

QUIZAM MEDIA CORPORATION
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

November 30, 2009



MANNING ELLIOTT
CHARTERED ACCOUNTANTS

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NOTICE TO READER

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited interim consolidated financial statements for the period ended November 30, 2009.

QUIZAM MEDIA CORPORATION**CONSOLIDATED BALANCE SHEETS**(Unaudited – Prepared by Management)

	As at November 30 2009 \$	As at May 31 2009 \$
ASSETS		
Current		
Cash and cash equivalents	143,985	208,602
Accounts receivable	67,470	7,768
Prepaid expenses and deposits	8,209	12,114
Goods and services tax recoverable	7,226	5,531
	<hr/> 226,890	<hr/> 234,015
Equipment (Note 5)	16,066	19,131
Deferred share issuance costs	–	2,438
	<hr/> 242,956	<hr/> 255,584
LIABILITIES		
Current		
Accounts payable and accrued liabilities	55,525	57,350
Deferred revenue	–	7,507
Due to a related party (Note 13)	45,026	117,970
	<hr/> 100,551	<hr/> 182,827
SHAREHOLDERS' EQUITY		
Share capital (Note 7)	8,995,166	8,220,403
Contributed Surplus (Note 10)	391,936	353,153
Common Shares Subscribed (Note 7)	–	225,500
Deficit	(9,244,697)	(8,726,299)
	<hr/> 142,405	<hr/> 72,757
	<hr/> 242,956	<hr/> 255,584

Nature of Operations and Continuance of Business [Note 1]

Commitment [Note 15]

Subsequent Events [Note 16]

APPROVED ON BEHALF OF THE BOARD:

/s/ "Russ Rossi"

Russ Rossi, Director

/s/ "Jim Rosevear"

Jim Rosevear, Director

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

QUIZAM MEDIA CORPORATION**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT****FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30**(Unaudited – Prepared by Management)

	Three Months Ending November 30, 2009 \$	Three Months Ending November 30, 2008 \$	Six Months Ending November 30, 2009 \$	Six Months Ending November 30, 2008 \$
REVENUES				
Training services and software sales	144,509	162,940	247,633	346,626
U.K. ontrack TV sales	17,362	-	17,362	-
	<hr/>	<hr/>	<hr/>	<hr/>
	161,871	162,940	264,995	346,626
EXPENSES				
Accounting and legal	36,972	37,101	74,572	79,180
Advertising and promotion	2,395	19,667	2,755	37,181
Amortization	3,574	5,249	7,386	11,285
Automobile	5,983	5,370	13,647	10,338
Bank charges and interest	808	783	1,574	1,617
Interest on related party debt	2,971	1,464	5,748	2,813
Management fees	18,000	18,000	36,000	36,000
Office and miscellaneous	11,949	13,073	22,655	26,836
On-Track TV development costs (Note 12)	90,576	37,672	143,871	89,738
Quizam software development costs (Note 12)	41,012	85,445	79,866	154,959
Regulatory fees	8,482	4,024	19,019	11,405
Rent	45,268	48,374	91,549	93,650
Subcontractors	4,000	39,965	11,900	63,303
Telephone	4,465	6,259	9,021	12,916
Travel and business development	49,318	57,718	69,640	64,328
Investor and finance development	26,102	-	35,277	613
Wages and benefits	66,139	74,095	116,079	162,670
Stock based compensation (Note 8)	43,516	-	43,516	-
	<hr/>	<hr/>	<hr/>	<hr/>
	461,530	454,259	784,075	858,832
LOSS BEFORE OTHER ITEMS	(299,659)	(291,319)	(519,080)	(512,206)
OTHER ITEMS				
Interest income	125	1,344	682	2,095
NET LOSS FOR THE QUARTER	(299,534)	(289,975)	(518,398)	(510,111)
DEFICIT, BEGINNING OF QUARTER	(8,945,163)	(7,706,920)	(8,726,299)	(7,486,784)
DEFICIT, END OF QUARTER	(9,244,697)	(7,996,895)	(9,244,697)	(7,996,895)
WEIGHTED AVERAGE LOSS PER SHARE BASIC AND DILUTED	(0.014)	(0.022)	(0.023)	(0.039)
WEIGHTED AVERAGE NUMBER OF SHARES	22,198,892	13,172,401	22,198,892	13,172,401

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

QUIZAM MEDIA CORPORATION**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30****(Unaudited – Prepared by Management)**

	Three Months Ending November 30, 2009 \$	Three Months Ending November 30, 2008 \$	Six Months Ending November 30, 2009 \$	Six Months Ending November 30, 2008 \$
OPERATING ACTIVITIES				
Net loss for the quarter	(299,534)	(289,975)	(518,398)	(510,111)
Items not affecting cash:				
Amortization	3,574	5,249	7,386	11,285
Stock based compensation	43,516	-	43,516	-
Changes in non-cash working capital items:				
Decrease (Increase) in accounts receivable	(44,017)	(35,616)	(59,702)	(12,876)
Decrease (Increase) in prepaid expenses and deposits	1,634	(8,927)	3,905	(5,883)
Decrease (Increase) in goods and services tax recoverable	(1,062)	(4,595)	(1,695)	(1,286)
(Decrease) Increase in accounts payable and accrued liabilities	5,174	73,881	(1,825)	85,515
(Decrease) Increase in deferred revenue	-	-	(7,507)	(6,567)
CASH USED IN OPERATING ACTIVITIES	(290,715)	(259,983)	(534,320)	(439,923)
FINANCING ACTIVITIES				
Finance from (Repayments to) related parties	(56,803)	75,365	(72,944)	(17,368)
Issuance of share capital, net	454,930	-	770,030	404,001
Proceeds received from common shares subscribed	-	134,000	(225,500)	134,000
Deferred share issuance costs	-	-	2,438	-
CASH PROVIDED BY FINANCING ACTIVITIES	398,127	209,365	474,024	520,633
INVESTING ACTIVITIES				
Redemption (purchase) of short term investments	-	100,000	-	70,404
Acquisition of equipment	(1,716)	-	(4,321)	(1,420)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(1,716)	100,000	(4,321)	68,984
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,696	49,382	(64,617)	149,694
CASH AND CASH EQUIVALENTS – BEGINNING OF THE QUARTER	38,289	169,189	208,602	68,877
CASH AND CASH EQUIVALENTS – ENDING OF THE QUARTER	143,985	218,571	143,985	218,571
NON-CASH FINANCING AND INVESTING ACTIVITIES				
Issuance of shares for finders' fees	29,810	-	52,360	27,500
SUPPLEMENTAL INFORMATION				
Interest paid	2,971	1,464	5,748	2,813
Income tax paid	-	-	-	-

