

QUIZAM MEDIA CORPORATION
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
February 28, 2009

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, 2008.

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

	As At February 28, 2009	As At May 31, 2008
	\$	\$ (Audited)
ASSETS		
Current		
Cash and cash equivalents	10,325	68,877
Short-term investments	-	70,404
Accounts receivable	36,934	54,174
Prepaid expenses and deposits	13,382	9,546
Goods and Services tax recoverable	8,193	7,381
Loans receivable (Note 16)	10,176	10,176
	<u>79,010</u>	<u>220,558</u>
Property, plant and equipment (Note 5)	23,581	37,982
	<u>102,591</u>	<u>258,540</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	140,578	89,418
Deferred revenue	-	6,567
Due to a related party (Note 14)	49,002	123,211
	<u>189,580</u>	<u>219,196</u>
SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share Capital (Note 7)	7,947,797	7,218,221
Contributed Surplus (Note 10)	309,633	307,907
Deficit	(8,344,419)	(7,486,784)
	<u>(86,989)</u>	<u>39,344</u>
	<u>102,591</u>	<u>258,540</u>

Nature of Operations and Continuance of Business [Note 1]
Commitment [Note 17]
Subsequent Event [Note 18]

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 CORP.**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

(Unaudited - Prepared by Management)

	Three Months Ending February 28, 2009	Three Months Ending February 28, 2008	Nine Months Ending February 28, 2009	Nine Months Ending February 28, 2008 Re-stated (Note 19)
REVENUES	\$	\$	\$	\$
Training services and software sales	97,157	97,509	443,783	315,651
EXPENSES				
Accounting and legal	27,398	28,700	106,579	111,280
Advertising and promotion	4,916	33,541	36,397	47,222
Amortization	4,538	8,802	15,822	24,554
Automobile	6,133	8,195	16,471	18,373
Bank charges and interest	870	761	2,679	2,646
Interest on related party debt	1,012	2,071	3,880	4,546
Investor/finance development	5,040	3,500	11,284	21,800
Management fees	18,000	18,000	54,000	54,000
Office and miscellaneous	20,270	20,484	50,764	62,812
On-Track development costs	52,203	8,400	144,930	47,900
Quizam software development costs (Note 13)	62,181	128,534	217,140	390,540
Regulatory fees	12,067	8,834	23,473	22,714
Rents	48,037	42,825	141,687	108,967
Subcontractors	13,781	1,663	72,170	3,331
Telephone	5,881	4,385	18,797	14,903
Travel and business development	53,230	27,856	120,270	117,468
Wages and benefits	82,124	63,458	240,170	213,471
Stock based compensation (Note 8)	27,301	37,724	27,301	84,976
	444,982	447,733	1,303,814	1,351,503
Loss before other items	(347,825)	(350,224)	(860,031)	(1,035,852)
OTHER ITEMS				
Interest income	301	2,342	2,396	5,942
Net Loss for the period	(347,524)	(347,882)	(857,635)	(1,029,910)
Deficit, beginning of the period	(7,996,895)	(5,670,286)	(7,486,784)	(4,988,258)
Deficit, end of the period	(8,344,419)	(6,018,168)	(8,344,419)	(6,018,168)
Basic and diluted weighted average Loss per share	(0.025)	(0.029)	(0.061)	(0.086)
Weighted average number of shares	14,045,712	11,970,326	14,045,712	11,970,326

