCIAL STATEMENTS



CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE-MONTH PERIOD ENDED AUGUST 31, 2007 AND 2006

	August 31, 2007 (3 months) (unaudited)	August 31, 2006 (3 months) (unaudited)
REVENUES (Note 4)	$ 288,452	$ 192,767
OPERATING EXPENSES		
Cost of goods sold	58,964	91,744
Selling expenses	288,309	216,021
Administrative expenses	243,513	342,381
Operating expenses	157,386	39,399
Financial expenses (Note 4)	7,631	6,065
Amortization (Note 4)	220,725	17,378
	976,528	712,988
LOSS BEFORE NON-CONTROLLING INTEREST	(688,076)	(520,221)
NON-CONTROLLING INTEREST	(1,750)	(1,750)
NET LOSS	$ (689,826)	$ (521,971)
BASIC AND DILUTED EARNINGS PER SHARE	$ (0.010)	$ (0.012)
WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES	71,331,147	42,587,492



CONSOLIDATED BALANCE SHEETS
AS AT AUGUST 31, 2007 AND AT MAY 31, 2006

		August 31, 2007 (unaudited)		May 31, 2007 (audited)
ASSETS				
CURRENT ASSETS				
Cash	$	1,196,489	$	5,087,056
Guaranteed investment certificate, 4.65 % (2.75 % in May 31, 2006)		1,025,000		32,852
Accounts receivable (Note 5)		382,754		471,148
Inventories		115,765		139,372
Prepaid expenses		18,286		21,319
		2,738,294		5,751,747
GUARANTEED INVESTMENT CERTIFICATES (Note 6)		2,000,000		-
FIXED ASSETS (Note 7)		669,663		516,246
INTANGIBLE ASSETS (Note 8)		2,847,747		2,935,880
OTHER ASSETS (Note 9)		861,460		761,073
	$	9,117,164	$	9,964,946
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable (Note 11)	$	598,725	$	666,552
Deferred revenues		279,167		369,167
Current portion of long-term debt		57,616		93,090
		935,508		1,128,809
LONG-TERM DEBT (Note 12)		20,250		20,250
LEASE INDUCEMENT		6,297		6,758
NON-CONTROLLING INTEREST		214,583		212,833
		1,176,638		1,368,650
SHAREHOLDERS' EQUITY				
SHARE CAPITAL (Note 14)		14,460,415		14,426,660
WARRANTS (Note 16)		849,500		851,500
CONTRIBUTED SURPLUS		1,653,220		1,656,275
DEFICIT		(9,022,609)		(8,338,139)
		7,940,526		8,596,296
	$	9,117,164	$	9,964,946

ON BEHALF OF THE BOARD

Director

Director

CONSOLIDATED STATEMENTS OF DEFICIT AND CONTRIBUTED SURPLUS
FOR THE THREE-MONTH PERIOD ENDED AUGUST 31, 2007 AND 2006

	August 31, 2007 (3 months) (unaudited)	August 31, 2006 (3 months) (unaudited)
DEFICIT		
BALANCE, BEGINNING OF YEAR	$ (8,338,139)	$ (3,185,980)
Changes in accounting policies (Note 3)	5,356	-
Net loss	(689,826)	(521,971)
Share issue expenses	-	(70,935)
BALANCE, END OF YEAR	$ (9,022,609)	$ (3,778,886)

	August 31, 2007 (3 months) (unaudited)	August 31, 2006 (3 months) (unaudited)
CONTRIBUTED SURPLUS		
BALANCE, BEGINNING OF YEAR	$ 1,656,275	$ 412,600
Fair market value of stock options granted (Note 15)	-	140,137
Exercised options	(3,055)	-
BALANCE, END OF YEAR	$ 1,653,220	$ 552,737

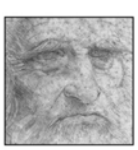
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED AUGUST 31, 2007 AND 2006



