



press release

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For immediate release

ZOOMMED ANNOUNCES THE SIGNATURE OF AN AGREEMENT IN PRINCIPLE REGARDING A QUALIFYING TRANSACTION

Montreal, June 2, 2005 – **ZoomMed inc.** (« **ZoomMed** »), a capital pool corporation (TSX Venture Exchange: ZMD.P), is proud to announce that it signed an agreement in principle on May 26, 2005 (the "Agreement in Principle") providing for the acquisition of all the issued and outstanding common shares of 9103-8240 Québec inc. (the « Target Company »), which in turn holds all the issued and outstanding shares of 4130936 Canada Inc. (collectively, the "Businesses")

This share purchase will be made in consideration of a price of \$4,500,000, payable by the issuance of 18,000,000 common shares of **ZoomMed**, at a price of \$0.25 per share. This transaction constitutes **ZoomMed's** qualifying transaction pursuant to the applicable regulations of the TSX Venture Exchange Inc. (the "Exchange") and is hereinafter referred to as the "Qualifying Transaction".

The conditions precedent to the completion of the Qualifying Transaction are the following:

- (i) the completion of a due diligence of the Businesses by **ZoomMed**;
- (ii) receipt of a sponsorship report from a firm recognized by the Exchange, in accordance with the requirements of the Exchange;
- (iii) receipt of all required regulatory authorizations pursuant to laws, regulations and applicable policies; and
- (iv) the absence of any adverse material change in the Businesses' affairs between February 28, 2005 and the date of the closing of the Qualifying Transaction.

The true Vendors in respect of the Qualifying Transaction are the shareholders of the Target Company, that is to say: (i) Mr. Alain Bourassa of St-Mathieu (Quebec), (ii) Mr. Mariel Vachon of Cochrane (Ontario), (iii) Mr. Yves Marmet of St-Bruno (Québec), (iv) Ms. Marie-Hélène Pinard of St-Bruno (Québec), (v) Mr. Yves Rajotte of Sutton (Québec), (vi) Mr. André Marmet of Ste-Julie (Québec), and (vii) 4126009 Canada inc., a corporation duly incorporated under the Canada Business Corporations Act, controlled by Mr. Benoît Girard of Laval (Québec).

M. Alain Bourassa and Mariel Vachon are the sole directors and officers of the Target Company.

The head office of the Target Company is located at 9610 Place Ignace, Brossard, Quebec, J4Y 2R4 and all the important assets of the Businesses are located at such address.



ZOOMMED

The Businesses are specialized in the reinstatement, management and restoration of pre-used or, if needed, new medical and laboratory equipment, and also offers as a complement, replacement parts. In this respect, the Businesses purchase used equipment, see to its restoration, and finally, resell such equipment in the market.

In addition to equipment restoration, the Businesses have also developed an expertise in inventory management, in consulting services, in the purchase and sale of equipment from public and private health institutions (hospitals, laboratories and CLSCs), and in the delivery, collection, restoration, maintenance and consignment of equipment.

The Businesses also offer an eBay® style, multilingual Web portal specialised in the purchase and sale of medical equipment giving potential clients the possibility of finding equipment, parts and services that respond to their needs.

The Businesses also offer a Web solution specialised in the management of the life cycle of medical equipment. This solution offers specialists the possibility of efficiently managing inventories, preventive and curative maintenance, formal follow-ups, document and service contract management.

Finally, the Businesses intend to create a new product, which will change the way drugs are prescribed and dispensed in Canada, known as the "ZRx" product, an electronic prescriber.

This project consists of offering a computer tool to doctors, which uses cutting-edge technologies, allowing them to execute various tasks related to drug management. It consists of developing a simple and free Web product, which will use Pocket PC technology or Phone Pocket Pc (PPPC), the whole in collaboration with doctors, with partners having therapeutic advisor software and drug interaction software and with other suppliers working in the pharmaceutical field.

The Target Company generated revenues of \$422,310 for the nine (9) month period from June 1st, 2004 to February 28, 2005. The Target Company had, as at February 28, 2005, assets totalling \$1,396,100, liabilities of \$530,460, shareholder's equity totalling \$865,640, a negative working capital of \$11,466 and net loss of \$126,120. These results are taken from the audited financial statements of the Target Company for the nine (9) month period from June 1st, 2004 to February 28, 2005.

Following the completion of the Qualifying Transaction, **ZoomMed** intends to continue the current activities of the Businesses and it is expected that as at the closing date of the proposed Qualifying Transaction, **ZoomMed** will have \$1,500,000 of cash on hand.

