

Amended and Restated

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

November 30, 2007

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 consolidated financial statements for the period ended November 30, 2007

Amended and Restated

QUIZAM MEDIA CORPORATION
CONSOLIDATED BALANCE SHEET
(Unaudited - Prepared by Management)

	Nov-07	May-07
	\$	\$
ASSETS		
Current		
Cash and term deposits	277,922	491,243
Accounts receivable	1,214,247	761,833
Prepaid expenses and deposits	7,085	10,925
Goods and Services tax recoverable	8,877	12,601
Loans receivable		
	1,508,132	1,276,602
Property, plant and equipment (Note 3)	42,110	43,813
	1,550,242	1,320,415
LIABILITIES		
Current		
Accounts payable and accrued liabilities	62,389	87,088
Current portion of obligation under capital leases	-	13,633
Current portion on debt settlement (Note 5)	11,200	28,000
	73,589	128,721
Long Term Debt		
Due to a related party (Note 10)	133,258	397,598
	206,847	526,319
SHAREHOLDERS' DEFICIT		
Shareholders' deficiency		
Capital stock (Note 6)	6,502,845	5,763,790
Contributed Surplus (Note 7)	50,823	18,564
Deficit	(5,210,274)	(4,988,258)
	1,343,395	794,096
	1,550,242	1,320,415

(See accompanying notes to the financial statements)

APPROVED ON BEHALF OF THE BOARD: _

“Russ Rossi” Director

“Jim Rosevear” Director

Amended and Restated

QUIZAM MEDIA CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited - Prepared by Management)

	3 Months Ending 30-Nov-07	3 Months Ending 30-Nov-06	6 Months Ending 30-Nov-07	6 Months Ending 30-Nov-06
REVENUES				
Training services and software sales	\$130,390	\$66,816	\$218,142	\$122,352
Software licensing (Note 8)	460,012	239,321	460,012	578,000
	<u>590,402</u>	<u>306,137</u>	<u>678,154</u>	<u>592,871</u>
EXPENSES				
Accounting and legal	38,080	18,010	82,580	41,805
Advertising and promotion	8,382	12,580	13,682	16,107
Amortization	8,251	6,521	15,752	12,710
Automobile	5,338	4,005	10,178	8,652
Bank charges and interest	2,217	3,793	4,358	7,290
Management fees	18,000	18,000	36,000	36,000
Office and miscellaneous	17,932	18,265	42,319	28,020
Regulatory fees	4,409	6,890	13,880	12,527
Rents	35,338	29,524	66,142	58,484
Subcontractors	971	2,731	1,668	8,044
Telephone	5,008	4,824	10,518	9,422
Travel and entertainment	53,635	27,523	88,805	31,820
Wages and benefits	75,903	47,497	191,542	84,910
Stock Option Benefits	24,854	-	48,066	-
	<u>298,320</u>	<u>200,164</u>	<u>625,490</u>	<u>355,792</u>
Loss before other items	292,082	105,973	52,664	237,079
OTHER ITEMS				
Interest income	2,845	155	3,600	324
Insurance claims	-	5,934	-	5,934
Investment Expense	(3,500)	-	(21,800)	-
Training Expense	(4,000)	-	(39,500)	-
Product development costs	(132,518)	(92,854)	(216,978)	(218,769)
	<u>(137,172)</u>	<u>(86,765)</u>	<u>(274,678)</u>	<u>(212,511)</u>
Income (Loss) for the period	154,910	19,207	(222,016)	24,568
Deficit, beginning of the period	<u>(5,365,184)</u>	<u>(4,410,002)</u>	<u>(4,988,258)</u>	<u>(4,415,363)</u>
Deficit, end of the period	<u>(5,210,274)</u>	<u>(4,390,795)</u>	<u>(5,210,274)</u>	<u>(4,390,795)</u>
Basic and diluted weighted average gain (loss) per share	0.010	0.006	(0.015)	0.012
Weighted average number of shares	14,807,772	10,852,882	14,848,170	10853052