	August 31, 2007 (3 months) (unaudited)	August 31, 2006 (3 months) (unaudited)
OPERATING ACTIVITIES		
Net loss	$ (689,826)	$ (521,971)
Amortization	221,106	17,378
Amortization of long-term debt using the effective interest rate method	879	-
Non-controlling interest	1,750	1,750
Stock-based compensation	-	140,137
Loss on disposal of fixed assets	3,877	2,996
Lease inducement	(461)	(461)
	(462,675)	(360,171)
Net change in non-cash working capital items	(42,792)	(26,067)
Cash flows used in operating activities	(505,467)	(386,238)
FINANCING ACTIVITIES		
Repayments of long-term debt	(30,777)	(59,964)
Share issuance	28,700	1,800,000
Warrant issuance	-	200,000
Share issue expenses	-	(70,935)
Cash flows from financing activities	(2,077)	1,869,101
INVESTING ACTIVITIES		
Acquisition of guaranteed investment certificates	(3,025,000)	-
Proceeds from disposal of a guaranteed investment certificate	32,852	48,730
Acquisition of fixed assets	(206,618)	(44,239)
Acquisition of other assets	-	(2,080)
Increase in deferred development costs	(184,256)	(107,856)
Cash flows used in investing activities	(3,383,022)	(105,445)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,890,567)	1,377,418
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,087,056	590,901
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,196,489	$ 1,968,319

Cash flows related to operating activities include interest paid in the amount of $1,986 in 2007 compared to $2,163 in 2006.

Cash and cash equivalents include cash.



NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT AUGUST 31, 2007
(Unaudited)

1. IDENTIFICATION AND INDUSTRY

The Company was incorporated under the Canada business Companys 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.

The Company is committed to three business missions:

1) the *ZRx Prescriber*, an innovative product for physicians;
2) ZoomCité franchises, providing paramedical equipment to the general public; and
3) providing paramedical equipment to franchisees and to healthcare agencies.

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 from the sale of equipment and services are recognized as soon as the merchandise leaves the warehouse or the services are rendered. Revenues derived from annual advertising contracts are recognized on a straight-line basis over the term of the related agreements.

For the franchises, revenues from the initial fee are recognized when the franchisor has fulfilled most of the important obligations related to the creation of the franchise. Revenue from the sale of equipment 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 sign	Declining balance	20 %
Computer equipment	Declining balance	30 %
Computer equipment for ZRx Prescriber	Declining balance	30 %
Leasehold improvements	Straight-line	10 %

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, starting November 2006.

Other assets

a) Development costs

The development costs include the development of prescribing software using the web technology and of a sales portal. They will be amortized on a straight-line basis over of three-year period starting with the implementation thereof in November 2006.

The Company reviews the recoverability of the deferred development costs valuing the future forecasted cash flows related to the marketing of the products to which these fees refer as to determine whether there is a reduction in the recoverable value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

b) Long-term debt issue expenses

Long-term debt issue expenses 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 amounts. Investment tax credits related to development costs are applied against capitalized costs.

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 change in circumstances 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 company by way of 200,000 Class B shares of 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.

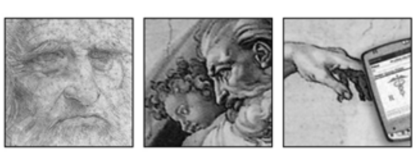
Stock-based compensation

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 contributed surplus.

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.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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 antidilutive 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 debt 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.

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.

3. CHANGES IN ACCOUNTING POLICIES (CONT.)

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

	2007	2006
a) Revenue:		
Sales	$ 220,410	$ 191,314
Interest income	50,059	1,453
Revenues from franchisees, in net	17,983	-
	$ 288,452	$ 192,767
b) Financial expenses:		
Interest on long-term debt	$ 1,986	$ 2,163
Interest and bank charges	5,264	3,342
Amortization of deferred financing costs	381	560
	$ 7,631	$ 6,065
c) Amortization:		
Amortization of fixed assets	$ 49,325	$ 12,744
Amortization of intangible assets	73,550	4,634
Amortization of other assets	97,850	-
	$ 220,725	$ 17,378

5. ACCOUNTS RECEIVABLE

	August 31, 2007	May 31, 2007
Accounts receivable	$ 102,988	$ 225,109
Research and development tax credits	193,786	193,786
Accrued interest receivable	24,903	-
Sales tax receivable	61,077	52,253
	$ 382,754	$ 471,148

6. GUARANTEED INVESTMENT CERTIFICATES

	August 31, 2007	May 31, 2007
Guaranteed investment certificate, 4.75 % (Maturing June 29, 2009)	$ 1,000,000	$ -
Guaranteed investment certificate, 4.95 % (Maturing June 29, 2010)	1,000,000	-
	$ 2,000,000	$ -

7. FIXED ASSETS

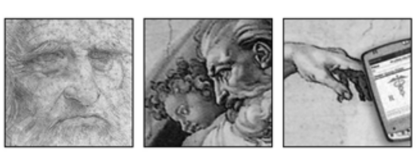
	August 31, 2007		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Vehicles	$ 1,185	$ 465	$ 720
Machinery and equipment	18,585	12,417	6,168
Furniture and sign	100,674	27,074	73,600
Computer equipment	148,770	53,466	95,304
Computer equipment for Prescriber ZRx	508,627	70,794	437,833
Leasehold improvements	78,051	22,013	56,038
	$ 855,892	$ 186,229	$ 669,663

