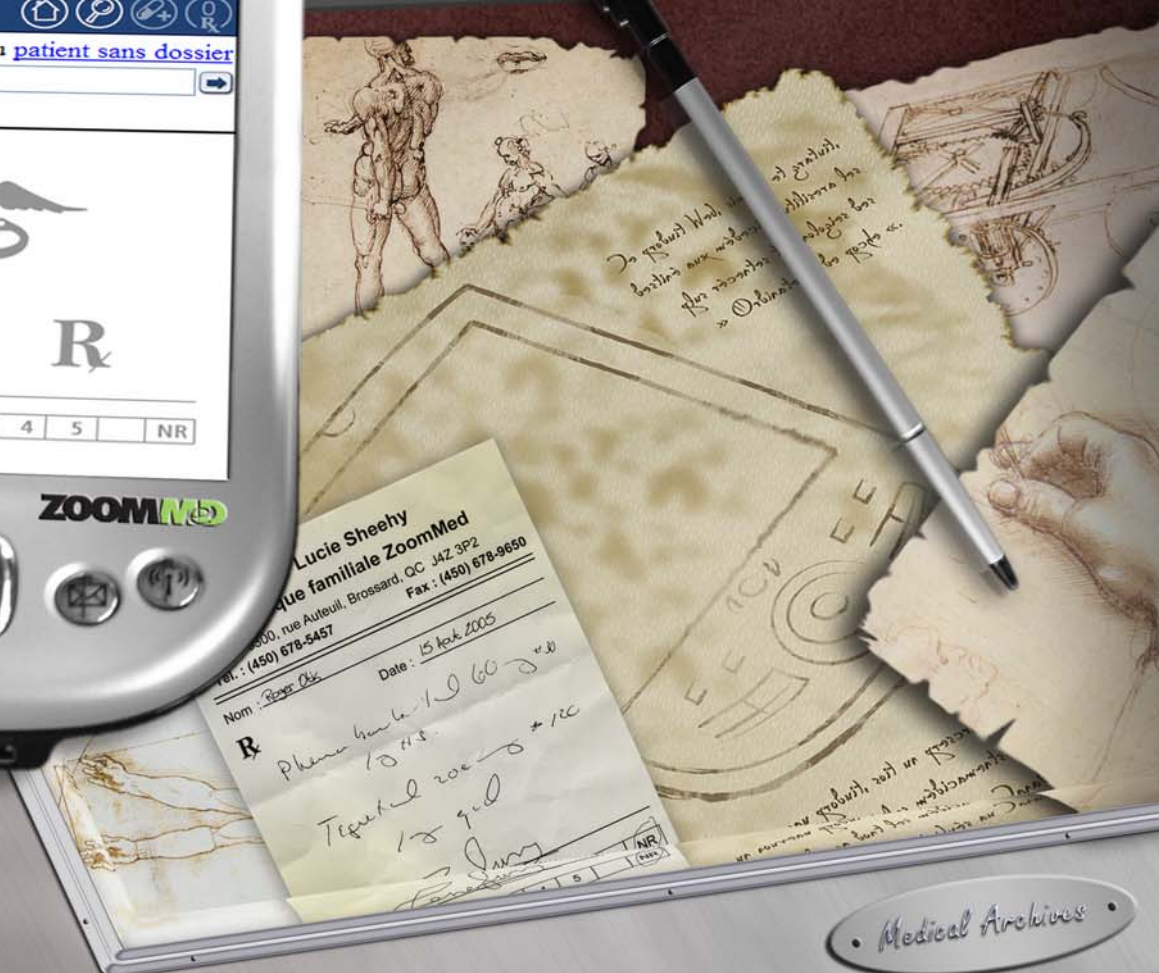
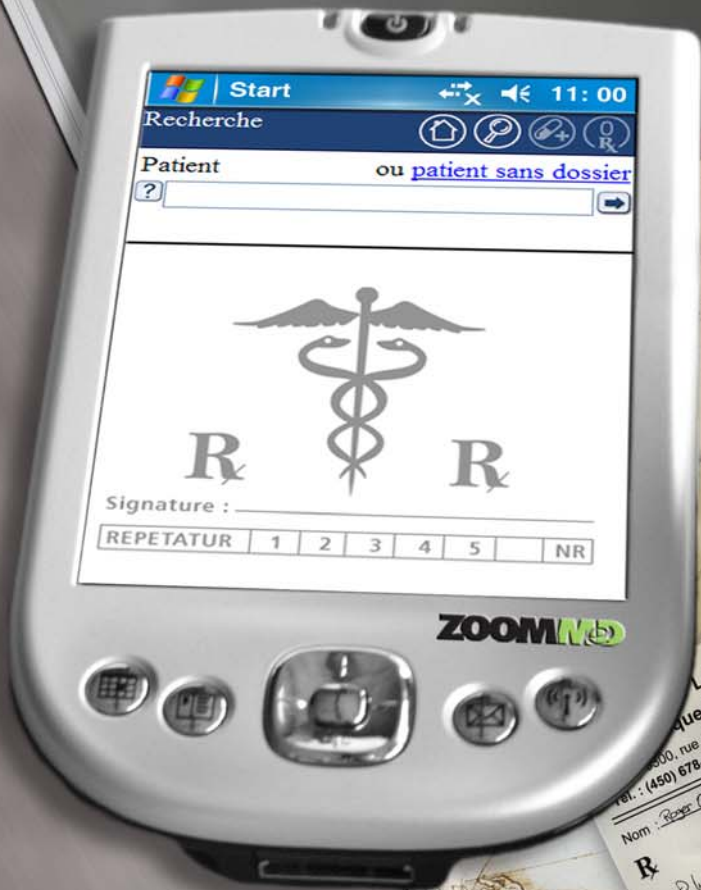