(See accompanying notes to the financial statements)

Amended and Restated

QUIZAM MEDIA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Prepared by Management)

	3 months ending 30-Nov-07	3 months ending 30-Nov-06	6 months ending 30-Nov-07	6 months ending 30-Nov-06
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) for the period	154,910	19,207	(222,016)	24,568
Items not affecting cash:				
Amortization	8,251	6,521	15,752	12,710
Changes in non-cash working capital items:				
Decrease (increase) in accounts receivable	(468,645)	(241,327)	(452,414)	(474,701)
Decrease in prepaid expenses and deposits	1,912	590	3,840	1,179
Decrease (increase) in goods and services tax recoverable	15,480	(6,394)	3,724	(1,491)
(Decrease) increase in accounts payable and accrued liabilities	10,022	11,936	(24,699)	(4,183)
Net cash used in operating activities	(278,070)	(209,467)	(675,813)	(441,918)
CASH FLOWS FROM FINANCING ACTIVITIES				
Bank indebtedness	-	12,765	-	12,765
Repayments to related parties	62,730	(34,910)	(264,340)	(62,504)
Capital lease obligations	-	(3,409)	(13,632)	(6,814)
Issuance of capital stock	193,354	134,728	771,314	217,078
Debt settlement	(8,400)	(8,400)	(16,800)	(16,800)
Net cash provided by financing activities	247,684	100,774	476,542	143,725
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant & equipment	(9,920)	-	(14,050)	(11,551)
INCREASE (DECREASE) IN CASH	(40,306)	(108,693)	(213,321)	(309,744)
CASH, beginning of period	318,228	108,693	491,243	309,744
CASH, ending of period	277,922	-	277,922	-

Supplemental disclosures with respect to cash flows (Note 14)

(See accompanying notes to the financial statements)

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007
(Unaudited – Prepared by Management)

1. NATURE AND CONTINUANCE OF OPERATIONS

Quizam Media Corporation (formerly Torq 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 (Note 3). 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.

Information on the Company’s working capital and deficit is:

	\$ 2007	\$ 2006
Working capital	1,434,543	247,141
Deficit	(5,210,274)	(4,415,363)

2. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements follow the same accounting policy and methods of their application as the audited financial statements for the fiscal year-end May 31, 2007. There are no policy or method changes except the application of CICA Handbook Section 1530-comprehensive income.

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007
(Unaudited – Prepared by Management)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)...

Principles of consolidation

These consolidated financial statements included the accounts of the Company and its wholly owned subsidiary, On-Track. All significant inter-company transactions and balances have been eliminated upon consolidation.

Use of estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Foreign currency translation

Assets and liabilities of integrated foreign subsidiary operations and foreign currency denominated assets and liabilities of Canadian 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.

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.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization is provided using the straight-line method:

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)...

The Company reviews the carrying values of its property, plant and equipment whenever events or changes in circumstances indicate their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and undiscounted net cash flows. An impairment loss is recognized when the carrying value of those assets is not recoverable and exceeds their fair value.

Asset Retirement obligation

An asset retirement obligation is a legal obligation associated with the retirement of tangible long-lived assets that the Company is required to settle. The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. To date, the Company has not incurred any asset retirement obligations.

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.

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

Stock-based compensation

Effective June 1, 2002, the Company adopted the new CICA handbook Section 3870 “Stock-Based Compensation and Other Stock-Based Payments”, which recommends the fair value-based methodology for measuring compensation costs. Under the fair value method, compensation costs, equal to the fair value of the options on the date of grant, are recorded, with an offsetting credit to contributed surplus. Consideration received upon exercise of the stock options, is recorded as share capital and the contributed surplus related to the recognized fair value of the options exercised is transferred to share capital.

Loss per share

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon

QUIZAM MEDIA CORPORATION

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007**
(Unaudited – Prepared by Management)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. This calculation proved to be anti-dilutive for the years presented.