	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

	August 31, 2007		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized intangible assets			
Web site	$ 26,200	$ 26,200	$ -
Software	4,322	3,565	757
SantéXpert™ license	175,000	43,749	131,251
Intellectual property	2,935,934	220,195	2,715,739
	$ 3,141,456	$ 293,709	$ 2,847,747

	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

		August 31, 2007		May 31, 2007
Deferred development costs, at amortized cost	$	861,680	$	761,073

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

The Company recorded depreciation of $83,267 for deferred development costs during the period.

10. GOODWILL



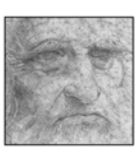
		August 31, 2007		May 31, 2007
BALANCE, BEGINNING OF YEAR	$	-	$	96,592
Impairment		-		(96,592)
BALANCE, END OF YEAR	$	-	$	-

Year ended May 31, 2007

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

11. ACCOUNTS PAYABLE

		August 31, 2007		May 31, 2007
Accounts payable and accrued liabilities	$	420,112	$	512,845
Wages and deductions at source		154,463		129,557
Advance from a shareholder, without interest		24,150		24,150
	$	598,725	$	666,552



12. LONG-TERM DEBT

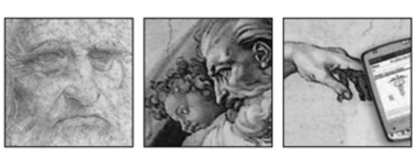
	August 31, 2007	May 31, 2006
Loan, interest at prime rate plus 3%, secured by a movable hypothec on the universality of not specifically mortgaged assets, maturing May 2007 ;	$ -	$ 255
Loan, interest at prime rate plus 2%, secured by the shareholders, monthly capital payment of $845 plus interest, maturing September 2008 (1);	11,130	13,665
Loan, Idée-PME program, non-interest bearing, annual capital payment of $20,250, maturing April 2009;	36,023	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);	15,099	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);	15,614	17,151
Note payable regarding the acquisition of PhysioGélinas, non-interest bearing, secured by the guaranteed investment certificate, maturing August 2007.	-	25,000
	77,866	113,340
Current portion	57,616	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 August 31, 2007.

(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:

2008	2009
$ 57,616	$ 20,250



13. COMMITMENTS

a) As at May 31, 2007, the balance of commitments under operating leases amounts to $742,264.

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

	2008	2009	2010	2011	2012
Leasehold - Head office	$ 100,592	$ 112,551	$ 112,908	$ 55,241	$ -
Leasehold - ZoomCité	42,086	42,504	7,084	-	-
Leasehold - Toronto	57,252	57,252	57,252	57,252	-
Vehicles	5,230	-	-	-	-
Workcentre	7,012	7,012	7,012	7,012	7,012
	$ 212,172	$ 219,319	$ 184,256	$ 119,505	$ 7,012

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

	August 31, 2007	May 31, 2007
71,417,290 common shares (71,293,790 shares as at May 31, 2007)	$ 14,460,415	$ 14,426,660

c) Transactions during 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.

14. SHARE CAPITAL (CONT.)

d) Transactions during 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 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. 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 which were expiring on November 18, 2006, for cash proceeds of $85,000 and warrants with a carrying amount 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 an investor	100,000		26,000
Issued after the exercising of stock options	23,500		7,755
Balance as at August 31, 2007	71,417,290	$	14,460,415

f) Escrowed shares

In accordance with the requirements of the TSX Venture Exchange, all 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.

14. SHARE CAPITAL (CONT.)

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 August 31, 2007, 14,400,000 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 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. 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 three-month period ended August 31, 2007:

	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, 2006	7,120,000	$ 0.35
Awarded	-	$ -
Exercised	(23,500)	$ 0.20
Balance as at May 31,2007	7,096,500	$ 0,35

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

15. STOCK OPTION PLAN (CONT.)

a) As at August 31, 2007

Outstanding options			Exercisable options	
Number	Weighted average outstanding maturity (months)	Weighted average exercise price	Number	Weighted average exercise price
540,000	34	$0.20	540,000	$0.20
1,250,000	36	$0.25	1,250,000	$0.25
1,089,000	43	$0.20	1,089,500	$0.20
760,000	51	$0.20	760,000	$0.20
150,000	53	$0.25	150,000	$0.25
3,307,500	56	$0.50	3,307,500	$0.50
7,096,500	48	$0.35	7,096,500	$0.35

During the period ended August 31, 2007, 23,500 options have been exercised at a price of $0.20. The Company issued 23,500 shares of its share capital.

