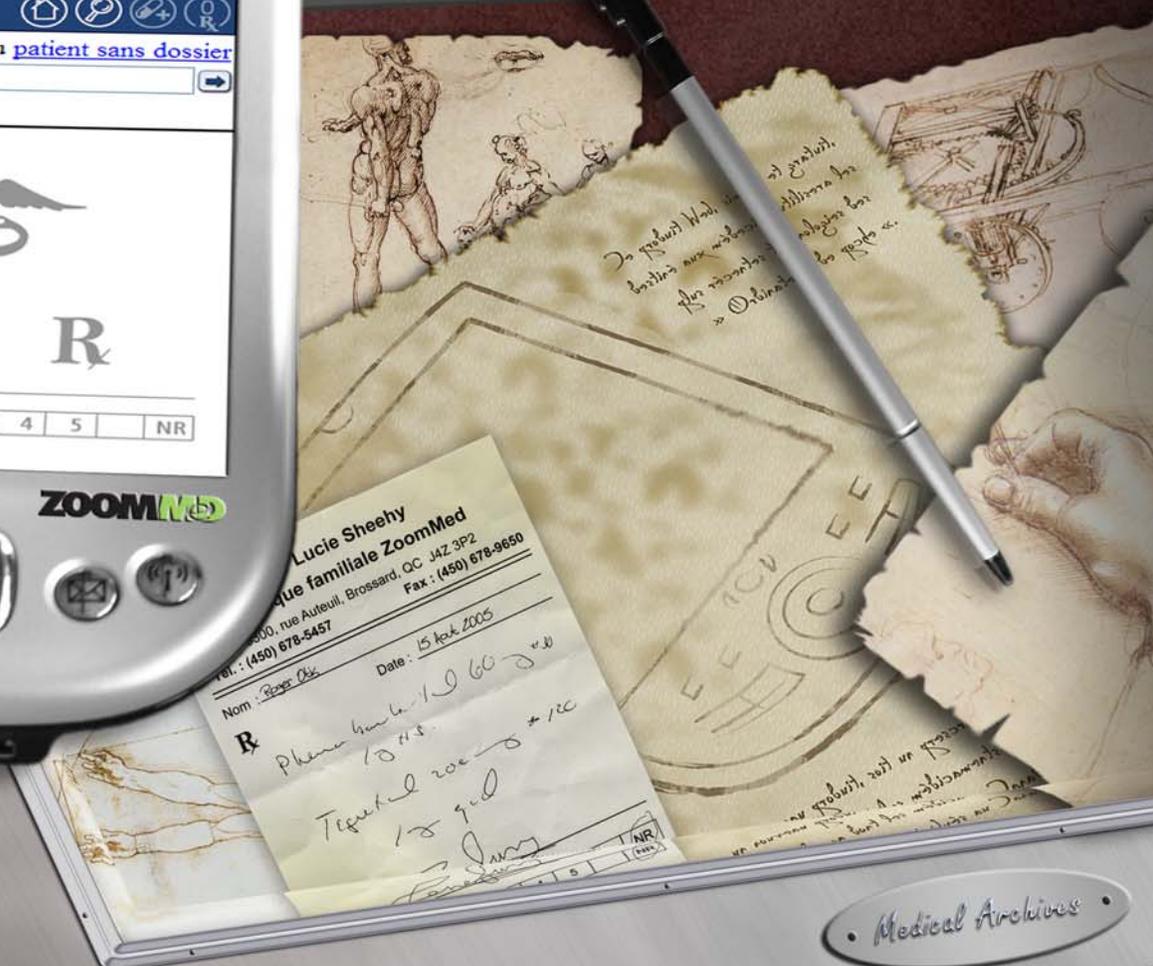


ZOOM^{MD}



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis of results of operations, financial position and cash flows must be read in conjunction with ZoomMed inc. consolidated financial statements as at February 28, 2007, and ZoomMed Inc. audited consolidated financial statements and accompanying notes as at May 31, 2006. Management prepared this report taking into account all available information as at April 25, 2007.

All financial information contained in this analysis and the financial statements have been prepared in accordance with the Canadian generally accepted accounting principles (GAAP). Unless otherwise indicated, all amounts are in Canadian dollars.

This management report may contain information and declarations on the future performance of ZoomMed Inc. that are by nature forward-looking. These declarations reflect the Management's expectations regarding future events based on assumptions and uncertainties. Readers are hereby cautioned that actual results may differ from expectations.