The Accompanying Notes are an Integral Part of the Consolidated Financial Statements

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009
(Unaudited – Prepared by Management)

1. NATURE AND CONTINUANCE OF OPERATIONS

Quizam Media Corporation (the “Company”) was incorporated on September 15, 2000 under the provisions of the Company Act of British Columbia and is listed on the TSX Venture Exchange (“TSX-V”). The Company was classified as a Capital Pool Company as defined under the policies of the TSX-V until it completed its Qualifying Transaction.

On January 9, 2003, the Company acquired all the issued and outstanding shares of On-Track Computer Training Ltd. (“On-Track”), which served as the Company’s Qualifying Transaction pursuant to the policies of the TSX-V. Following this transaction, the Company changed its name from Marquette Capital Corp. to On-Track Learning Systems Ltd. On April 19, 2004, the Company changed its name to Torq Media Corporation. On May 17, 2005, the Company’s name was changed to Quizam Media Corporation. The Company’s principal business activity consists of providing computer training and consulting services and marketing of a computer based educational programme.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has had a history of significant losses, sizeable accumulated deficits and limited working capital. The Company’s ability to continue as a going concern may therefore be dependent on completing equity financing, obtaining support from related parties or generating consistent profitable operations in the future.

2. ADOPTION OF NEW ACCOUNTING STANDARDS

Effective June 1, 2009, the Company adopted the following standards of the Canadian Institute of Chartered Accountants’ (“CICA”) Handbook:

(a) Goodwill and Intangible Assets (Section 3064)

Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible. The adoption of this standard did not have any material impact on the Company’s financial statements.

(b) Credit Risk and the Fair Value of Financial Assets and Liabilities (EIC 173)

The AcSB issued EIC-173, which requires the Company to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The standard is required to be applied retrospectively without restatement of prior periods. The adoption of this standard did not have an impact on the valuation of financial assets or liabilities of the Company.

(c) Mining Exploration Costs (EIC 174)

The AcSB issued EIC-174, which provides guidance to mining enterprises related to the measurement of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The adoption of this standard did not have any material impact on the Company’s financial statements.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles prepared on a consolidated basis and include the accounts of the Company and its wholly owned subsidiary, On-Track. All inter-company transactions and balances have been eliminated upon consolidation.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to revenue recognition, the valuation allowance for future income tax assets and stock-based compensation.

(c) Foreign currency translation

Foreign currency denominated assets and liabilities of operations are translated into Canadian dollars at exchange rates prevailing at the balance sheet date for monetary items and at exchange rates prevailing at the transaction date for non-monetary items. Revenues and expenses are converted at the average exchange rate for the reporting period. Gains or losses on translation are included in operations.

(d) Cash and cash equivalents

Cash equivalents are highly liquid investments, such as term deposits with major financial institutions, having a term to maturity of three months or less at the date of acquisition, that are readily convertible to known amounts of cash.

(e) Short-term investments

Short-term investments consist of highly liquid short-term interest bearing securities with a term to maturity of greater than three months on the date of purchase. Short-term investments are recorded at the lower of cost plus accrued interest or fair market value.

(f) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives at the following annual rates:

Automobile	5 years
Computer hardware	3 years
Furniture and fixtures	5 years
Library	5 years

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(h) Deferred share issuance costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

(i) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using the tax rates expected to apply when these differences reverse. The effect on future taxes for a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is recorded against any future tax asset if it is more likely than not that the asset will not be realized.

(j) Revenue recognition

Training revenues are recorded when earned, which is the date students attend a course, and when collectibility is reasonably assured. Support revenues are recorded when the related services have been provided and collection is reasonably assured.

The Company records revenue from the sale of software when the customers download the software from the Company's website and collection is reasonably assured by direct payment.

License fees are recorded in the accounts when all conditions have been met under the license agreement, the licensee is satisfied with the operations of the software, and collection is reasonably assured.

(k) Stock-based compensation

The Company follows the recommendations in CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", which provides standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. In accordance with these recommendations, stock options granted are recorded at their fair value over the vesting period as a compensation cost with a corresponding increase in contributed surplus. Agents' warrants issued in connection with common share placements are recorded as share issuance costs with a corresponding increase in contributed surplus. When the options and warrants are exercised, the exercise price proceeds together with the amount initially recorded in contributed surplus are credited to share capital. The Company uses the Black-Scholes option pricing model to estimate the fair value of stock-based compensation.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Income (loss) per share

Basic income (loss) per share is computed using the weighted average number of common shares outstanding during the year. The treasury stock method is used for the calculation of diluted income (loss) per share.

The existence of warrants and options affects the calculation of income (loss) per share on a fully diluted basis. As the effect of this dilution is to increase the reported income per share and reduce the reported loss per share and diluted loss per share excludes all potential common shares if their effect is anti-dilutive, basic and diluted loss are the same.

(m) Development costs

Costs related to the enhancement of internally developed software are charged to operations as incurred until technological feasibility in the form of a working model has been established. The time period between the establishment of technological feasibility and completion of product development is expected to be short, therefore the Company has not capitalized any product development costs during the period.

(n) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to have sufficient capital to be able to meet the Company's educational software development and internet training development, to ensure the growth of activities, to maintain creditworthiness and maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. The Company's principal source of funds is from the issuance of common shares. The Company includes the components of shareholders' equity in its management of capital.