After giving effect to the Qualifying Transaction, 29,500,000 common shares of **ZoomMed** will be issued and outstanding, of which 3,000,000 shares were issued as discount seed capital for a price of \$0.10 per share, 8,500,000 shares were issued at the closing of **ZoomMed**'s initial public offering of last May 18th, for a price of \$0.20 per share and 18,000,000 shares which will be issued upon completion of the Qualifying Transaction.



ZoomMed expects to grant 1,150,000 options to its directors allowing them to acquire 1,150,000 common shares of **ZoomMed** at a price of \$0.20 per share for a period of 5 years, subject to the provisions of the stock option agreements and has granted 425,000 options to Dlouhy Merchant Group Inc., the agent having completed the initial public offering of **ZoomMed**, allowing it to acquire 425,000 common shares of **ZoomMed** at a price of \$0.20 per share for a period of 18 months.

The Qualifying Transaction will not be subject to the approval of the shareholders of **ZoomMed**. The Qualifying Transaction is an arm's length transaction. The Businesses and its officers and **ZoomMed** and its officers are not related parties pursuant to the applicable securities laws.

Once the Qualifying Transaction is completed, it is anticipated that the insiders of **ZoomMed** will be Mr. Alain Bourassa, Mr. Mariel Vachon, Mr. Pietro Perrino, Mr. Valier Boivin, Mr. Robert Powell, Mr. Lawrence Noreyko and Mr. Jean-Denis Talon.

Mr. Alain Bourassa has been working in the medical field for many years. Before founding the Target Company in 1999, he acquired experience in the medical field. As such, he was the manager of a orthopaedic center, marketing director, general manager and coordinator of commercial projects of medical equipment retail sales network.

Mr. Mariel Vachon acts principally as an investor and has worked in the forestry transportation field since 1979.

Mr. Pietro Perrino is the founder and President of Pergui Groupe Conseil since 1999, where he acts as a consultant for business leaders, helping them with their strategic positioning and business development. Mr. Perrino obtained a Masters in Business Administration (MBA) from the Université du Québec à Montréal (January 2001).

Mr. Valier Boivin is the founder and a partner of Boivin O'Neil, s.e.n.c., a Montreal law firm, since 1987. Mr. Boivin obtained a Bachelor of Administration degree from Université de Chicoutimi (June 1973), a Master of Taxation degree from Université de Sherbrooke (October 1978) and a Bachelor of law degree from Université de Montréal (September 1985).

Mr. Robert Powell is President of CANSYS Inc. since the late 1980s. Mr. Powell obtained a Bachelor in Civil Engineering from the University of Toronto (1970).

Mr. Lawrence Noreyko is the founder and President of Les Ventes Futura Inc., a private company specialized in the field of lighting consultation, since 1987.

Mr. Jean-Denis Talon is the Chairman of the Board of AXA Canada (insurance company) since April 2004. For 20 years prior thereto, Mr. Talon was the President and Chief Executive Officer of AXA Canada.

In order to allow the Businesses to pursue their operations until the closing of the Qualifying Transaction, **ZoomMed** has granted a non-refundable deposit of 25,000\$ to the Target Company. **ZoomMed** also intends to grant a secured loan in the amount of \$50,000 to the Target Company, upon approval by the Exchange. This loan will bear interest at an annual rate of 8%, will be secured by a hypothec charging all of the Target Company's assets and will be repayable in one (1) year.



ZoomMed has made a request to the Exchange in order that the trading of its shares on the Exchange be halted until the closing of the Qualifying Transaction.

Pursuant to a letter dated March 24, 2005, **ZoomMed** retained Demers Beaulne as the expert in order to evaluate the shares of the Target Company to be bought in the framework of the proposed Qualifying Transaction.

Subject to completion of satisfactory due diligence, Versant Partners Inc. (formerly Dlouhy Merchant Group inc.) has agreed to act as sponsor in connection with the Qualifying Transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of its completion and the sponsor report will not constitute a formal estimate of the value of the securities of the Target Company. Moreover, there is no assurance that the Qualifying Transaction will be completed. Neither **ZoomMed**, nor the Businesses are related to or associated with Versant Partners Inc. However, Versant Partners Inc. will receive a fee for its sponsorship report regarding the Qualifying Transaction.

Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. The TSX Venture Exchange has neither approved nor accepts any responsibility with respect to the veracity or exactitude of this press release.

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