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

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

	Three Months Ending February 28, 2009	Three Months Ending February 28, 2008	Nine Months Ending February 28, 2009	Nine Months Ending February 28, 2008 Re-stated (Note 19)
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Income (loss) for the period	(347,524)	(347,882)	(857,635)	(1,029,910)
Items not affecting cash:				
Amortization	4,538	8,802	15,822	24,554
Stock option benefit	27,301	37,724	27,301	84,976
Changes in non-cash working capital items:				
Decrease (Increase) in accounts receivable	30,115	14,855	17,240	23,620
Decrease (Increase) in prepaid expenses and deposits	2,047	1,629	(3,836)	5,469
Decrease (Increase) in goods and services tax recoverable	474	2,547	(812)	6,271
Decrease (Increase) in loan receivable	-	(5,026)	-	(5,026)
(Decrease) Increase in accounts payable and accrued liabilities	(34,356)	(7,542)	51,160	(32,241)
(Decrease) Increase in deferred revenue	-	-	(6,567)	-
Net cash used in operating activities	(317,405)	(294,893)	(757,327)	(922,287)
FINANCING ACTIVITIES				
Finance from (Repayments to) related parties	(56,841)	(12,553)	(74,209)	(276,893)
Payment of capital lease obligations	-	-	-	(13,633)
Issuance of capital stock	166,000	276,543	704,001	999,798
Debt settlement	-	(8,400)	-	(25,200)
Net cash provided by financing activities	109,159	255,590	629,792	684,072
INVESTING ACTIVITIES				
Redemption (purchases) of short term investments	-	-	70,404	-
Purchase of property, plant & equipment	-	(6,142)	(1,421)	(20,191)
Net cash provided by (used in) investing activities	-	(6,142)	68,983	(20,191)
INCREASE (DECREASE) IN CASH	(208,246)	(45,445)	(58,552)	(258,766)
CASH, beginning of period	218,571	277,922	68,877	491,243
CASH, end of period	10,325	232,477	10,325	232,477

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

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED February 28, 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, 2008, the Company adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3031, “Inventories”. Section 3031 which introduces changes to the measurement and disclosure of inventory and converges with international financial reporting standards and is effective for interim and annual periods relating to fiscal years beginning on or after January 1, 2008. The adoption of this standard did not have any material impact on the Company’s financial statements.

Effective June 1, 2008, the Company adopted CICA Handbook Section 3862, “Financial Instruments - Disclosure” and Section 3863, “Financial Instruments - Presentation” which replace Section 3861, “Financial Instruments - Disclosure and Presentation”. Section 3862 increases the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. This section carries forward the former presentation requirements and is effective for fiscal years beginning on or after October 1, 2007. The adoption of this standard did not have any material impact on the Company’s financial statements.

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED February 28, 2009
(Unaudited – Prepared by Management)

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) Property and equipment

Property and equipment are 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

(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.

QUIZAM MEDIA CORPORATION
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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, the licensee is satisfied with the operations of the software, and collection is reasonably assured.

(j) 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.

(k) 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.

(l) 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.

QUIZAM MEDIA CORPORATION
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4. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2008, the Accounting Standards Board issued CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets and is effective for interim and annual periods relating to fiscal years beginning on or after October 1, 2008. The Company is currently assessing the impact of the new standard and has not yet determined its effect on the Company's 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.

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	February 28, 2009 Net Book Value	May 31, 2008 Net Book Value
	\$	\$	\$	\$
Automobile	64052	64052	–	–
Computer hardware	318604	296501	22103	36350
Furniture and fixtures	69241	68987	254	–
Library	2721	1497	1224	1632
	454618	431037	23581	37982

6. LINE OF CREDIT

As at February 28, 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.

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7. SHARE CAPITAL

	Number of Shares	\$
Balance at May 31, 2007	10596309	5834633
For cash - Issued by private placement	500000	425000
For cash - Exercise of options	216307	120499
For cash - Exercise of warrants	1358444	702648
Issued as finders' fees	45302	38507
Share issuance costs	-	(38507)
Fair value of stock options exercised transferred from contributed surplus	-	135441
Balance at May 31, 2008	12716362	7218221
For cash - Issued by private placement	2979999	660000
For cash - Exercise of options	55000	44000
Issued as finders' fees	261100	54432
Share issuance costs	-	(54432)
Fair value of stock options exercised transferred from contributed surplus	-	25575
Balance at February 28, 2009	16012461	7947796

- (a) In February, 2009, the Company completed a non-brokered private placement consisting of 2,499,999 units at \$0.12 per unit for proceeds of \$300,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.30 for months 1 to 12 and \$0.50 for the months 13 to 24. In connection with the private placement, the Company issued 224,433 shares as finders' fees with a fair value of \$26,932 and recorded as share issuance costs.
- (b) On August 18, 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.
- (c) During the nine months ended February 28, 2009, 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. During the nine month period ended February 28, 2009, 92,000 options expired.

On January 9, 2009, the Company granted 277,500 stock options to directors, officers, employees and consultants which are exercisable at \$0.20 per share until January 9, 2010. The Company recognized \$27,301 in stock-based compensation on the consolidated statements of operations and deficit with a corresponding entry to contributed surplus on the balance sheet.