As at November 30, 2009, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash. The Company's investment policy is to invest its cash in investment instruments with high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this financing due to the current difficult market conditions. The Company will require additional equity financing to carry its operations through its current operating period.

(o) Financial instruments and risk

Financial Instruments

As at November 30, 2009, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and due to related parties. The fair values of these financial instruments approximate their carrying values due to the short-term maturity of the instruments.

The Company classifies its cash and cash equivalents as held-for-trading, accounts receivable as loans and receivables, and its accounts payable and amounts due to related parties as other financial liabilities.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Financial instruments and risk (continued)

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The risk arises from the non-performance of counterparties of contractual financial obligations. To minimize the credit risk of cash the Company places cash with high credit quality financial institutions. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts. To minimize the credit risk of accounts receivable the Company performs credit valuations on a regular basis. The financial statements take into account any requirement for an allowance for bad debts.

Liquidity Risk

The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its cash equivalents on hand. The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. The Company will require additional equity financing to meet its administrative overhead costs and software development expenditures in fiscal 2010.

Market Risk

Market risks consist of interest rate risk, foreign exchange risk and other price risk. It is management's opinion that the Company is not exposed to significant market risk.

Commodity Price Risk

It is management's opinion that the Company is not exposed to significant commodity price risk.

4. RECENT ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements that have been announced but are not yet effective are as follows:

In January 2009, the CICA issued Section 1582, Business Combinations, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the financial statements.

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, and 1602, Non-controlling interests, which replaces existing guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the financial statements.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited – Prepared by Management)

5. EQUIPMENT

	Cost	Accumulated Amortization	November 30, 2009 Net Book Value	May 31, 2009 Net Book Value
	\$	\$	\$	\$
Computer hardware	322,925	307,887	15,038	17,803
Furniture and fixtures	69,241	69,029	212	240
Library	2,721	1,905	816	1,088
	<u>394,887</u>	<u>378,821</u>	<u>16,066</u>	<u>19,131</u>

6. LINE OF CREDIT

As at November 30, 2009, the Company has a line of credit in place of \$5,000 bearing interest at prime plus five percent. The line of credit is guaranteed by the assets of the Company, and as at the quarter end the amount of the line of credit used is \$NIL.

7. SHARE CAPITAL

	Number of Shares	\$
Balance at May 31, 2008	12,716,362	7,218,221
For cash - Issued by private placement	4,979,999	940,000
For cash - Exercise of options	55,000	44,000
Issued as finders' fees	461,100	82,432
Share issuance costs	–	(89,825)
Fair value of stock options exercised transferred from contributed surplus	–	25,575
Balance at May 31, 2009	18,212,461	8,220,403
For cash - Issued by private placement	5,590,913	765,000
For cash - Exercise of options	45,000	9,000
Issued as finders' fees	378,381	52,360
Share issuance costs	–	(56,330)
Fair value of stock options exercised transferred from contributed surplus	–	4,733
Balance at November 30, 2009	<u>24,226,755</u>	<u>8,995,166</u>

QUIZAM MEDIA CORPORATION
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7. SHARE CAPITAL (continued)

- (a) In November, 2009, the Company completed a non-brokered private placement consisting of 4,090,911 units at \$0.11 per unit for proceeds of \$450,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.25 for the first six months and \$0.45 for the second six-month period expiring on November 9, 2010. In connection with the private placement, the Company issued 271,000 shares as finders' fees with a fair value of \$29,810 and recorded as share issuance costs.
- (b) In June, 2009, the Company completed a non-brokered private placement consisting of 1,500,000 units at \$0.21 per unit for proceeds of \$315,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.45 for the first six months and \$0.65 for the second six-month period expiring on June 5, 2010. In connection with the private placement, the Company issued 107,381 shares as finders' fees with a fair value of \$22,550 and recorded as share issuance costs.
- (c) During the six months ended November 30, 2009, 45,000 options were exercised at \$0.20 for proceeds of \$9,000. The fair value, when granted, of \$4,733 was transferred to share capital from contributed surplus to reflect the exercise of these options.
- (d) During the six months ended November 30, 2009, there were no warrants exercised.
- (e) On October 15, 2009, the Company granted 317,500 options to directors, officers, employees and consultants which are exercisable at \$0.15 per share until October 15, 2010. On November 27, 2009, the Company granted 30,000 options to consultants which are exercisable at \$0.30 per share, 30,000 options at \$0.50 per share, 30,000 options at \$0.65 per share and 30,000 options at \$0.75 per share until December 1, 2010.
- (f) In August, 2008, the Company completed a non-brokered private placement consisting of 480,000 units at \$0.75 per unit for proceeds of \$360,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$1.00 for the first six months and \$1.65 for the second six-month period expiring on August 18, 2009. In connection with the private placement, the Company issued 36,667 shares as finders' fees with a fair value of \$27,500 and recorded as share issuance costs.
- (g) During the six months ended November 30, 2008, there were 55,000 options were exercised at \$0.80 for proceeds of \$44,000. The fair value, when granted, of 25,575 was transferred to share capital from contributed surplus to reflect the exercise of these options.
- (h) During the six months ended November 30, 2008, there were no warrants exercised.
- (i) On November 20, 2008, 92,000 options expired.

8. STOCK OPTIONS

Stock option plan and stock options issued

The Company grants stock options to directors, officers, employees and consultants as compensation for services, pursuant to its Incentive Share Option Plan (the "Plan"). Under the Plan, the option price must not be less than the closing price of the common shares of the Company on the TSX Venture Exchange ("TSX") on the day immediately preceding the date of grant less the applicable discount if any. The Company is a "Tier 2" TSX company therefore any option granted under the Plan must be exercised within a period of two years from the date of granting. The number of options that may be issued under the plan is limited to no more than 10% of the Company's issued and outstanding shares on the grant date. Options vest immediately. Vesting restrictions may also be applied to certain other options grants, at the discretion of the directors.