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:

a) On June 29, 2006, 1,232,500 options entitling the holder to purchase 1,232,500 common shares for $0.20 per share.

b) On November 17, 2006, 760,000 options entitling the holder to purchase 760,000 common shares for $0.20 per share.

c) On January 22, 2007, 150,000 options entitling the holder to purchase 150,000 common shares for $0.25 per share.

15. STOCK OPTION PLAN (CONT.)

d) On April 26, 2007, 3,307,500 options entitling the holder to purchase 3,307,500 common shares for $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:

	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

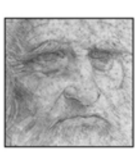


The compensation expense related to the stock option plan amounts to $1,251,275. An amount of $24,000 was applied to issue costs for the year ended May 31, 2007.

16. WARRANTS

The following table summarizes the changes in the plan position for the years ended on May 31, 2007 and for the three-month period ended August 31, 2007:

	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, 2006	22,199,996	$0.34
Warrants exercised	(100,000)	$0.24
Balance as at August 31, 2007	22,099,996	$0.34



16. WARRANTS (CONT.)

a) Transactions during the period

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

The following table summarizes information about the warrants on behalf of the agents and private investors outstanding as at August 31, 2007.

Outstanding warrants			Exercisable warrants	
Number	Weighted average outstanding maturity (months)	Weighted average exercise price	Number	Weighted average exercise price
9,850,000	24	$0.24	9,850,000	$0.24
9,999,996	20	$0.45	9,999,996	$0.45
2,250,000	20	$0.35	2,250,000	$0.35
22,099,996	22	$0.35	22,099,996	$0.35

b) Transactions during 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 of the warrants is $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 of the warrants is $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 warrant at $0.45 for an eighteen-month period following the issuance date. The fair value of the warrants is $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 the 10,000,000 warrants and $0.03 for 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 August 31, 2007

During the three-month period, the Company paid professional fees totaling $19,225 to one company owned by shareholders and officers (RSP Management Inc.). As at August 31, 2007, accounts payable include an amount of $10,600 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.

Period ending August 31, 2006

During the three-month period, the Company paid professional fees totaling $116,004 to two companies owned by shareholders and officers. Amounts of $106,254 to Funtastica Divertissements Inc. and $9,750 to RSP Management Inc. As at August 31, 2006, accounts payable include an amount of $9,750 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 Company's activities are divided in three reportable segments:

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

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

	Pres-criber	Équip-ment	Fran-chises	Head Office	Total
Revenue and expenses					
Sales	$ 120,000	$ 100,410	$ 17,983	$ -	$ 238,393
Interest income	-	524	-	49,535	50,059
	120,000	100,934	17,983	49,535	288,452
Cost of goods sold	-	58,964	-	-	58,964
Selling expenses	120,561	66,659	16,417	84,672	288,309
Administrative expenses	40,176	15,417	-	187,920	243,513
Operating expenses	121,803	-	-	35,583	157,386
Financial expenses	-	5,423	-	1,329	6,752
Amortization	171,400	47,022	-	2,303	220,725
Non-Controlling interest	-	1,750	-	-	1,750
Total expenses	453,940	195,235	16,417	311,807	977,399
Segment earnings before income taxes	$ (333,940)	$ (94,301)	$ 1,566	$ (262,272)	$ (688,947)

For 2006, 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:

	August 31, 2007	May 31, 2007
Supply of paramedical equipment	$ 720,058	$ 655,417
ZRx Prescriber segment	8,397,326	9,309,529
	$ 9,117,384	$ 9,964,946

18. SEGMENT DISCLOSURES (CONT.)

Acquisitions of fixed assets and other intangible assets for the period are as follows:

	August 31, 2007	August 31, 2006
Supply of paramedical equipment	$ 6,764	$ 19,621
ZRx Prescriber segment	384,110	134,554
	$ 390,874	$ 154,175

19. SUBSEQUENT EVENTS

On September 4, 2007, the Company granted 45,000 options under the stock option plan. Each option entitles the holder to acquire one common share of the Company for $0.40, under escrow until January 5, 2008.

On October 6, 2007, the Company granted 100,000 options under the stock option plan. Each option entitles the holder to acquire one common share of the Company for $0.40, under escrow until February 7, 2008.

20. COMPARATIVE FIGURES

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