

**To the shareholders of
ZOOMMED INC.**

NOTICE TO READERS

The financial statements of ZoomMed Inc. for the period ended February 28, 2007 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 nine-month periods ended February 28, 2007 and 2006, as well as related comparative data, have not been reviewed or audited by external auditors.

April 25, 2007



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

**INTERIM FINANCIAL REPORT
AS AT FEBRUARY 28, 2007**

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 NINE-MONTH PERIODS ENDED FEBRUARY 28, 2007 AND 2006
(Unaudited)

	February 28 2007 (3 months) (unaudited)	February 28 2006 (3 months) (unaudited)	February 28 2007 (9 months) (unaudited)	February 28 2006 (9 months) (unaudited)
REVENUES	\$ 159,520	\$ 176,573	\$ 521,888	\$ 544,302
COST OF GOODS SOLD	123,560	96,884	303,764	263,861
GROSS PROFIT	35,960	79,689	218,124	280,441
OPERATION EXPENSES				
Administrative expenses	217,654	190,743	921,048	1,034,168
Operation expenses	114,894	9,951	242,540	28,040
Selling expenses	262,824	234,946	790,870	638,054
Financial expenses (Note 3)	4,976	20,729	16,302	45,575
Amortization (Note 3)	162,775	85,494	260,719	96,068
	763,123	541,863	2,231,479	1,841,905
OPERATING LOSS	(727,163)	(462,174)	(2,013,355)	(1,561,464)
IMPAIRMENT OF GOODWILL	-	-	(96,592)	-
LOSS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	(727,163)	(462,174)	(2,109,947)	(1,561,464)
NON-CONTROLLING INTEREST	(1,750)	-	(5,250)	-
NET LOSS	\$ (728,913)	\$ (462,174)	\$ (2,115,197)	\$ (1,561,464)
BASIC AND DILUTED EARNINGS PER SHARE (Note 11)	\$ (0.014)	\$ (0.015)	\$ (0.044)	\$ (0.056)
WEIGHTED AVERAGE NUMBER OF OUTSTANDING COMMON SHARES (Note 11)	50,704,800	31,502,500	47,882,883	27,792,500

CONSOLIDATED BALANCE SHEETS
AS AT FEBRUARY 28, 2007 AND AS AT MAY 31, 2006

	February 28, 2007 (Unaudited)	May 31, 2006 (audited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 228,100	\$ 590,901
Guaranteed investment certificate, 2,70 %	7,376	107,508
Accounts receivable (Note 4)	498,082	146,793
Inventory	212,091	203,027
Prepaid expenses	21,873	29,391
	967,522	1,077,620
FIXED ASSETS (Note 5)	379,686	194,542
INTANGIBLE ASSETS (Note 6)	2,863,672	2,942,501
OTHER ASSETS (Note 7)	835,306	517,027
FUTURE INCOME TAXES	94,725	-
GOODWILL (Note 8)	-	96,592
	\$ 5,140,911	\$ 4,828,282
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 9)	\$ 537,980	\$ 405,496
Deferred revenues	289,166	14,500
Current portion of long-term debt	69,270	195,699
	896,416	615,695
LONG-TERME DEBT (Note 10)	71,304	82,269
LEASE INDUCEMENT	7,219	8,601
NON-CONTROLLING INTEREST	211,083	205,833
	1,186,022	912,398
SHAREHOLDERS' EQUITY		
SHARE CAPITAL (Note 11)	8,536,576	6,651,576
WARRANTS (Note 13)	237,686	37,688
CONTRIBUTED SURPLUS	521,137	412,600
DEFICIT	(5,340,510)	(3,185,980)
	3,954,889	3,915,884
	\$ 5,140,911	\$ 4,828,282

Audie Harnett Director
Jim Harnett Director

**CONSOLIDATED STATEMENTS OF DEFICIT AND CONTRIBUTED SURPLUS
FOR THE NINE-MONTH PERIODS ENDED FEBRUARY 28, 2007 AND 2006
(Unaudited)**

	February 28 2007 (9 months) (Unaudited)	February 28 2006 (9 months) (Unaudited)
DEFICIT		
BALANCE, BEGINNING OF PERIOD	\$ (3,185,980)	\$ (462,026)
Net loss	(2,115,197)	(1,561,466)
Deferred financial fees	(39,333)	(310,125)
Impact of reverse takeover on future income taxes due to fluctuation in income tax rates	-	23,459
BALANCE, END OF PERIOD	\$ (5,340,510)	\$ (2,310,158)