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8. STOCK OPTIONS (continued)

The following table summarizes the continuity of the Company's stock options:

	Number of shares	Weighted Average Exercise Price \$
Outstanding, May 31, 2008	147,000	0.80
Exercised	(55,000)	0.80
Cancelled/expired	(107,000)	0.72
Granted	772,500	0.24
Outstanding, May 31, 2009	757,500	0.25
Cancelled/expired	(7,500)	0.20
Exercised	(45,000)	0.20
Granted	487,500	0.25
Outstanding, November 30, 2009	1,192,500	0.25

9. SHARE PURCHASE WARRANTS

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of shares	Weighted Average Exercise Price \$
Balance, May 31, 2008	500,000	0.30
Issued with private placements	4,979,999	0.43
Balance, May 31, 2009	5,479,999	0.42
Issued with private placements	5,590,913	0.30
Expired	(980,000)	0.30
Balance, November 30, 2009	10,090,912	0.30

At November 30, 2009, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
2,499,999	\$0.30 to Jan 25, 2010 or \$0.50 to Jan 26, 2011	January 26, 2011
2,000,000	\$0.45 to Oct 22, 2009 or \$0.65 to Apr 23, 2010	April 23, 2010
1,500,002	\$0.45 to Dec 4, 2009 or \$0.65 to Jun 5, 2010	June 5, 2010
4,090,911	\$0.25 to Apr 9, 2010 or 0.45 to Nov 9, 2010	November 9, 2010

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10. CONTRIBUTED SURPLUS

The following table summarizes the continuity of the Company's contributed surplus:

	Amount \$
Balance, May 31, 2008	307,907
Fair value of stock options exercised and transferred to share capital	(25,575)
Fair value of stock options granted	70,821
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Balance, May 31, 2009	353,153
Fair value of stock options exercised and transferred to share capital	(4,733)
Fair value of stock options granted	43,516
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Balance, November 30, 2009	391,936

11. SEGMENTED INFORMATION

(a) Training Services and UK ontrackTV sales for the six months ended November 30:

	2009	2008
Revenue	264,955	345,529
Expenses	(493,343)	(533,765)
Profit (loss)	(228,388)	(188,236)

(b) Software Sales and Licensing for the six months ended November 30:

	2009	2008
Revenue	40	1,097
Expenses	(290,050)	(322,972)
Profit (loss)	(290,010)	(321,875)

12. PRODUCT DEVELOPMENT COSTS

(a) On-Track TV

During the current period, the Company has finished a complete set of on-line curriculum for its training division called On-Track TV.

The costs associated with development of the On-Track TV, which are included in the statement of operations, and comprehensive loss and deficit, for the six months ended November 30, 2009 and 2008 are as follows:

	2009 \$	2008 \$
Salary, wages and fees (management, programming and marketing)	125,743	54,485
Materials	274	-
Marketing	8,576	2,712
Advertising and promotion	9,278	32,541
<hr/>		
	143,871	89,738

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009
(Unaudited – Prepared by Management)

12. PRODUCT DEVELOPMENT COSTS (continued)

(b) Quizam software

During the current period, the Company continued to concentrate its efforts on the development and marketing of the Quizam educational software. This activity has resulted in a third version of the educational software, which has also been adapted for compatibility with the Mac platform format.

The costs associated with development of the Quizam educational software, which are included in the statement of operations, and comprehensive loss and deficit, for the three months ended November 30, 2009 and 2008 are as follows:

	2009	2008
	\$	\$
Salary, wages and fees (management, programming and marketing)	70,887	112,525
Materials	1,917	2,649
Marketing	1,500	5,545
Advertising and promotion	5,562	34,240
	<hr/> 79,866	<hr/> 154,959

13. RELATED PARTY TRANSACTIONS

The following are related party transactions incurred in the normal course of operations:

The Company owes \$45,026 (May 31, 2009 - \$117,970) to a significant shareholder, who is also a director and officer. The loan is secured by the assets of the Company, bears interest at 12% per annum and is due upon demand.

Related party transactions not otherwise disclosed elsewhere in these financial statements were:

(a) Management, administration, accounting and software development are provided by a company owned by a significant shareholder. An amount of \$252,952 (2008 - \$219,715) was paid for these services during the six months ending November 30.

(b) Marketing and publicity fees totalling \$10,952 (2008 - \$3,286) were paid to a company owned by a relative of one of the directors.

(c) Marketing and publicity fees totalling \$27,366 (2008 - \$7,500) were paid to relatives of one of the directors.

(d) A significant shareholder was paid \$5,748 (2008 - \$2,813) in interest on loans to the Company.

These fees were recorded at their exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related entities.

14. CAPITAL DISCLOSURE

The Company's capital currently consists of common shares, options and warrants. As the Company is in the development stage, its principal source of funds is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Company's educational software development and internet training development to ensure the growth of activities.

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2009
(Unaudited – Prepared by Management)

15. COMMITMENT

The Company has signed an office lease through to October 2010 and is committed to the following minimum lease payments during the next two fiscal years under the lease for its premises:

	\$
2010	63,380
2011	46,267

16. SUBSEQUENT EVENTS

- (a) On December 22, 2009, the Company's UK online training division ontrackTV has agreed a marketing partnership with the UK's largest publisher of regional newspapers, magazines and local news websites. Under the partnership, which coincides with the busiest time of year in the UK jobs market, ontrackTV UK has reached an agreement with a number of regional newspapers and magazines within the Northcliffe Media Group, starting with the affluent SW region of the UK. Print adverts will be supported by advertising on the associated Northcliffe regional websites.
- (b) On January 13, 2010, the Company's UK online training division ontrackTV UK, the UK's innovative online training library, announced a Reseller agreement with training organisations Make Change Consultancy Ltd. and its sister company iLogicInt.com. This agreement allows both companies the opportunity to resell subscriptions to ontrackTV to customers in both the corporate and consumer markets. The ontrackTV library of online training courses will form part of the courseware in the delivery of ITQ and ECDL qualifications and will also enhance and strengthen their client offerings in e learning. Make Change Consultancy Ltd. is a successful training provider offering courses in a range of subject areas. iLogicInt.com is an innovative and up to date blended learning solutions provider specialising in classroom, audio and video training solutions that improve the learning experience of staff.
- (c) On January 15, 2010, the Company's online training division ontrackTV.co.uk has signed a partnership agreement with LondonJobs.co.uk to offer jobseekers a new and innovative way to improve their skills online. Under the terms of the agreement the two will share revenue from on line subscribers. LondonJobs.co.uk targets London job seekers exclusively and is the sole website for London's evening standard and Metro Newspapers.
- (d) On January 21, 2010, the Company's online training division ontrackTV.co.uk has entered the Scottish jobsite market and signed a partnership agreement with ScotRecruit.com further expanding www.ontrackTV.co.uk reach into the UK. Under the terms of the agreement the two will share revenue from on line subscribers. ScotRecruit gives the latest jobs in Edinburgh, Glasgow and the rest of Scotland and allows job-seekers a direct channel to top recruitment agencies and employers throughout Scotland.