Income taxes

The Company records income taxes using the asset and liability method. Under the assets and liability method, future tax assets and liabilities are recognized for the future tax consequence attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Future accounting changes

The Canadian Institute of Chartered Accountants (“CICA”) issued two new accounting standards: Handbook Section 1530, Comprehensive Income and Handbook Section 3855, Financial Instruments - Recognition and Measurement. These sections are effective for fiscal years beginning on or after October 1, 2006. These new standards require certain financial assets and liabilities to be measured at fair value and establish a new measure of income, comprehensive income, to represent the change in net assets other than changes attributable to transactions with the Company’s shareholders. The Company is evaluating the impact of these new accounting standards on its consolidated financial statements.

Financial Instruments

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. It is management’s opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments other than a currency risk for amounts denominated in US dollars.(\$750,000; 2007 - \$750,000).

Unless otherwise noted, due to their current maturities, fair values approximate carrying values for these financial instruments. The fair value of due from related parties was not practical to determine.

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007
(Unaudited – Prepared by Management)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Comprehensive income

The Company has adopted section 1530 of CICA Handbook relating to comprehensive income. However, during this period, there is no reportable comprehensive income.

Comparative figures

Certain comparative figures have been reclassified to conform to the financial presentation used in the current year.

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Amortization	2008 NBV
	\$	\$	\$
Automobile – capital lease	64,052	57,647	6,405
Computer Hardware	303,762	270,060	33,702
Furniture and fixtures	68,959	68,861	98
Library	2,721	816	1,905
	439,494	397,384	42,110
	Cost	Accumulated Amortization	2007 NBV
	\$	\$	\$
Automobile - capital lease	64,052	51,242	12,810
Computer Hardware	268,722	261,458	28,255
Furniture and fixtures	68,959	68,388	571
Library	2,721	544	2,177

425,445 381,632 43,813

On May 31, 2003, the Company acquired an automobile under a capital lease primarily for the benefit of a significant shareholder who is a director and the president of the Company. The final portion of the lease payment in the amount of 13,635 has paid in June, 2007.

QUIZAM MEDIA CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED NOVEMBER 30, 2007

(Unaudited – Prepared by Management)

4. LINE OF CREDIT

As at November 30, 2007 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.

5. DEBT SETTLEMENT

During the year 2004, the 100% owned subsidiary of the Company made a proposal to its creditors under Subsection 50.44(1) of the Bankruptcy and Insolvency Act, and which has received creditor approval. The proposal consisted of a restructuring of \$330,000 of current debt, by reversing \$225,000 of the debt as reclaimed expenses and converting \$112,000 of the current debt into a long-term debt to be repaid over 40 months, ending March 31, 2008.

6. CAPITAL STOCK

	Number of Shares	\$
<hr/>		
Authorized – 100,000,000 common shares without par value		
Issued –		
<hr/>		
Balance at May 31, 2003	13,099,878	1,516,594
Balance at May 31, 2005	8,960,746	3,036,084
<hr/>		
Balance post consolidation on May 31, 2005 @ 4 to 1	2,240,187	3,036,084
For cash -Issued by private placement	4,057,500	926,000
For cash, - Exercise of warrants	1,672,912	535,361
For cash - Exercise of options	102,000	52,200
Issued as finders' fees	184,934	-
Finder's fee paid	-	(10,230)

Amended and Restated

Balance at May 31, 2006	8,237,533	4,539,415
For cash - Issued by private placement	520,385	338,251
For cash - Exercise of options	265,500	201,147
For cash - Exercise of warrants	1,509,891	564,862
Finders' fees	43,000	
Vested stock options exercised		120,115
 Balance at May 31, 2007	 10,596,309	 5,763,790

QUIZAM MEDIA CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED NOVEMBER 30, 2007

(Unaudited – Prepared by Management)