- (d) During the nine months ended February 28, 2009, there were no warrants exercised.

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Escrow

On February 2, 2009, the remaining 16,020 common shares were released. At February 28, 2009, there were no shares remaining in escrow.

8. STOCK OPTIONS

(a) 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.

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

	Number of shares	Weighted Average Exercise Price \$
Outstanding, May 31, 2007	439000	0.86
Granted	153000	0.80
Exercised	(216307)	0.56
Cancelled/expired	(228693)	1.15
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Outstanding, May 31, 2008	147000	0.80
Exercised	(55000)	0.80
Cancelled/expired	(92000)	0.80
Granted	277500	0.20
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Outstanding, February 28, 2009	277500	0.20

The fair value for stock options granted was estimated using the Black-Scholes option pricing model using the following weighted average assumptions:

	February 28, 2009	February 29, 2008
Risk free interest rate	3.5%	3.9% – 4.75%
Expected life (in years)	1	1/2
Expected volatility	107%	50% – 100%
Dividend yield	0%	0%

(b) Stock-based compensation

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Total stock-based compensation expense recognized for stock options granted during the nine month period ending February 28, 2009 was \$27,301 (2008 - \$48,066) and was charged to operations for options granted to directors, officers, employees and consultants of the Company.

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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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, 2007	1448444	0.52
Issued with private placements	500000	1.10
Exercised	(1358444)	0.49
Expired	(90000)	1.30
<hr/>		
Balance, May 31, 2008	500000	1.75
Issued with private placements	480000	1.00
Issued with private placements	2499999	0.30
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Balance, February 28, 2009	3479999	0.60

At February 28, 2009, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
500000	\$1.10 to Sept. 11, 2008 or \$1.75 to March 11, 2009	March 11, 2009 (Note 18)
480000	\$1.00 to Feb 17, 2009 or \$1.65 to Aug 18, 2009	August 18, 2009
2499999	\$0.30 to Jan 25, 2010 or \$0.50 to Jan 26, 2011	January 26, 2011

10. CONTRIBUTED SURPLUS

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

	Amount \$
Balance, May 31, 2007	372203
Fair value of stock options granted	71145
Fair value of stock options exercised and transferred to share capital	(135441)
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Balance, May 31, 2008	307907
Fair value of stock options exercised and transferred to share capital	(25575)
Fair value of stock options granted	27301
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Balance, February 28, 2009	309633

QUIZAM MEDIA CORPORATION
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11. SEGMENTED INFORMATION

(a) Training Services the nine month periods ending:

	February 28, 2009	February 29, 2008
Revenue	441748	315651
Expenses	(793589)	(612982)
Profit (loss)	(351841)	(297331)

(b) Software Sales and Licensing for the nine month periods ending:

	February 28, 2009	February 29, 2008
Revenue	2036	-
Expenses	(507830)	(732579)
Profit (loss)	(505794)	(732579)

12. 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 was uncertain of the collectability accounts receivable from these licences and wrote-off the balance of \$802,200.

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.

As the collection of these license fees is not reasonably assured, the Company has not yet recognized any revenues with respect to these licenses.

QUIZAM MEDIA CORPORATION
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13. PRODUCT DEVELOPMENT COSTS

During the current period, 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, for the nine months ended February 28, 2009 are as follows:

	February 28, 2009 \$	February 29, 2008 \$
Salary, wages and fees (management, programming and marketing)	166082	298016
Materials	3902	5935
Marketing	5545	66459
Advertising and promotion	41611	20130
	<hr/> 217140	<hr/> 390540

14. RELATED PARTY TRANSACTIONS

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

The Company owes \$49,002 (May 31, 2008 - \$123,211) 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:

Management, administration, accounting and software development are provided by a company owned by a significant shareholder. \$336,857 (2008 - \$444,120) was paid for these services during the nine months ended February 28, 2009.

Marketing and publicity fees totalling \$18,524 (2008 - \$21,714) were paid to a company owned by a relative of one of the directors.

Marketing and publicity fees totalling \$40,887 (2008 - \$48,940) were paid to relatives of one of the directors.

A significant shareholder was paid \$3,880 (2008 - \$4,617) 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.