Form 51-102F1
Management's Discussion & Analysis (MD & A)

Internal Controls and Procedures over Financial Reporting

The company's management is responsible for establishing and maintaining controls over financial reporting. The internal controls are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles. The internal controls have an inherent weakness in that the accounting team is small and the work area is non-segregated. At this time it is not practical or cost efficient to increase the area or team.

The CEO and CFO continually review and oversee the accounting team to ensure reasonable controls and processes. They reconsidered their assessment of internal control financial reporting as of May 31, 2008, and concluded that, due to the inaccurate recording of foreign exchange, stock-based compensation, and the assessment of the collectability of certain receivables, there was a material weakness in internal control over preparation of financial reporting as of May 31, 2007.

Notwithstanding the above, in July 2008 the BCSC identified several reporting deficiencies on the part of the company. Management admits that there were deficiencies. We feel that future filings will be fully compliant and that the controls in place will give reasonable assurance that relevant and reliable financial information is available for reporting and for the preparation of financial statement in accordance with GAAP based on the following:

1) The review process with the BCSC has high-lighted the deficient areas. In future, in addition to a more stringent internal review of our disclosures we will pay additional attention to the areas that the BCSC identified as deficient.

Since July 2008, our controls have been more stringent. We have attempted to implement controls that will prevent the inaccurate recording of foreign exchange and we have been making conservative assessments regarding the collectability of our receivables.

Forward-Looking Information

This MD&A contains "forward-looking information" that is based on management's expectations, estimates and projections as of the date of this MD&A. Forward looking information in this MD&A can frequently be identified as incorporating such words as "plans", "becomes", "expects", "estimates", "forecasts", "intends", "anticipates", "believes", "may", "could", "would", "might" or "will". This forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by the forward looking information in this MD&A. Actual results may vary materially from the forward looking information contained in this MD&A.

The forward-looking information contained in this MD&A is based on the information available as of the date of this MD&A and we have no intention of updating them except as required by applicable securities law. Numerous events and circumstances could occur subsequent to the date of this MD&A that could cause the actual results, performance or achievements that may be expressed or implied by the forward-looking information

Forward-looking statements are included in sections 1.2, 1.4, 1.5, 1.6, and 1.8. Examples of such forward looking information included in this MD&A include, but are not limited to, trends in the marketplace favoring both Quizam's products; the demand for Corporate Computer training being fueled by the increased reliance on computers in the workplace; the demand for Academic Quizzing software increasing as the academic world becomes more and more competitive; parental/family demand for such a study tool will be significant; the trend of parents purchasing aids to improve children's test scores continuing; growing use of the internet helping to improve the awareness and consequent demand for the Quizam product; demand for Quizam's products increasing; the global increased use of cell phones and internet, together with an increased appreciation for education and training giving the company excellent strategic positioning; all future global License sales will be in Canadian dollars; there can be no assurance that the company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable; the company will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings; broadening of On-TrackTV; increasing our On-TrackTV sales team; significant parental/family demand for study tools; inventory increasing in value; management anticipates more Country Licenses coming on board in the coming quarters.

All of the above forward looking statements are subject to significant risks and uncertainties. Certain material risk factors, that could cause actual results to differ materially from the forward-looking information contained in this MD&A include, but is not limited to changes in of the actions of competitors; fluctuations of exchange rates; the trading level of the company's stock; the continued availability of financing on appropriate terms for future projects; the continued increase of commercial run rates; and a decline in market liquidity. Events and circumstances that occurred during the six months ended November 30, 2009, which are reasonably likely to cause actual results to differ materially are the increased volatility of the global economy which could prevent the company from improving its cash position, improving profitability, increasing Country Licenses or completing necessary financings; decreased usage of the internet, cell phones, and PDA's which could decrease demand for Academic Quizzing software and Quizam's products; the inability to hire appropriate staff and the results of product development activities could prevent further revisions to the software and the development of new products.

The downturn of the global economy, which began in September 2008, has increased equity and market volatility and represents a significant risk factor that could cause actual results to differ from forward looking statements. Until the global economy improves the forward looking statements and information included in the MD&A are even more uncertain.

1.1 Date of Information

January 27, 2010

1.2 Overall Performance

Overall, the economic downturn made it a challenging year for most small cap companies, ours included. The economic downturn had a negative effect on the company's share price. It also decreased demand for our products as many large corporations attempted to decrease expenses.

Until the onset of the recession in September 2008 the company was seeing an increase in both demand and revenues. After the onset of the global recession demand for the company's products decreased. Demand remained low until spring 2009 and management responded by reducing our advertising, marketing and staffing budgets. These responses helped the company through the economic downturn. As a result, revenues have been steadily increasing since May 31, 2009.

It appears that trends in the marketplace are favoring both of Quizam's products. The demand for Corporate Computer training is being fueled by the increased reliance on computers in the workplace coupled with the continued releases of new products from software producers like MicroSoft. The demand for Academic Quizing software is increasing as the academic world becomes more and more competitive. The company is discovering that parents are eager to purchase any aids available that might help their children score higher in school.