6. CAPITAL STOCK (continued)

For cash – Exercise of options	189,000	95,500
For cash – Exercise of warrants	994,521	459,149
Vested stock options exercised		4,264

Balance at August 31, 2007	11,779,830	
6,322,703		
For cash – Exercise of options	27,307	25,000
For cash – Exercise of warrants	287,000	143,500
Vested stock options exercised		11,543
 Balance at November 30, 2007	 12,094,137	 6,502,746

Escrow

As at November 30, 2007, 48,059 common shares of the Company are subject to an escrow agreement and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory body having jurisdiction thereon. The common shares held in escrow will be released over three and six year periods.

Stock options

As at November 30, 2007, Stock options outstanding and exercisable are summarized as follows:

2007	2007
Number of	Exercise
Options	Price
#	\$

Amended and Restated

- Expiring May 23, 2008	110,000	1.20
- Expiring May 23, 2008	29,000	1.30
- Expiring November 20, 2008	153,000	0.80
Balance, November 30, 2007	292,000	n/a
Weighted average fair value of options granted	n/a	1.00

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007
(Unaudited – Prepared by Management)

6. CAPITAL STOCK (continued)**Stock-based compensation**

The compensation expense relating to the options granted been accounted for under the Black-Scholes pricing model representing fair value.

The assumptions used in calculating fair values are as follows:

	2007	2006
Risk-free interest rate	3.9% to 4.56%	3.8% to 4.5%
Expected life of options	1 year	1 year
Expected volatility	50% to 100%	100%
Expected dividend yield	0.0%	0.0%

Warrants

At November 30, 2007, warrants outstanding for the purchase of common shares were:

Number Of Shares 2007	Exercise Price \$	Expiry Date
166,923	0.90 to July 8/07 or 1.30 to January 8/08	January 8, 2008 January 8, 2008

7. CONTRIBUTED SURPLUS

	\$
Balance, May 31, 2007	18564
Stock options vested	48066
Stock options exercised	(15807)
Balance, November 30, 2007	50823

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007
(Unaudited – Prepared by Management)

8. SEGMENTED INFORMATION

a) Training Services & Software Sales for 3 months ended November 30, 2007:

1) Revenue	280,390
2) Expenses	193,760
3) Profit (loss)	86,630

b) Software Licensing for 3 months ended November 30, 2007

1) Revenue	310,012
2) Expenses	241,732
3) Profit (loss)	68,280

9. LICENSE FEES

On August 31, 2006 the Company entered into an agreement with an African company for territorial distribution license for the Quizam educational software. The license fee was

USD\$250,000, payable 90 days after translation of the program into Afrikaans. In addition, Quizam will receive 25% of gross profit, represented by sales less direct costs, from revenues generated in South Africa.

On November 30, 2006 the Company sold a territorial distribution license for the Gulf States of Qatar, Kuwait, Oman, Bahrain, Saudi Arabia and the United Arab Emirates.

The license fee was USD\$500,000, payable 90 days after translation of the program into Arabic. In addition, Quizam will receive 25% of all revenues generated in the Gulf States.

As at May 31, 2007 the Company met all conditions of these licences and recorded the revenue, and the related accounts receivable, from these licences of \$735,000.

On September 24, 2007 the Company sold a territorial distribution license to Consortium Buhedi de Groupe Scolaire Communautaire (re: Congo). The license fee was USD \$10,000. Quizam will receive each month the greater of USD\$800 or 60% of the gross revenue generated from sales of Quizam Software in The Congo. Following the repayment of the initial USD\$10,000 license fee, Quizam will receive 40% of all revenues generated in The Congo.

QUIZAM MEDIA CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED NOVEMBER 30, 2007

(Unaudited – Prepared by Management)

9. LICENSE FEES (continued)...

On November 16, 2007 the Company entered into an agreement with a British company for territorial distribution license for the Quizam educational software in the United Kingdom (England, Scotland, Wales, Northern Ireland and Southern Ireland). The license fee was CDN\$300,000, payable within 90 days of signing. In addition, Quizam will receive 25% of all revenues generated in the Territory.