ZOOM^{MD}



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Nom : Roger Oke Date : 15 mai 2005
Rx Phenylephrine 10 mg
10 H.S.
Repetatur 2 fois + 10
12 gnd
[Signature]

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**INTERIM FINANCIAL REPORT
AS AT AUGUST 31, 2006**

CONSOLIDATED FINANCIAL STATEMENTS

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Statement of cash flows	4
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CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE-MONTH PERIOD ENDED AUGUST 31, 2006
(Unaudited)

	August 31, 2006 (3 months) (unaudited)	August 31, 2005 (3 months) (unaudited)
REVENUES	\$ 192,767	\$ 163,706
COST OF GOODS SOLD	91,453	55,888
GROSS PROFIT	101,314	107,818
OPERATING EXPENSES		
Administrative expenses	381,779	562,294
Selling expenses	216,313	175,067
Financial expenses (Note 3)	6,065	11,419
Amortization (Note 3)	17,378	2,983
	621,535	751,763
LOSS BEFORE NON-CONTROLLING INTEREST	(520,221)	(643,945)
NON-CONTROLLING INTEREST	(1,750)	-
NET LOSS	\$ (521,971)	\$ (643,945)
BASIC AND DILUTED EARNINGS PER SHARE	\$ (0,016)	\$ (0,029)
WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES	33,135,838	22,375,000

**CONSOLIDATED BALANCE SHEET
AS AT AUGUST 31, 2006
(Unaudited)**

	August 31, 2006 (unaudited)	August 31, 2005 (unaudited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 1,968,319	\$ 804,401
Guaranteed investment certificate, 2,70 %	58,778	155,000
Accounts receivable (Note 4)	132,984	205,220
Inventory	199,547	261,738
Prepaid expenses	28,561	35,817
	2,388,189	1,462,176
FIXED ASSETS (Note 5)	223,043	46,338
INTANGIBLE ASSETS (Note 6)	2,939,948	2,941,609
OTHER ASSETS (Note 7)	624,884	924,883
FUTURE INCOME TAXES	-	14,236
GOODWILL (Note 8)	96,592	142,301
	\$ 6,272,656	\$ 5,531,543
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	\$ -	\$ 14,476
Demand loan	-	50,000
Accounts payable (Note 9)	375,813	307,747
Current portion of long-term debt	135,442	181,383
	511,255	553,606
LONG-TERME DEBT (Note 10)	82,564	364,685
LEASE INDUCEMENT	8,141	-
FUTURE INCOME TAXES	-	587,548
MINORITY INTEREST	207,583	200,000
	809,543	1,705,839
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 11)	8,451,576	4,495,616
WARRENTS (Note 13)	237,686	-
CONTRIBUTED SURPLUS	552,737	412,600
DEFICIT	(3,778,886)	(1,082,512)
	5,463,113	3,825,704
	\$ 6,272,656	\$ 5,531,543

ON BEHALF OF THE BOARD

 Director
 Director

**CONSOLIDATED STATEMENT OF DEFICIT AND CONTRIBUTED SURPLUS
FOR THE THREE-MONTH PERIOD ENDED AUGUST 31, 2006
(Unaudited)**

	August 31, 2006 (3 months) (unaudited)	August 31, 2005 (3 months) (unaudited)
DEFICIT		
BALANCE, BEGINNING OF PERIOD	\$ (3,185,980)	\$ (462,026)
Net loss	(521,971)	(643,945)
Deferred financial fees	(70,935)	-
Impact of reverse takeover on future income taxes due to fluctuation in income tax rates	-	23,459
BALANCE, END OF PERIOD	\$ (3,778,886)	\$ (1,082,512)