We see this trend continuing as preliminary test market advertising to parents of school children has shown positive results. Our training division continues to improve its performance and management feels we are gaining more market share every quarter.

We are pleased with the introduction of On-TrackTV as it has received a great deal of attention in Canada and the United Kingdom. Our North American site is www.ontracktv.com and our United Kingdom site is www.ontracktv.co.uk. On-TrackTV distributes on-line information technology learning over the internet. The business model is based on self-service through a website with residual subscriptions. On-TrackTV is improving, with world wide web-hits/downloads of approximately 38,000 during the first quarter, 33,500 during the second quarter, and 62,000 so far in the third quarter.

Quizam signed an exclusive agreement for the sale and distribution of ontrackTV.com into the UK market under the name ontrackTV.co.uk. The ontrackTV.co.uk library of online learning videos is sold via annual subscriptions to those seeking to learn about common software packages. Users can learn how to use program like Microsoft Excel, Microsoft Word, Microsoft PowerPoint, Adobe InDesign, Adobe Dreamweaver, amongst many others with educational videos.

Until now On-TrackTV has focused on information technology computer training, however, due to client demands and custom training requests we are now expanding the curriculum to include soft skill training for corporations. The new training might include such topics as Customer Service, Corporate Compliance, and Conflict Resolution in the Workplace.

In addition to the training services described above, our global strategy with On-TrackTV is to place our tags on partner's websites, in which the company will earn revenues from the partner's clients who sign up for the service.

The company has two teams familiar with both markets working in Canada and the United Kingdom. In addition, increased demand for On-TrackTV has resulted in reassigning some of the Quizam Software team to keep up with demand. As a result, Quizam Software development and sales efforts have become secondary to On-TrackTV. Once management is sure that the world is recovering from the recession they plan to restore the Quizam Software sales team.

We are also adding administrative components to On-TrackTV which will broaden our corporate appeal. We are looking at broadening On-TrackTV to include other broadcasts such as CEO messages, compliance issues, and other customized corporate communication requirements for clients. We plan to increase our On-TrackTV corporate sales team and to sell the product to Fortune 500 companies.

Management feels that the growing use of the internet will help to improve the awareness and consequent demand for the Quizam product.

Management sees the demand for Quizam's products increasing. The global increased use of cell phones and internet, together with an increased appreciation for education and training will give the company excellent strategic positioning.

The company is continuing to add quizzes to its internet library. Many of the topics are classic and timeless. As this library continues to grow it becomes a valuable asset to the company. The company is exploring ways of accelerating the growth of this library either through corporate purchases of content or perhaps a "community" sharing model where quizzes can be added by global users. In either case management sees this inventory increasing in value as time goes on.

During the six months ended November 30, 2009, the company's working capital position increased and its cash position decreased. For the three and six months ended November 30, 2009, the company also increased its net loss from the three and six months ended November 30, 2008.

1.3 Results of Operations

Revenue for the six months ended November 30, 2009 decreased to \$264,995 (2008 - \$346,626). Revenue decreased due to a decrease in revenue from training services. Revenue for the three months ended November 30, 2009 was comparable to the same period in the prior year, mainly due to new revenues from the U.K. ontrack TV sales. Operating expenses decreased to \$784,075 (2008 - \$858,832) during the six months ended November 30, 2009. This decrease in operating expenses is mainly due to a general streamlining of operations. Operating expenses during the three months ended November 30, 2009, were comparable to the same period in the prior year. The net loss for the three and six months ended November 30, 2009, was comparable to the same periods in the prior year..

The significant changes were as follows:

- Advertising and promotion decreased by \$34,426 to \$2,755 for the six months ended November 30, 2009 (2008 - \$37,181), and decreased by \$17,272 to \$2,395 for the three months ended November 30, 2009 (2008 - \$19,667).
- Amortization was reduced to \$7,386 for six months ended November 30, 2009 (2008 - \$11,285), and reduced to 3,574 for the three months ended November 30, 2009 (2008 - \$5,249). The reduction of amortization was due to some of the company's assets being fully amortized as of November 30, 2009.
- Office and miscellaneous expenses decreased by \$4,181 to \$22,655 for the six months ended November 30, 2009 (2008 - \$26,836), and decreased by \$1,124 to \$11,949 for the three months ended November 30, 2009 (2008 - \$13,073). This was due to the continued streamlining of office systems and the restructuring of photo-copying equipment to save on manual production and photo-copying.
- On-TrackTV development costs increased to \$143,871 for the six months ended November 30, 2009 (2008 - \$89,738), and increased to \$90,576 for the three months ended November 30, 2009 (2008 - \$37,672). This is a result of increased development of the new On-Line Learning component of On-Track. Much of the technology was developed from scratch and is owned by the company. This will save the company money in the future as no royalties will be paid to third parties.
- Quizam software development costs decreased to \$79,866 for the six months ended November 30, 2009 (2008 - \$154,959), and decreased to \$41,012 for the three months ended November 30, 2009 (2008 - \$85,445). Much of Quizam's major development is complete and less work was required.
- Rent of \$91,549 for the six months ended November 30, 2009 (2008 - \$93,650), and \$45,268 for the three months ended November 30, 2009 (2008 - \$48,374), was comparable to the same periods in the prior year.
- Subcontractor costs decreased significantly to \$11,900 during the six months ended November 30, 2009 (2008 - \$63,303), and decreased to \$4,000 during the three months ended November 30, 2009 (2008 - \$39,965), due to decrease use of sub-contractors. In 2008 we introduced new programs requiring outside sub-contractors. We only hire sub-contractors when the revenue is profitable and guaranteed. The cost of the sub-contractor is always built into the price of the job.
- Telephone and internet costs decreased to \$9,021 for the six months ended November 30, 2009 (2008 - \$12,916), and decreased to \$4,465 for the three months ended November 30, 2009 (2008 - \$6,259), due to decreased long distance calls to our global partners and increased internet access from new customers downloading products.
- Travel and business development increased to \$69,640 during the six months ended November 30, 2009 (2008 - \$64,328), and decreased to \$49,318 during the three months ended November 30, 2009 (2008 - \$57,718). This is a result of promoting Quizam and On-TrackTV.
- Wages and benefits decreased to \$116,079 during the six months ended November 30, 2009 (2008 - \$162,670), and decreased to \$66,139 during the three months ended November 30, 2009 (2008 - \$74,095). This decrease was due to the reduction of staff.