On November 22, 2007 the Company entered into an agreement with another British company for territorial distribution license for the On-Track software in the United Kingdom (England, Scotland, Wales, Northern Ireland and Southern Ireland). The license fee was CDN\$150,000, payable within 90 days of signing. In addition, On-Track will receive 30% of all revenues generated in the Territory.

10. PRODUCT DEVELOPMENT COSTS

During the current year, the Company concentrated its efforts on the development and marketing of the Quizam educational software. This activity has resulted in a second

version of the educational software, which has also been adapted for compatibility with the Mac platform format. The software has been actively promoted in the United Kingdom and various world markets.

The costs associated with development of the Quizam educational software, which are included in the statement of operations and deficit, are as follows:

	\$
Salary, wages and fees (management, programming and marketing)	
99,278	
Materials	5,527
Marketing	
20,979	
Advertising and promotion	6,734
	132,518

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007
(Unaudited – Prepared by Management)

11. RELATED PARTY TRANSACTIONS

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

The Company owes \$133,258 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 without fixed terms of repayment.

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

Management, administration and accounting services are provided by a company owned by a significant shareholder. \$134,319 was paid for these services during this quarter. \$4,717 was paid during this quarter to a company owned by a relative to one of the directors for marketing and consulting.

Significant shareholders were paid \$1,372 in interest on loans to the Company.

The related party transactions are measured at cost based upon the actual billed values by the related corporation for services and supplies provided. The loans provided by the related party are based on historical values of actual amounts received, in monetary values.

Interest is based upon a predetermined rate and calculated as percentage of the remaining outstanding balance.

12. CAPITAL DISCLOSURE

The Company's capital currently consists of common shares, options and warrants. As the Company is in the development stage, its major 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.

13. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivable, marketable securities, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

QUIZAM MEDIA CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED NOVEMBER 30, 2007

(Unaudited – Prepared by Management)

13. FINANCIAL INSTRUMENTS (continued)...

Risk management

The Company's largest asset is its software licensing receivable in U.S. dollars. The Company could accordingly be at risk for foreign currency fluctuations and developing legal environment.

14. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2007	2006
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

Significant non-cash transactions during the three months period ended November 30, 2007 included:

The Company allocated \$11,543 for stock options exercised during the period to capital stock from contributed surplus.

15. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Nov-07
	\$
Statutory tax	34.1%
Loss for period	222,016
Expected income tax recovery	75,707
Non-deductible expenses and other items for income tax purposes	(15,000)
Unrecognized benefit of non-capital losses	(60,707)

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED NOVEMBER 30, 2007

(Unaudited – Prepared by Management)

15. INCOME TAXES (continued)...

Total income taxes	-
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The significant components of the Company's future income taxes assets are as follows:

Amended and Restated

	Nov-07
	\$
Future income tax assets (liabilities)	(624)
Non-capital loss carry forward	(1,673,637)
	(1,674,261)
Valuation allowance	(1,674,261)
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Net future income tax assets	-
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Amended and Restated

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

Date of Information

1.1 September 26, 2008

Overall Performance and Results of Operations

1.2 The cash position of the company continues to be strong. As of November 30th, 2007 the company had nearly 300,000 in the bank. Compared to the same period last year its tried and true training division nearly doubled its revenue from \$66k in 2006 to \$130K in 2007. Management feels this is a direct result of the dedication of the full time consultant team providing training and building content.

When looking at the big picture Net sales for the 3 months ending November 30th, 2007 are up \$234,000 or 67% over the same period last year. As well net income has increased by roughly \$85,000 or 123% over the same period last year. It is worthy to note that there is a profit of nearly \$300,000 before "Other Items" expenses. The majority of Other Item expenses is product development.