15. CAPITAL DISCLOSURE

The Company's capital currently consists of common shares 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.

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16. LOANS RECEIVABLE

The Company has developed a program where it shares marketing and sales expenses with its licensees. Any monies advanced to licensees will take the form of an interest bearing loan and must be paid back to the company. Thus far £5,000 pounds have been advanced to the UK Licensee. The loans bear an interest rate of 4% annually.

17. COMMITMENT

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

	\$
2009	26324
2010	108648
2011	46267

18. SUBSEQUENT EVENT

On March 6, 2009, the Company announced that it has lowered the price and extended the expiry date of the 500,000 warrants issued from the March 2008 financing. Originally, these warrants expired March 11, 2009 and had a strike price of \$1.10 for the first 6 months and \$1.75 for second 6 months. The revised expiry date is now December 31, 2009 and the new exercise price has been reduced to \$0.30.

In March, 2009, the Company announced a non-brokered private placement of 2,000,000 units of the company at a price of \$0.14 per share. Each unit consisted of one common share and a one year share purchase warrant exercisable at \$0.45 for months 1 to 6 and \$0.65 for months 7 to 12.

19. RESTATEMENT

The Company's financial statements for the nine month period ended February 29, 2008 were restated as a result of management not correctly writing-off \$802,200 of doubtful accounts receivable and incorrectly translating and recording the foreign exchange loss associated with these receivables during the 2007 fiscal year and recognizing licensing revenue of \$460,012 during the fiscal quarter ended February 29, 2008 before collectability was reasonably assured. Accordingly the Company restated the fiscal quarter ended February 29, 2008.

The effects of these restatements are summarized in the following table:

	9 Months Ending February 29, 2008		9 Months Ending February 29, 2008
	As Reported	Adjustment	As Restated
	\$	\$	\$
Statement of Loss and Deficit			
Software Licensing	460012	(460012)	-
Income (loss) for the period	(569898)	(460012)	(1029910)
Basic and diluted weighted average gain (loss) per share	(0.05)	(0.03)	(0.08)

QUIZAM MEDIA CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED February 28, 2009
(Unaudited – Prepared by Management)

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.

In the financial statements for the year ended May 31, 2008, the company has restated the comparative financial statements for the year ended May 31, 2007, as described in note 21 of our annual financial statements. In addition the company has restated the financial statements for the interim periods ended November 30, 2007, and February 28, 2008, as described in section 1.15 of the company's annual MD&A.

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.

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”, “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, 1.3, 1.5, 1.6, and 1.11. 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 fluctuations of the actions of competitors; the ability, 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 nine month period ended February 28, 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 recent downturn of the global economy 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

April 8, 2009

1.2 Overall Performance

Overall, management is pleased with the performance of the On-Track and Quizam products. 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 Quizzing 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. The company has finished a complete set of On-Line Curriculum for its training division called On-TrackTV. Many corporations locally and abroad have shown interest in this high caliber video on demand learning system. We will continue to add to the library increasing the appeal and demand for this new medium in 2009.

We are pleased with the introduction of On-TrackTV as it allows clients to now learn on-line. The technology is resource-consuming to build but once built it's very easy to deploy and is very profitable. On-Track's new radio campaign has significantly increased the number of inquiries resulting in increased business for On-Track. We have increased the utilization of our classrooms and the use of outside consulting and training at client sites. Our online bookings for On-Track have also increased significantly. We have also taken additional space and added two classrooms.

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.

The company has also completed some radio advertising for the Quizam product. We have seen the Web hits and Web downloads for Quizam increase dramatically. We are pleased with the results and are now considering some TV advertising. We have also created some box packaging for Quizam and will be test marketing the product in retail outlets. We feel that the parental/family demand for such a study tool will be significant.

The company has been very effective in networking globally. Through international trade shows and internet marketing the company has been able to sign up license deals.

Quizam recently 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 will be 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.

Quizam recently partnered with an information technology service provider who provides a variety of information technology infrastructure solutions, managed services, Microsoft solutions and hosting services. The partnership with Quizam will allow the service provider to deliver information technology training solutions to its current client base.

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 nine months period ended February 28, 2009, the company's working capital and cash positions decreased. For the nine month ended February 29, 2008, the company also decreased its net loss from the nine months ended February 29, 2008.