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

BUSINESS DESCRIPTION

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. (Note 3 a)), 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 9103-8240 Quebec Inc. The Company is now the reporting issuer resulting from the reverse takeover.

In October 2006, ZoomMed presented its first complete annual report, covering a full business year since its incorporation. ZoomMed's first operating year focused on the development of a new product, the **ZRx Prescriber**, an electronic system that simplifies and radically improves the way prescription drugs are prescribed in Canada.

ZoomMed 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 and expanding its "**ZOOMCITY**" franchise concept.

REVIEW OF THE PERIOD ENDED FEBRUARY 28, 2007

In accordance with Canadian GAAP, the qualifying transaction was treated as a reverse takeover by 9103-8240 Québec Inc. and has been reported as a transaction on the shareholders' equity of 9103-8240 Québec Inc. These consolidated financial statements reflect 9103-8240 Québec Inc.'s accounts at book value since 9103-8240 Québec Inc. is deemed to be the acquirer.

In accordance with the commitments outlined in our 2006 Annual Report, the *ZRx Prescriber* was designed and developed within the established timeframe. As outlined in the general timetable, ZoomMed set up an initial pilot site on June 1st, 2006 at the *Clinique familiale de Saint-Hyacinthe* in Quebec, allowing physicians to generate electronic prescription information to be processed by various area pharmacists. In August 2006, a second pilot site was set up in Montreal.

On the strength of these positive results, we began launching and marketing the *ZRx Prescriber* in September 2006.

Moreover the ZRx Prescriber had contributed to the revenues ZoomMed for the period ended February 28, 2007.

OPERATING RESULTS

For the three-month and nine-month periods ended February 28, 2007 and 2006

Selected information (three month period)	ZoomMed inc. As at February 28, 2007	ZoomMed inc. As at February 28, 2006
Revenues	\$ 159,520	\$ 176,573
Gross margin	35,960	79,689
Administrative expenses	217,654	190,743
Operating expenses	114,894	9,951
Sales expenses	262,824	234,946
Net loss	(728,913)	(462,174)
Net loss per share	(0.014)	(0.015)
Weighted average outstanding shares	50,704,800	31,502,500

Selected information (six month period)	ZoomMed inc. As at February 28, 2007	ZoomMed inc. As at February 28, 2006
Revenues	\$ 521,888	\$ 544,302
Gross margin	218,124	280,441
Administrative expenses	921,048	1,034,168
Operating expenses	242,540	28,040
Sales expenses	790,870	638,054
Net loss	(2,115,197)	(1,561,464)
Net loss per share	(0.044)	(0.056)
Weighted average outstanding shares	47,882,883	27,792,500

ZoomMed generated revenues of \$159,520 for the three-month period ended February 28, 2007, compared to \$176,573 for the corresponding period of 2006. Despite the fact that the *ZRx Prescriber* generated sales of \$50,833 in this quarter, sales decreased by about 10%. In regard to our *ZRx Prescriber* business activities, revenues of \$289,166 were carried forward to future quarters, given that contracts with pharmaceutical companies are signed for 12 month periods and hence, revenues are reported over 12 months. This decrease in revenues was primarily due to a change in our medical equipment strategy; we stopped providing home delivery services for CLSC equipment and stopped selling equipment product lines whose profit margins were insufficient.

ZoomMed recorded a gross margin of \$35,960 (22.54%) for the three-month period ended February 28, 2007, compared to \$79,689 (45.13%) for the corresponding of 2006. Our gross margin decreased by 50%. This was a temporary decrease due to abandoned non-profitable product lines. The company generated revenues of \$521,888 for the nine-month period ended February 28, 2007, compared to \$544,302 for the corresponding period of 2006.

ZoomMed recorded a gross margin of \$218,124 (41.8%) for the nine-month period ended February 28, 2007, compared to \$280,441 (51.52%) for the corresponding period of 2006. Overall, after nine-months of operations, revenues were about the same for both years.