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	108,537	288,000
BALANCE, END OF PERIOD	\$ 521,137	\$ 412,600

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED FEBRUARY 28, 2007 AND 2006
(Unaudited)**

	February 28 2007 (3 months) (Unaudited)	February 28 2006 (3 months) (Unaudited)	February 28 2007 (9 months) (Unaudited)	February 28 2006 (9 months) (Unaudited)
OPERATIONS ACTIVITIES				
Net loss	\$ (728,912)	\$ (462,176)	\$ (2,115,197)	\$ (1,561,464)
Amortization	163,336	86,345	262,400	98,255
Non-controlling interest	1,750	-	5,250	-
Stock-based compensation	-	-	108,537	288,000
Loss (gain) on disposal of fixed assets	1,588	-	(3,706)	-
Impairment of goodwill	-	-	96,592	-
Lease inducement	(462)	-	(1,382)	-
	(562,700)	(375,831)	(1,647,506)	(1,175,209)
Net change in non-cash working capital items	(166,835)	(480,700)	(40,409)	(335,567)
Cash flows used in operating activities	(729,535)	(856,531)	(1,687,915)	(1,510,776)
FINANCING ACTIVITIES				
Repayments on demand loan	(57,301)	(295,665)	(137,397)	(241,783)
Share issuance	-	1,818,140	1,885,000	1,818,140
Warrant issuance	-	-	200,000	-
Cash flows issued from reverse takeover	-	-	-	1,359,123
Share issue expenses	-	-	(39,333)	-
Cash flows from financing activities	(57,301)	1,522,475	1,908,270	2,935,480
INVESTING ACTIVITIES				
Proceeds from disposal of a guaranteed investment certificate	49,435	24,633	100,132	-
Acquisition of a guaranteed investment certificate	-	-	-	(131,582)
Acquisition of fixed assets	(97,898)	(1,882)	(254,552)	(158,564)
Proceeds from disposal of fixed assets	4,275	1,500	15,835	4,700
Acquisition of other assets	(2,120)	(6,740)	(185,440)	(192,630)
Increase of deferred development costs	25,916	(133,067)	(259,131)	(293,934)
Cash flows from investing activities	(20,392)	(115,556)	(583,156)	(772,010)
CASH AND CASH EQUIVALENTS INCREASE (DECREASE)	(807,228)	550,388	(362,801)	652,694
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1,035,328	117,040	590,901	14,734
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 228,100	\$ 667,428	\$ 228,100	\$ 667,428

Cash flows related to operating activities include interest paid of \$1,458 for the 3 month period and \$5,456 for the nine-month period in 2007 and \$6,274 for the 3 month period and \$17,522 for the nine-month period in 2006. Cash and cash equivalents include cash less bank overdraft.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(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

	February, 28 2007 (3 months)	February, 28 2006 (3 months)	February, 28 2007 (9 months)	February, 28 2006 (69months)
a) Financial expenses:				
Interest on long-term debt	\$ 1,458	\$ 6,274	\$ 5,456	\$ 17,522
Interest and bank charges	2,958	13,603	9,165	25,195
Amortization of long-term debt issuance costs	560	852	1,681	2,858
	<u>\$ 4,976</u>	<u>\$ 20,729</u>	<u>\$ 16,302</u>	<u>\$ 45,575</u>
b) Amortization:				
Amortization of fixed assets	\$ 25,745	\$ 8,266	\$ 56,067	\$ 17,175
Amortization of intangible assets	75,594	833	90,481	2,498
Amortization of other assets				
i) SantéXpert license	9,722	-	19,444	-
ii) Deferred development costs	51,714	76,395	94,727	76,395
	<u>\$ 162,775</u>	<u>\$ 85,494</u>	<u>\$ 260,719</u>	<u>\$ 96,068</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(Unaudited)**

4. ACCOUNTS RECEIVABLE

	February 28, 2007	May 31, 2006
Accounts receivable	\$ 465,545	\$ 106,479
Sales tax receivable	32,537	40,314
	\$ 498,082	\$ 146,793

5. FIXED ASSETS

	February 28, 2007		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Vehicles	\$ 1,185	\$ 324	\$ 861
Machinery and equipment	18,585	11,511	7,074
Furniture and sign	98,207	18,848	79,359
Computer equipment	121,727	38,131	83,596
Computer equipment for ZRx Prescriber	164,545	15,349	149,196
Leasehold improvements	78,332	18,732	59,600
	\$ 482,581	\$ 102,895	\$ 379,686

	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
	\$ 263,423	\$ 68,881	\$ 194,542