1.4 Results of Operations

Revenue for the nine months ended February 28, 2009 increased by 41% to \$443,783 from \$315,651. Revenue for the three months ended February 28, 2009 was comparable to the

same period last year. Operating expenses decreased to \$1,303,814 (2008 - \$1,351,503) during the nine month period ended February 28, 2009. This decrease in operating expenses is mainly due to a general streamlining of operations. This also resulted in a decrease in net loss of \$172,275 (17%) from \$1,029,910 during the nine month period ended February 28, 2009. Net loss during the three months ended February 28, 2009 is comparable to the same period last year.

The significant changes were as follows:

- Advertising and promotion decreased by \$10,825 to \$36,397 for the nine months ended February 28, 2009 (2008 - \$47,222) and decreased by \$28,625 to \$4,916 for the three months ended February 28, 2009 (2008 - \$33,541).
- Amortization was reduced to \$15,822 for nine months ended February 28, 2009 (2008 - \$24,554) and reduced to \$4,538 for three months ended February 28, 2009 (2008 - \$8,802). The reduction of amortization was due to some of the company's assets being fully amortized as of May 31, 2008.
- Office and Miscellaneous expenses reduced by 19% to \$50,764 for the nine months ended February 28, 2009 (2008 - \$62,812) and slightly decreased to \$20,270 for the three months ended February 28, 2009 (2008 - \$20,484). This was due from continuation of streamlining of offices systems and restructuring of photo-copying equipment to save on manual production and photo-copying.
- On-TrackTV costs increased \$97,030 for the nine months ended February 28, 2009 (2008 - \$47,900) and increased \$43,803 for the three months ended February 28, 2009 (2008 - \$8,400). 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 were reduced by 44% to \$217,140 for the nine months ended February 28, 2009 (2008- \$390,540) and reduced by 52% to \$62,181 for the three months ended February 28, 2009 (2008 - \$128,538). Much of Quizam's major development is complete and less work was required.
- Rent is up by 30% to \$141,687 for the nine months ended February 28, 2009 (2008 - \$108,967) and increased by 12% to \$48,037 for three months ended February 28, 2009 (2008 - \$42,825). This is result of the temporary space leased for On-Track TV production.
- Subcontractor costs increased significantly to \$72,170 during the nine months ended February 28, 2009 (2008 - \$3,331) and to \$13,781 for the three months ended February 29, 2009 (2008 - \$1,663) due to increased 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 increased to \$18,797 (2008 - \$14,903) for the nine months ended February 28, 2009 and increased to \$5,881 for the three months ended February 28,

2009 (2008 - \$4,385) due to increased long distance calls to our global partners and increased internet access from new customers downloading products.

- Travel and Business development increased slightly to \$120,270 (2008 -\$117,468) during the nine months ended February 28, 2009 and increased significantly to \$53,230 during the three months ended February 28, 2009, from \$27,856 during the three month period ended February 29, 2008. This is a result of promoting On-TrackTV at the BETT show to open up the market in U.K.
- Wages and benefits have been increased slightly by 13% to \$240,170 during the nine months ended February 28, 2009 (2008 – \$213,471) and increased by 29% to \$82,124 for the three months ended February 28, 2009 (2008 - \$63,458). This increase was due to extra staff hired for software sales.
- Stock based compensation was \$27,301 for the three and nine months ended February 28, 2009 compared to \$37,724 and \$84,976 respectively, for the same period last year as the fair value of the company's stock options was less than the prior year .

1.5 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	February 28 2009	November 30 2008	August 31, 2008	May 31, 2008	February 29, 2008 Restated	November 30, 2007 Restated	August 31, 2007	May 31, 2007 Restated
Net Sales	97,157	162,940	183,686	143,499	97,509	130,390	87,752	216,063
Income or (loss) before other items	(347,825)	(291,319)	(220,897)	(332,836)	(348,153)	(307,947)	(377,681)	(409,521)
Net Income or (loss) for the period	(347,524)	(289,975)	(220,146)	(329,869)	(347,882)	(305,102)	(376,926)	(120,960)
Net income (Loss) before other items per share basic and diluted	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.04)
Income (Loss) per share basic and diluted	(0.02)	(0.02)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.12)

Loss before other items and net loss increased during the quarter ended February 28, 2009, from the last quarter ended November 30, 2008, due to the increase in rent, subcontractors and business development, and also as a result of a decrease due to the current economic environment.