The company's cash position has decreased during the six months ended November 30, 2009, due to a decrease in revenue. The amount of accounts receivable has increased from May 31, 2009 to November 30, 2009. Our training division continues to improve its performance and management feels we are gaining more market share every quarter.

1.4 Summary of Quarterly Results

The effect of applying the treasury stock method to the company's loss per share calculation is antidilutive. Therefore basic and diluted losses per share are equal for the periods presented. For the quarters ended:

Description	November 30, 2009	August 31, 2009	May 31, 2009	February 28, 2009	November 30, 2008	August 31, 2008	May 31, 2008	February 29, 2008 Restated
Net Sales	161,871	103,125	75,843	97,157	162,940	183,686	143,499	97,509
Income or (loss) before other items	(299,659)	(219,421)	(372,582)	(347,825)	(291,319)	(220,897)	(332,836)	(348,153)
Net Income or (loss) for the period	(299,534)	(218,864)	(381,870)	(347,524)	(289,975)	(220,146)	(329,869)	(347,882)
Net income (Loss) before other items per share basic and diluted	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)
Income (Loss) per share basic and diluted	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)

Loss before other items and net loss increased during the quarter ended November 30, 2009, from the last quarter ended August 31, 2009, due to the increase in On-Track TV development costs, travel and business development, investor and finance development, and wages and benefits.

Over the last 8 quarters the significant changes in revenue can be attributed to the Quizam Territory Licenses. No global licenses were sold during the quarters ending February 29, 2008 and May 31, 2008, during the year ended May 31, 2009, or during the three months ended August 31, 2009. During the three months ended November 30, 2009, ontrack TV UK began selling licenses, resulting in an increase in revenues during the period. Other than variations that can be attributed to the territory licenses, revenues were fairly constant until the onset of the global recession in September 2008. However, the increase in revenues beginning during the three months ended August 31, 2009, and November 30, 2009, show signs of an improving economy.

1.5 Liquidity and Capital Resources

The company's liquidity has increased from May 31, 2009 to November 30, 2009.

	November 30, 2009	May 31, 2009
Cash and cash equivalents	143,985	208,602
Accounts receivable & prepaid expenses	82,905	25,413
Accounts payable and accrued liabilities	55,525	57,350
Due to a related party	45,026	117,970

As at November 30, 2009, the company had cash of \$143,985 and a working capital of \$126,339, compared to cash of \$208,602 and working capital of \$51,188 at May 31, 2009. The Company's decrease in cash is attributable to an increase cash being used in operating activities and repayment of amounts owing to related parties.

In June 2009, the Company completed a non-brokered private placement consisting of 1,500,000 units at \$0.21 per unit for proceeds of \$315,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.45 for the first six months and \$0.65 for the second six-month period expiring on June 5, 2010. In connection with the private placement, the Company received \$225,500 in share subscriptions and recorded \$2,438 as deferred share issuance costs as at May 31, 2009, and issued 107,381 shares as finders' fees with a fair value of \$22,550 during the six months ended November 30, 2009.

In November, 2009, the Company completed a non-brokered private placement consisting of 4,090,911 units at \$0.11 per unit for proceeds of \$450,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.25 for the first six months and \$0.45 for the second six-month period expiring on November 9, 2010. In connection with the private placement, the Company issued 271,000 shares as finders' fees with a fair value of \$29,810 during the six months ended November 30, 2009.

During the six months ended November 30, 2009 the Company used \$534,320 of cash for operating activities compared to \$439,923 in the comparative period. During the three months ended November 30, 2009 the Company used \$290,715 of cash for operating activities compared to \$259,983 in the comparative period. The company has financed its operations for the last two years mainly through the issuance of share capital. The company has raised \$1,202,107 and \$1,248,147 through the issuance and subscription of share capital during the years ended May 31, 2009 and 2008, respectively. The Company also repaid \$72,944 to related parties during the six months ended November 30, 2009 and repaid \$17,368 during the three months ended August 31, 2008.

The company has incurred losses as it continues to develop its software products. The company continues to be dependant on its cash reserves and future financings.

There can be no assurance that the company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. If adequate financing is not available when required, the company may be required to delay or scale back its software

development and marketing. Any equity offerings will result in dilution to the ownership interests of the company's shareholders and may result in dilution to the value of such interests.

Currently the company has sufficient funds to meet its requirements for the coming year however it will continue to improve its cash positions by focusing on increasing sales, improving profitability and equity financings.

1.6 Capital Resources

The company's only capital commitment is an office lease through October 2010. The minimum lease payments over the remaining lease term are \$63,380 and \$46,267 for fiscal 2010 and 2011 respectively.

1.7 Transactions with Related Parties

The following are related party transactions incurred in the normal course of operations:

The Company owes \$45,026 (May 31, 2009 - \$117,970) to a significant shareholder, who is also a director and officer. The loan is secured by the assets of the Company, bears interest at 12% per annum and is due upon demand.

Related party transactions not otherwise disclosed elsewhere in these financial statements were:

- (a) Management, administration, accounting and software development are provided by a company owned by a significant shareholder. An amount of \$252,952 (2008 - \$219,715) was paid for these services during the six months ending November 30.
- (b) Marketing and publicity fees totalling \$10,952 (2008 - \$3,286) were paid to a company owned by a relative of one of the directors.
- (c) Marketing and publicity fees totalling \$27,366 (2008 - \$7,500) were paid to relatives of one of the directors.
- (d) A significant shareholder was paid \$5,748 (2008 - \$2,813) in interest on loans to the Company.

These fees were recorded at their exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related entities.