CONTRIBUTED SURPLUS

BALANCE, BEGINNING OF PERIOD	\$ 412,600	\$ -
Fair market value of stock options from the reverse takeover	-	124,600
Fair market value of stock options granted	140,137	288,000
BALANCE, END OF PERIOD	\$ 552,737	\$ 412,600

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED AUGUST, 2006
(Unaudited)**

	August 31, 2006 (3 months) (unaudited)	August 31, 2005 (3 months) (unaudited)
OPERATING ACTIVITIES		
Net loss	\$ (521,971)	\$ (643,945)
Amortization	17,378	3,336
Non-controlling interest	1,750	-
Stock-based compensation	140,137	288,000
Loss (gain) on disposal of fixed assets	2,996	-
Lease inducement	(460)	-
	<u>(360,170)</u>	<u>(352,609)</u>
Net change in non-cash working capital items	(26,066)	25,518
Cash flow used in operating activities	<u>(386,236)</u>	<u>(327,091)</u>
FINANCING ACTIVITIES		
Repayments of long-term debt	(59,964)	(35,310)
Share issuance	1,800,000	-
Warrants	200,000	-
Share issue expenses	(70,937)	-
Cash flows from financing activities	<u>1,869,099</u>	<u>(35,310)</u>
INVESTING ACTIVITIES		
Proceeds from disposal of a guaranteed investment certificate	48,730	-
Cash flows issued from reverse takeover	-	1,359,123
Acquisition of a guaranteed investment certificate	-	(155,000)
Acquisition of fixed assets	(44,239)	(11,765)
Acquisition of other assets	(2,080)	(4,650)
Increase in deferred development costs	(107,856)	(50,115)
Cash flow from investing activities	<u>(105,445)</u>	<u>1,137,593</u>
CASH AND CASH EQUIVALENTS INCREASE (DECREASE)	1,377,418	775,191
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	590,901	14,734
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 1,968,319	\$ 789,925

Cash flows related to operating activities include interest paid of \$2,163 for the 3 month period in 2006 and \$5,178 for the 3 month period in 2005. Cash and cash equivalents include cash less bank overdraft.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AUGUST 31, 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 Médical 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 Médical Inc. The company is now the reporting issuer resulting from the reverse takeover.

The Company is committed to two business missions : 1) developing 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 period consolidated financial statement.

3. INFORMATION ON INCOME

	2006	2005
a) Amortization:		
Amortization of fixed assets	\$ 12,744	\$ 2,151
Amortization of intangible assets	4,634	832
	\$ 17,378	\$ 2,983
b) Financial expenses:		
Interest on long-term debt	\$ 2,163	\$ 5,178
Interest and bank charges	3,342	5,995
Amortization of long-term debt issuance costs	560	246
	\$ 6,065	\$ 11,419

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AUGUST 31, 2006
(Unaudited)**

4. ACCOUNTS RECEIVABLE

	2006		2005	
Accounts receivable	\$	74,141	\$	61,447
Sales tax receivable		58,843		143,773
	\$	132,984	\$	205,220

5. FIXED ASSETS

	2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Vehicles	\$ 20,889	\$ 16,107	\$ 4,782
Machinery and equipment	26,793	15,733	11,060
Furniture and sign	65,565	11,430	54,135
Computer equipment	136,224	27,824	108,400
Leasehold improvements	54,496	9,830	44,666
	\$ 303,967	\$ 80,924	\$ 223,043

	2005		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Vehicles	\$ 30,489	\$ 21,629	\$ 8,860
Machinery and equipment	23,933	13,165	10,768
Furniture and sign	15,665	2,186	13,479
Computer equipment	18,601	10,148	8,453
Leasehold improvements	8,016	3,238	4,778
	\$ 96,704	\$ 50,366	\$ 46,338

6. INTANGIBLE ASSETS

	2006		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized intangible assets			
Web site	\$ 17,840	\$ 13,826	\$ 4,014
Software	3,110	3,110	-
Intellectual property, at unamortized cost	2,935,934	-	2,935,934
	\$ 2,956,884	\$ 16,936	\$ 2,939,948

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AUGUST 31, 2006
(Unaudited)**

6. INTANGIBLE ASSETS (CONT'D)

		2005	
	COST	ACCCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized intangible assets			
Web site	\$ 39,529	\$ 33,970	\$ 5,559
Software	3,110	2,994	116
Intellectual property, at unamortized cost	2,935,934	-	2,935,934
	\$ 2,978,573	\$ 36,964	\$ 2,941,609