Though our general educational revenue is up the majority of the "boost" in company sales comes from a UK Licence sale of \$300,000 and a OnTrackTV license sale for \$150,000. The strategy for this type of license agreement is that the local licensee will carry the responsibility of marketing the products. The local licensee's are in a better position to know their territories. In return for the License Fee and revenue sharing the licensee's will be responsible for organizing sales teams and positioning the product. This takes much financial and organizational pressure off of the company thus reducing risk. On the other hand there is always the risk that the Licensee's will not perform well. To this end the company has established minimum benchmarks for the Licensee to attain.

It is worthy to note that the company has continued to promote its Quizam Pilot program and several schools and districts have requested sample of the software to pilot.

The company has enjoyed positive revenue growth in both the Software Licensing sales and the Corporate training division. In addition the company is now beginning to see revenue from it's on-line training division – OnTrackTV.com. The company is also adding

Amended and Restated

more content to its Ontracktv and more quizzes to its Quizam Library.

When comparing expenses to the same quarter last year the company has kept fairly consistent except for the following categories:

Accounting and Legal increased by roughly \$20,000. As reporting requirements continue to become more complex so does the company's expenses in this regard.

Travel and Entertainment increased by roughly \$26,000. This is due mainly to trade shows and global license marketing.

Wages and Benefits increased by roughly \$29,000. This is a result of increased staffing required to meet the demand of increased business.

Management is particularly optimistic about its new On-Line Learning product called Ontracktv.com. The company is continuing to develop its On-Line library and should be able to come to market summer of 2008. The new model involves monthly subscriptions to a Learning Library that will attract corporations for the following reasons:

- a) The fee will be substantially less than what clients would normally pay for live training.
- b) The size of the library will give clients substantially more training than they could normally afford.
- c) The "weatherman" green screen delivery format will be attractive and effective for clients.

Sine this new On-Line learning system is entirely Internet based it will be highly scalable.

At this time the biggest hurdle for the company with regards to OnTrackTV will be internet bandwidth. The company has made arrangement to quickly increase bandwidth should the demand arise. At present we don't see this demand to be a factor until Fall of 2008.

Summary of Quarterly Results

1.5 For the Quarters Ended

Amended and Restated

Description	Nov 30 2007	Aug 31 2007	May 31 2007	Feb 28 2007	Nov 30 2006	Aug 31 2006	May 31 2006	Feb 28 2006
Net Sales	590402	87752	129514	336231	306137	286734	69152	82971
Income or (loss) before other items	(292,082)	(239,421)	(211,723)	70612	105973	131106	(82,087)	(98,696)
Net Income or (loss) for the period	154910	(376,926)	(409,229)	(188,234)	19207	5361	(294,129)	(218,386)
Shares Issued	11951137	11636830	10596309	10298181	8934266	8406533	8257533	7069665
Per Share	0.01	(0.03)	(0.04)	(0.02)	0.002	0.001	(0.04)	(0.03)

During this last quarter 2 significant licenses were sold to UK Licensee's. One license was for Quizam and the other is OntrackTV. The lower revenue in the 1st quarter is mostly due to a slow summer season. Over the last 8 quarters the significant jumps in revenue can be attributed to the Quizam Territory Licenses. In addition to this past quarter the company sold territory licences in the quarters ending Feb'07/ Nov '06/ Aug '06 . Notwithstanding the Territory Licenses the company continues to see increases in quarterly revenue from education and training. We have been working diligently with the current Licensee's to get their programs up and running.

Liquidity and Capital Resources

- .6 The company's liquidity (relationship between quick current assets and quick current liabilities) is has now become positive.

Quick current ratio	November 2007	May 2007
Cash in the Bank	277,922	491,243
Accounts Receivable & Prepaid Expenses	1,221,332	785,359
Account Payable & Accrued Liabilities	62,389	128,721
Long Term Debt	133,258	397,598

As at November 30th, 2007 the Company has working capital of approximately 1.5 million \$'s. This is a 24:1 positive ratio of Current Assets to Current liabilities. The company is continuing to reduce its Long Term Debt as well. This positive trend has been consistent over the past 2 years.