ZoomMed recorded administrative expenses of \$217,654 for the quarter ended February 28, 2007, compared to \$190,743 for the corresponding period of 2006. The company recorded administrative expenses of \$921,048 for the nine-month period ended February 28, 2007, compared to \$1,034,168 for the corresponding period of 2006. In August 2006, the company issued 1,232,500 stock options to its employees, managers and directors, which enabled them to purchase 1,232,500 common shares at a price of \$0.20 per share. Remuneration cost for the stock option plan reflects a non-recurring expense of \$140,137 for the nine-month period ended February 28, 2007, whereas for the same period in 2006, a non-recurring expense of \$288,000 was recorded following the allotment of 1,800,000 stock options. Both factors considered, ZoomMed's administrative expenses remained stable.

ZoomMed recorded operating expenses of \$114,894 for the quarter ended February 28, 2007, compared to \$9,951 for the corresponding period of 2006. The company recorded expenses of \$242,540 for the nine-month period ended February 28, 2007, compared to \$28,040 for the corresponding of 2006. Prior to September 2006, ZoomMed's operating expenses were virtually non-existent but increased after this date, primarily as a result of setting up the *ZRx Prescriber*'s deployment.

ZoomMed recorded sales expenses of \$262,824 for the three-month period ended February 28, 2007, compared to \$234,946 for the corresponding period ended of 2006. The company recorded expenses of \$790,870 for the nine-month period ended February 28, 2007, compared to \$638,054 for the corresponding period of 2006. This increase was primarily due to expenses related to hiring new representatives to market the *ZRx Prescriber*.

ZoomMed recorded a net operating loss of \$728,913 for the three-month period ended February 28, 2007, compared to \$462,174 for the corresponding period of 2006. The company recorded a net operating loss of \$2,115,197 for the nine-month period ended February 28, 2007, compared to \$1,561,464 for the corresponding period of 2006. It should be noted that this net operating loss increase over the period ended February 28, 2007 was due to previously mentioned expenses related to the development, set up and marketing of the *ZRx Prescriber*.

ZoomMed recorded a loss per share of \$0.014 for the three-month period ended February 28, 2007, compared to \$0.015 for corresponding period of 2006. It recorded a loss per share of \$0.044 for the nine-month period ended February 28, 2007, compared to \$0.056 for the corresponding period of 2006. The net loss per share amount does not include the stock option plan or warrants.

FINANCIAL POSITION

Selected balance sheet information	ZoomMed inc. February 28, 2007	ZoomMed inc. May 31, 2006
Cash and cash equivalents	\$ 228,100	\$ 590,901
Working capital	71,106	461,925
Fixed assets	379,686	194,542
Intangible assets	2,863,672	2,942,501
Future income taxes	94,725	
Total assets	5,140,911	4,828,282
Long-term debt including short-term	140,574	277,968
Share capital and warrants	8,774,262	6,689,264
Shareholders equity	3,954,889	3,915,884

ZoomMed's cash and cash equivalents amounts to \$228,100 as at February 28, 2007, compared to \$590,901 for the corresponding period of 2006. The Company's working capital is \$71,106 as at February 28, 2007, compared to \$461,925 as at May 31, 2006. Our future income taxes as at February 28, 2007 are \$94,725, corresponding to an income tax credit related to Scientific Research and Experimental Development expenses, which was carried forward and accepted by the federal government. As at May 31, 2006, no provision was taken given that we did not know if government authorities would allow the credit.

ZoomMed's total assets went from \$4,828,282 as at May 31, 2006 to \$5,140,911 as at February 28, 2007. Its shareholders' equity went from \$3,915,884 as at May 31, 2006 to \$3,954,889 as at February 28, 2007. This increase was primarily due to financing activities mitigated by the deficit of the period. On August 10, 2006, the company completed a private placement for gross proceeds of \$2,000,000; 10,000,000 units were issued at a price of \$0.20 per unit. Each unit is made up of one common share and one warrant. Each warrant allows its owner to buy one additional common share at a price of \$0.24 over the next three (3) years. The fair value attributed to the warrants is \$200,000.

ZoomMed's fixed assets went from \$194,542 as at May 31, 2006 to \$379,686 as at February 28, 2007, an increase primarily stemming from the acquisition, at the depreciated value, of \$149,196 in computer equipment provided to physicians using the *ZRx Prescriber*.

ZoomMed's intangible assets went from \$2,942,501 as at May 31, 2006 to \$2,863,672 as at February 28, 2007. These assets primarily reflect the intellectual property we acquired for the *ZRx Prescriber* during the reverse takeover. Depreciation began in the February 28, 2007 quarter.

Long-term debt (including short-term portion) decreased from \$277,968 as at May 31, 2006 to \$140,574 as at February 28, 2007. The Corporation did not incur any additional debt over the last 12 months.