1.8 Proposed Transactions

Continue to focus on growth and profitability. The main strategies in the process include:

- a) Maintain control over expenses with a disciplined focus on overall profitability.
- b) Continue to develop On-trackTV market in UK and North America
- c) Expand the On-trackTV offering to include learning vignettes other than IT.
- d) Add quizzing component to On-trackTV where users are quizzed after viewing content.

Begin to offer customized learning to corporations thereby getting revenue for both development and subscriptions.

Re-Deploy the Quizam Business Model as follows:

- a) Licenses to Schools and Institutions
- b) Selling directly on the web
- c) Develop Quizam community where quizzes can be easily shared

1.9 Critical Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and revenues and expenses for the period reported. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to revenue recognition, the valuation allowance for future income tax assets and stock-based compensation.

1.10 Changes in Accounting Policies

Recently Adopted Accounting Policies

Effective June 1, 2008, the Company adopted the following standards of the Canadian Institute of Chartered Accountants' ("CICA") Handbook:

Goodwill and Intangible Assets (Section 3064)

Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible. The adoption of this standard did not have any material impact on the Company's financial statements.

Credit Risk and the Fair Value of Financial Assets and Liabilities (EIC 173)

The AcSB issued EIC-173, which requires the Company to consider its own credit risk as well as the credit risk of its counterparty when determining the fair value of financial assets and liabilities, including derivative instruments. The standard is required to be applied retrospectively without restatement of prior periods. The adoption of this standard did not have an impact on the valuation of financial assets or liabilities of the Company.

Mining Exploration Costs (EIC 174)

The AcSB issued EIC-174, which provides guidance to mining enterprises related to the measurement of exploration costs and the conditions that a mining enterprise should consider when determining the need to perform an impairment review of such costs. The adoption of this standard did not have any material impact on the Company's financial statements.

Future Accounting Changes:

Recent accounting pronouncements that have been announced but are not yet effective are as follows:

In January 2009, the CICA issued Section 1582, Business Combinations, which replaces former guidance on business combinations. Section 1582 establishes principles and requirements of the acquisition method for business combination and related disclosures. The Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the financial statements.

In January 2009, the CICA issued Section 1601, Consolidated Financial Statements, and 1602, Non-controlling interests, which replaces existing guidance on accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are effective on or after the beginning of the first annual reporting period on or after January 2011 with earlier adoption permitted. The Company is currently evaluating the impact of this standard on the financial statements.

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS"). On February 13, 2008, the AcSB confirmed that the standards will become effective for all publicly accountable enterprises in interim and annual financial statements for fiscal years beginning on or after January 1, 2011. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

1.11 Financial Instruments

As at November 30, 2009, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and due to a related party. The fair values of these financial instruments approximate their carrying values due to the short-term maturity of the instruments.

The Company classifies its cash and cash equivalents as held-for-trading, accounts receivable as loans and receivables, and its accounts payable and amounts due to related parties as other financial liabilities.

Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. The risk arises from the non-performance of counterparties of contractual financial obligations. To minimize the credit risk of cash the Company places cash with high credit quality financial institutions. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts. To minimize the credit risk of accounts receivable the Company performs credit valuations

on a regular basis. The financial statements take into account any requirement for an allowance for bad debts.

Liquidity Risk

The Company's approach to managing liquidity risk is to provide reasonable assurance that it has sufficient capital to meet short-term financial obligations after taking into account its cash equivalents on hand. The Company ensures its holding of cash is sufficient to meet its short-term general and administrative expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed deposits. The Company will require additional equity financing to meet its administrative overhead costs and software development expenditures in fiscal 2010.

Market Risk

Market risks consist of interest rate risk, foreign exchange risk and other price risk. It is management's opinion that the Company is not exposed to significant market risk.

Commodity Price Risk

It is management's opinion that the Company is not exposed to significant commodity price risk.

1.12 Additional Information

Additional information about the company is available on SEDAR (Website: www.sedar.com)

Outstanding Share Data

The following table summarizes the outstanding share capital as of the date of the MD&A:

	Number of shares Issued or issuable
Common shares	24,226,755
Stock options available	1,192,500
Warrants	10,090,912

Subsequent Events

The following events occurred subsequent to November 30, 2009:

- (a) On December 22, 2009, the Company's UK online training division ontrackTV has agreed a marketing partnership with the UK's largest publisher of regional newspapers,

magazines and local news websites. Under the partnership, which coincides with the busiest time of year in the UK jobs market, ontrackTV UK has reached an agreement with a number of regional newspapers and magazines within the Northcliffe Media Group, starting with the affluent SW region of the UK. Print adverts will be supported by advertising on the associated Northcliffe regional websites.

- (b) On January 13, 2010, the Company's UK online training division ontrackTV UK, the UK's innovative online training library, announced a Reseller agreement with training organisations Make Change Consultancy Ltd. and its sister company iLogicInt.com. This agreement allows both companies the opportunity to resell subscriptions to ontrackTV to customers in both the corporate and consumer markets. The ontrackTV library of online training courses will form part of the courseware in the delivery of ITQ and ECDL qualifications and will also enhance and strengthen their client offerings in e learning. Make Change Consultancy Ltd. is a successful training provider offering courses in a range of subject areas. iLogicInt.com is an innovative and up to date blended learning solutions provider specialising in classroom, audio and video training solutions that improve the learning experience of staff.
- (c) On January 15, 2010, the Company's online training division ontrackTV.co.uk has signed a partnership agreement with LondonJobs.co.uk to offer jobseekers a new and innovative way to improve their skills online. Under the terms of the agreement the two will share revenue from on line subscribers. LondonJobs.co.uk targets London job seekers exclusively and is the sole website for London's evening standard and Metro Newspapers.
- (d) On January 21, 2010, the Company's online training division ontrackTV.co.uk has entered the Scottish jobsite market and signed a partnership agreement with ScotRecruit.com further expanding www.ontrackTV.co.uk reach into the UK. Under the terms of the agreement the two will share revenue from on line subscribers. ScotRecruit gives the latest jobs in Edinburgh, Glasgow and the rest of Scotland and allows job-seekers a direct channel to top recruitment agencies and employers throughout Scotland.