Over the past quarter the company has been profitable however there is no guarantee that this trend will continue. Management would like to see several successive profitable quarters before continued profitability is assured. Though revenues are increasing the company continues to be dependant on its cash reserves and future financings. In addition to the Quizam software the development of OnTracktv will require expenditures.

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 require, 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.

Amended and Restated

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.

Subsequent Events

1.8 The following events occurred subsequent to November 30th, 2007:

Since November 30th, 2007 roughly 120 schools have signed deals with Quizam to use the company's flashcard software.

Transactions with Related Parties

1.9 The Following transactions took place with a related party.:

a) Quizam Media and On-Track outsource several services to the staff of Blueskyview Software Corp., a company owned by a significant shareholder named Russ Rossi. From September 2007 to November 2007, a total of \$129,602 was paid for the following services.

Management Fee	18,000.00
Accounting	30,500.00
Training Expenses	4,000.00
Transportation	1,950.00
Software Development	69,500.00
Office Expenses	5,652.40

b) A secured loan from Russ Rossi, a significant shareholder bearing 12% had a balance owing as at November 30, 2007 of \$133,258.

c) The related party transactions are measured at cost based upon the actual billed values by the related corporation for services and supplies provided. The loans provided by the related party are based on historical values of actual amounts received, in monetary values

Proposed Transactions

.11 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 grow the Quizam Business Model as follows:
 - 1) Licenses to Schools and Institutions
 - 2) Corporate Licenses sold direct to User from Web Site
 - 3) Regional Licenses to Partners that can manage the regional Content and Marketing
 - 4) Sell directly to parents and students using Infomercials and "Affiliate Selling"
- c) Build the Content Library for both Quizam and On-Track On-Line

Amended and Restated

- d) Grow the On-Line Vignette component of the On-Track business model know as On-Track TV
- e) Expand the On-Track TV model to include education training other than computers
- f) Explore strategies to improve "Web Awareness" of our Quizam and Ontracktv product line.

Financial Instruments

Financial instruments included cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments other than:

- a) Licence Fee Receivable for South Africa and Gulf states (\$750,000 USD)
- b) a currency risk for amounts denominated in US dollars. (\$750,000; 2007 - \$750,000)

It is management's opinion that that above noted credit risk will have no impact on the liquidity of the company.

Changes in Accounting Policies

1.13 Change in Accounting Policies

Effective June 1, 2007, the Company adopted the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855 Financial Instruments – Recognition and Measurement and Section 1530 – "Comprehensive Income".

Section 3855 provides guidance on when a financial instrument must be recognized on the balance sheet and how it is to be measured. It also provides guidance on the presentation of gains and losses on financial instruments.

Section 1530 requires an entity to recognize certain unrealized gains and losses in "other comprehensive income", an account included in unit holders' equity, until such gains and losses are realized and then recognized in net earnings, and requires the introduction of a statement of comprehensive income.

Accordingly, the adoption of this standard has not had an impact on the financial statements of the Company, either as a transitional adjustment or in the reporting of current year's balance. Prior year's financial statements have not been restated for the adoption of this new accounting policy.

Future Accounting Changes:

Financial Instruments – Presentation and Disclosure

The CICA has issued two new accounting standards 3862 Financial Instruments – Disclosures, and Section 3863 Financial Instruments Presentation. These sections will replace section 3861 Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure requirements while carrying forward its presentation requirements. These new sections will place increased emphasis on disclosure

Amended and Restated

about the nature and extent of risks arising from financial instruments and how the entity manages those risks. The mandatory effective date is for fiscal years beginning on or after October 1, 2007. This new requirement is for disclosure only and will not impact the financial results of the Company.

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	12,771,360
Stock options available	98,000
Warrants	500,000