As at February 28, 2007, 50,704,800 shares were issued and fully paid.

CONSOLIDATED CASH FLOWS

Statement of consolidated cash flows (9 months)	ZoomMed inc. February 28, 2007	ZoomMed inc. February 28, 2006
Cash flows from (used for) operating activities	\$ (1,687,915)	\$ (1,510,776)
Cash flows from financing activities	1,908,270	2,935,480
Cash flows from (used for) investment activities	(583,156)	(772,010)
Cash and cash equivalents increase, (decrease)	(362,801)	652,694
Cash and cash equivalents, end of period	228,100	667,428

Cash and cash equivalents are of \$228,100 at the end of the nine-month period ended February 28, 2007, compared to \$667,428 for the corresponding period of 2006. Cash flows used for operating and investment activities as at February 28, 2007, combined with financing activities, reflect a net cash and cash equivalents of \$(362,801), compared to \$652,694 as at February 28, 2006.

Cash flows from financing activities for the nine-month period ended February 28, 2006 reflect the share offering and the cash flows from the reverse takeover. As at February 28, 2007, cash flows related to financing activities reflect the private placement on August 10, 2006 for gross proceeds of \$2,000,000 and 425,000 warrants which have been exercised by a broker for an amount of \$85,000.

The company's investment activities reflect the acquisition of computer equipment and development costs related to the set up and development of the *ZRx Prescriber*.

DESCRIPTION OF SECURITIES

The corporation is allowed to issue an unlimited amount of Common Shares without nominal value. The holders of Common Shares are entitled to dividends as and when declared by the directors, to one vote per share for Common Shareholders of the Resulting Issuer, and, in the event of winding-up, to receive a portion of assets of the Corporation that may be distributed to holders of Common Shares.

PRIOR SALES

Since its date of Incorporation, the Corporation has issued 50,704,800 common shares as follows:

Date	Number of Shares	Issue Price per Share	Aggregate Issue Price	Nature of Consideration Received
March 7, 2005	3,000,000 ⁽¹⁾	\$ 0.10	\$ 300,000	Cash
May 18, 2005	8,500,000 ⁽²⁾	\$ 0.20	\$ 1,700,000	Cash
July 27, 2005	18,000,000 ⁽³⁾	\$ 0.25	\$ 4,500,000	Shares
March 21, 2006	10,779,800 ⁽⁴⁾	\$ 0.20	\$ 2,155,960	Cash
August 10, 2006	10,000,000 ⁽⁵⁾	\$ 0.20	\$ 2,000,000	Cash
November 6, 2006	425,000 ⁽⁶⁾	\$ 0.20	\$ 85,000	Cash

- (1) Issued as seed capital.
- (2) Issued during the Initial public offering (IPO) as a CPC.
- (3) Issued pursuant to the reverse takeover of 9103-8240 Quebec Inc.
- (4) Issued pursuant to a second public offering.
- (5) Issued pursuant to a private placement
- (6) Issued pursuant to a 425,000 brokers' warrants exercise.

On August 10, 2006, the Corporation completed a private placement for gross proceeds of \$2,000,000. In connection with this offering, 10,000,000 units were issued at \$0.20 per unit. Each unit is composed of one common share and one warrant. Each warrant allows its owner to buy one additional common share at a price of \$0.24 over the next three (3) years. The fair value of the warrants is \$200,000.

On November 6, 2006, the Corporation issued 425,000 shares for a gross amount of \$85,000 pursuant to the exercise of 425,000 brokers' warrants which were expiring on November 18, 2006.

RISK FACTORS

I. Ability to develop and maintain a clientele for its product

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.

II. Ability to hire and retain key personnel

Recruiting and retaining qualified personnel is essential to ZoomMed and its Subsidiary's success. They believe that they 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.

III. Financial history

ZoomMed and its Subsidiary operate a developing business. In consequence, one cannot rely on their financial history in order to assess the likelihood of their achieving Income projections nor their financial projections in general.

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.

ADDITIONAL INFORMATION

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

ZoomMed's common shares are traded on the TSX Venture Exchange in Toronto, under the symbol: **ZMD**.

OUTSTANDING SHARES AS AT FEBRUARY 28, 2007

Common shares	50,704,800
Options granted to its agent	538,365
Options issued in accordance with the provisions of the stock option plan	3,812,500