1.6 Liquidity and Capital Resources

The company's liquidity has decreased from May 31, 2008 to February 28, 2009.

	February 28, 2009	May 31, 2008
Cash in the Bank	10325	68877
Short-term investments	-	70404
Accounts & Loans Receivable & Prepaid		
Expenses	68685	81277
Due to a related party	49002	123211

As at February 28, 2009, the company had cash of \$10,325 and a working capital deficit of \$110,570, compared to cash of \$68,877 and working capital of \$1,362 at May 31, 2008. The decrease in cash and working capital during the nine months ended February 28, 2009, is mainly a result of the current economic environment.

During the nine months ended February 28, 2009, the company used cash in operating activities of \$757,327 compared to \$922,647 in the comparative period. Financing activities provided net cash of \$629,792 during the current period and \$684,072 in the comparative period. Cash was primarily provided from proceeds of common shares subscribed, exercise of stock options. The company repaid \$74,209 and \$276,893 to related parties during the nine month periods ended February 28, 2009 and 2008.

In March, 2009, the company announced a non-brokered private placement of 2,000,000 units of the company for gross proceeds of \$280,000. Each unit will consist of one common share and a one year share purchase warrant exercisable at \$0.45 for six months and \$0.65 for the next six months.

The company has incurred losses as it continues to develop its software products. Though revenues are increasing 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.

1.7 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 \$26,324, \$108,648 and \$46,267 for fiscal 2009, 2010 and 2011 respectively.

1.9 Transactions with Related Parties

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

At February 28, 2009, the company owes \$49,002 (May 31, 2008 – \$123,211) to Russ Rossi, who is a significant shareholder and 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 Blueskyview Software Corp., a company owned by Russ Rossi. \$336,857 (2008 - \$444,120) was paid for these services during the nine months period.
- b) Marketing and publicity fees totaling \$18,524 (2008 – \$21,714) were paid to a TRC Management, a marketing company owned by the wife of Russ Rossi.
- c) Marketing and publicity fees totaling \$40,887 (2008 – \$48,940) were paid to relatives of Russ Rossi.
- d) Russ Rossi was paid \$3,880 (2008 - \$4,617) in interest on loans to the company.
- e) 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.

Proposed Transactions

The company continues to focus on growth and profitability. The main strategies continue as before are:

- a) Maintain control over expenses with a disciplined focus on overall profitability.
- b) Continue to grow the Quizam Business Model as follows:
 - i. Licenses to Schools and Institutions
 - ii. Corporate Licenses sold direct to User from Web Site.
 - iii. Regional Licenses to Partners that can manage the regional Content and Marketing.
 - iv. Sell directly to parents and students using Infomercials and “Affiliate Selling”.
- c) Build the Content Library for both Quizam and On-Track On-Line.
- 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 by including education training other than computers, offering more than just IT training, accelerating the growth of the online library and expanding globally with our partners.

1.11 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.

1.12 Changes in Accounting Policies

Recently Adopted Accounting Policies

Effective June 1, 2008, the company adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3031, “Inventories”. Section 3031 which introduces changes to the measurement and disclosure of inventory and converges with international financial reporting standards and is effective for interim and annual periods relating to fiscal years beginning on or after January 1, 2008. The adoption of this standard did not have any material impact on the company’s financial statements.

Effective June 1, 2008, the company adopted CICA Handbook Section 3862, “Financial Instruments - Disclosure” and Section 3863, “Financial Instruments - Presentation” which replace Section 3861, “Financial Instruments - Disclosure and Presentation”. Section 3862 increases the emphasis on recognition and management of the risks associated with recognized and unrecognized financial instruments. This section carries forward the former presentation requirements and is effective for fiscal years beginning

on or after October 1, 2007. The adoption of this standard did not have any material impact on the company's financial statements.

Future Accounting Changes:

In February 2008, the Accounting Standards Board issued CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Intangible Assets", and Section 3450, "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets and is effective for interim and annual periods relating to fiscal years beginning on or after October 1, 2008. The company is currently assessing the impact of the new standard and has not yet determined its effect on the company's 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.

1.15 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	16,012,461
Stock options available	277,500
Warrants	3,479,999