7. OTHER ASSETS

	2006	2005
Deferred development costs, at unamortized cost	\$ 597,602	\$ 871,172
Guaranteed investment certificate, 2.70%	25,000	-
Long-term debt issuance costs, amortized	2,282	8,393
Deposit on lease improvements	-	45,318
	\$ 624,884	\$ 924,883

8. GOODWILL

	2006	2005
Balance, beginning of period	\$ 96,592	\$ 45,709
New goodwill for the period		96,592
BALANCE, END OF PERIOD	\$ 96,592	\$ 142,301

9. ACCOUNTS PAYABLE

	2006	2005
Accounts payable and accrued expenses	\$ 325,137	\$ 246,382
Wages and deductions at source	26,526	37,215
Advance from a shareholder, without interest	24,150	24,150
	\$ 375,813	\$ 307,747

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AUGUST 31, 2006
(Unaudited)**

10. LONG-TERM DEBT

	2006	2005
Loan, interest at prime rate plus 3%, secured by a movable hypothec on vehicles, maturing April 2007 ⁽¹⁾ ;	\$ 3,066	\$ 7,666
Loan, interest at prime rate plus 3%, secured by a movable hypothec on the universality of not specifically mortgaged assets, maturing May 2007 ⁽¹⁾ ;	2,550	5,610
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;	12,901	23,715
Loan, interest at prime rate plus 2%, secured by the shareholders, maturing September 2008 ⁽²⁾ ;	21,270	31,410
Loan, Idée-PME program, non-interest bearing, maturing April 2009;	60,750	81,000
Loan, interest at 10% plus 1.5% of the annual income before income taxes, maturing November 2009;	21,039	25,000
Loan, interest at 9%, secured by the shareholders, maturing December 2009;	21,430	25,000
Loan, interest at prime rate plus 1%, secured by Investissement Québec and by a movable hypothec on the universality of tangible assets, repaid before maturity;	-	191,667
Note payable, non-interest bearing, secured by the guaranteed investment certificate, maturing August 2007.	75,000	155,000
	218,006	546,068
Current portion	135,442	181,383
	\$ 82,564	\$ 364,685

(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 August 31, 2006.

(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 August 31, 2006.

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

2007	2008	2009	2010
\$135,441	\$42,980	\$35,179	\$4,313

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AUGUST 31, 2006
(Unaudited)**

11. SHARE CAPITAL

a) Authorized

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

b) Declared

	2006	2005
50,279,800 common shares (29,500,000 in 2005)	\$ 8,451,576	\$ 4,495,616
	\$ 8,451,576	\$ 4,495,616

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.

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
Balance as at August 31, 2006	50,279,800	\$ 8,451,576

12. STOCK OPTION PLAN

The Company initiated a fixed stock option plan according to which awards can be granted to its managers, directors, employees and some of its consultants. Under terms of this plan, 10% of issued Class A shares were reserved. 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AUGUST 31, 2006
(Unaudited)**

12. STOCK OPTION PLAN (CONT'D)

The following table summarizes the changes in the plan position for the period ended on August 31, 2006:

	Options	2006 Average exercise price
Balance as at May 31, 2006	2,810,000	\$0.23
Awarded	1,232,500	\$0.20
Cancelled	(335,000)	\$0.25
Balance, end of year	3,707,500	\$0.23
Options exercisable, end of the period	3,707,500	\$0.23
Dividend yield		Nil
Expected volatility		75%
Risk-free interest rate		4.47%
Expected life		60 months

Non-recurrent payroll charge related to stock option plan amounts to \$ 140,137 for the period ended August 31, 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.

In connection with the issue of 10,779,800 common shares during the year, 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.

During the 2007 first quarter, 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.

As at August 31, 2006, no warrants have been exercised.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AUGUST 31, 2006
(Unaudited)**

13. WARRANTS (CONT'D)

The following table summarizes the information about the brokers' outstanding stock options and warrants as at August 31, 2006:

		2006
	Options / Warrants	Weighted average exercise price
Warrants to brokers	963,365	\$0.20
Warrants to private investors	10,000,000	\$0.24
Balance, end of period	10,963,365	\$0.24

14. SEGMENT DISCLOSURES

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

- a) Development 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. The operating expenses cannot be allocated. The ZRx Prescriber segment is still under development.

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.

Acquisitions of fixed and intangible assets add up to \$154,175 and are all linked to the ZRx Prescriber development.

15. COMPARATIVE FIGURES

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