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(Unaudited)**

6. INTANGIBLE ASSETS

	February 28, 2007		
	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE
Amortized intangible assets			
Web site	\$ 26,200	\$ 26,200	\$ -
Software	4,322	3,186	1,136
Intellectual property, at unamortized cost	2,935,934	73,398	2,862,536
	\$ 2,966,456	\$ 102,784	\$ 2,863,672

	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
	\$ 2,954,804	\$ 12,303	\$ 2,942,501

7. OTHER ASSETS

	February 28 2007	May 31 2006
Amortized deferred development costs	\$ 653,588	\$ 489,184
Amortized SantéXpert's license costs	155,556	-
Guaranteed investment certificate, 2.70%	25,000	25,000
Amortized long-term debt issuance costs	1,162	2,843
	\$ 835,306	\$ 517,027

8. GOODWILL

	February 28 2007	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)
BALANCE, END OF PERIOD	\$ -	\$ 96,592

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(Unaudited)**

9. ACCOUNTS PAYABLE

	February 28 2007	May 31 2006
Accounts payable and accrued expenses	\$ 298,348	\$ 332,890
Pride Mobility ⁽¹⁾	132,505	-
Wages and deductions at source	82,977	48,456
Advance from a shareholder, without interest	24,150	24,150
	\$ 537,980	\$ 405,496

⁽¹⁾ Special terms of payments with Pride Mobility: 1/8 per month starting 150 days following invoice date

10. LONG-TERM DEBT

	February 28 2007	May 31 2006
Loan, interest at prime rate plus 3%, secured by a movable hypothec on vehicles, maturing April 2007 ⁽¹⁾ ;	\$ 766	\$ 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 ⁽¹⁾ ;	1,020	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 ⁽²⁾ ;	16,200	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;	18,228	22,392
Loan, interest at 9%, secured by the shareholders, monthly capital and interest payment of \$622, maturing December 2009;	18,610	22,794

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(Unaudited)**

10. LONG-TERM DEBT (CONT'D)

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.	25,000	125,000
	140,574	277,968
Current portion	69,270	195,699
	\$ 71,304	\$ 82,269

- (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 February 28, 2007. 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 not respected as at February 28, 2007.

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

2007	2008	2009
\$ 69,270	\$ 39,605	\$ 31,699

11. SHARE CAPITAL

a) Authorized

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

b) Declared

	February 28 2007	May 31 2006
50,704,800 common shares (40,279,800 May 31, 2006)	\$ 8,536,576	\$ 6,651,576

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(Unaudited)**

11. SHARE CAPITAL (CONT'D)

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.

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 February 28, 2007	50,704,800	\$ 8,536,576

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 February 28, 2006:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(Unaudited)**

12. STOCK OPTION PLAN (CONT'D)

		2007
	Options	Average exercise price
Balance as at May 31, 2006	2,810,000	\$0.23
Awarded	1,992,500	\$0.20
Awarded	150,000	\$0.25
Cancelled	(350,000)	\$0.25
Cancelled	(790,000)	\$0.20
Balance as at February 28, 2007	3,182,500	\$0.22
Options exercisable, end of the period	3,812,500	\$0.22

Non-recurrent payroll charge related to stock option plan amounts to \$ 140,137 for the period ended February 28, 2007.

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 February 28, 2007:

		2007
	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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT FEBRUARY 28, 2007
(Unaudited)**

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, the ZRx Prescriber has generated revenues of \$ 50 833 and the paramedical equipment sector has generated \$ 108 687. Operating expenses can't be break up between the two sectors. Even if the ZRx Prescriber sector has generated revenues during the period, we are still developing new features.

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 \$ 513,683, which \$ 473,940 is related to the development and deployment of the ZRx Prescriber.

The acquisition of other assets amounts to \$185,440, 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.

Reported revenues are totally attributable to ZRx Prescriber sector.

15. SUBSEQUENT EVENTS

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. These warrants have been issued in March and April 2007.

On April 24, 2007, the Company completed a private offering for gross proceeds of \$6,000,000. A total of 20,000,000 units were issued for \$0.30 per unit. Each of the units includes one common share and one half warrants. Each whole warrant entitles the holder to acquire one common share for \$0.45. The Warrants are exercisable for 24 months following the closing of the private placement. The Company issued 1,500,000 broker warrants to the agent entitling to buy one common shares at \$0.30. The broker warrants are exercisable, in whole or in part, for a period of 18 months following the issuance date.

16. COMPARATIVE FIGURES

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