

ZOOMERMEDIA LIMITED
(formerly Fifty-Plus.Net International Inc.)

NOTICE OF ANNUAL MEETING

-

MANAGEMENT INFORMATION CIRCULAR

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AUDITED FINANCIAL STATEMENTS

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MANAGEMENTS'S DISCUSSION AND ANALYSIS

November 14, 2008

To Our Shareholders:

The condition of the world (and what it's done to our stock price on tiny volume) notwithstanding, the year since our last report has been replete with intense activity and good news for ZoomerMedia Limited (ZML).

Sixty days after our RTO/Consolidation was complete, we announced "A New Vision of Aging for Canada." To a society that referred to people over a certain age as "old", and rejected them because of it; to a society that traditionally swept the post-retirement years under the rug; to a society that associated aging itself with the "Big Ds" (Decline, Decay, Despair and Death), we offered a new word and a new promise: "ZOOMER", a term we have rapidly popularized to describe the 14.5 million Canadians, aged 45Plus, which is our market.

I have coined quite a few brands and many a slogan in my lifetime, but never have I seen a word or concept, so quickly adopted into the language, into the culture. It has been particularly warmly received by the media and by the crowds of CARP Members and potential Members I have addressed in our ongoing National Speaking Tour. To date, we have visited Victoria, Vancouver, Calgary, Edmonton, Toronto, Owen Sound, Halifax, Fredericton, and Charlottetown, and received enormous attention whose media value is literally millions of dollars.

In addition to launching a High Concept and travelling across the country to meet our Members and audience first hand, we have: engaged a completely new senior executive team and streamlined membership procedures at CARP. We rebranded that Association, on whose growth in membership ZML depends, and became a founding member of the AARP Global Network of like-minded Organizations. We renamed this public company and proudly opened the Toronto Stock Exchange to announce it. We redesigned all our websites and introduced zoomers.ca, a groundbreaking social networking site for grownups. We relaunched a sleepy intramural service publication called CARP magazine as the nation's hottest lifestyle magazine for men and women 45Plus, **ZOOMER Magazine**, and made it available on newsstands for the first time. In association with the CARP Annual General Meeting, we produced the first annual CARP Conference on Aging and Longevity, and mobilized 15,000 Zoomers over 2 days at the **ZoomerShow**, Ontario's first large-scale consumer show and lifestyle expo for the 45Plus. The ZoomerShow offered advice and inspiration on positive aging from approximately 150 exhibitors in categories such as Health & Wellness, Financial Planning, Real Estate & Community, Fitness, Employment, Education, Volunteerism, Home Renovations & Safety, Travel, and Recreation. Interest and participation in the show was phenomenal. It attracted high-profile sponsors including Aspirin, Pfizer, the McLennan Group Insurance Inc., and Canada's largest newspaper, the Toronto Star. The success of the inaugural ZoomerShow is so encouraging (it ran a profit in its first outing) that, in 2009, we intend to expand its scope and size in Toronto, as well as take the show on the road, producing similar events in selected communities across the country.

On another successful note, this year we greatly improved the quality and content of our suite of websites and e-newsletters, as well as the possible advertising options within them. The tipping point will come when advertisers fully realize that our sites offer the largest, most focused, most cost efficient reach to Zoomers in Canada. A content supplier to Yahoo! Canada, Sympatico, LavalifePrime and TSX Money, our authoritative **50plus.com** receives 1.1 million page views per month and over 120,000 opt-in subscribers enjoy its bi-weekly e-newsletters in their inboxes.

Expectations are that these numbers will grow as CARP Membership grows, and as Zoomers remain the fastest-growing segment of total internet users in Canada, going online to seek information on finance, health and wellness, travel, lifestyle, and product reviews.

In a day and age cluttered with information, advertisements and new product launches, we commanded, and continue to hold, the spotlight. The positive publicity we have generated since February is enormous, particularly around the launch of ZOOMER magazine. The premiere issue sold-out in many locations, including Indigo Books & Music, who subsequently increased their monthly order. ZOOMER is succeeding in two areas where we have traditionally failed; that is, in attracting more prominent brand-name advertisers and 45 to 65 year-old readers who would not have been inclined to pick up the former CARP magazine, let alone subscribe to it. I am pleased to report that since the launch, ad pages have increased 60 percent and net ad revenues have doubled. Zoomermag.com also continues to develop. Launched in October, the site offers additional content and is being integrated into our comprehensive sales packages as a way for advertisers to complement their print media strategy.

In the November 24 issue of the national trade publication Marketing Magazine, ZoomerMedia was declared one of "Canada's Top 10 Media Players." To quote, "What an empire it's shaping up to be."

Our ability to take ZoomerMedia down the long, and sometimes winding, road is of course a product of the strengths, talent and drive of our corporate team. I am confident that together we have the ability to realize our vision within a reasonable timeframe, consistent with available resources. This will require still more investment, strong revenue growth and a constant eye on cost containment. While we believe fiercely in our tremendous potential for future growth, we are also very aware that the economic situation with which we are currently confronted will challenge us in the days and months ahead. In this light, management has already taken steps to curtail expenditures through personnel reductions and reductions in senior management compensation. We shall ensure that future expenditures are at an appropriate level, that our revenue potential is maximized and that our investment decisions are prudent.

Sincerely,

A handwritten signature in black ink that reads "MOSES ZNAIMER". The signature is written in a cursive, slightly stylized font.

Moses Znaimer
President and CEO

ZOOMERMEDIA LIMITED
(formerly Fifty-Plus.Net International Inc.)

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of ZoomerMedia Limited (the “Corporation”) will be held at 550 Queen Street East, Suite 150, Toronto, Ontario, M5A 1V2 on Tuesday, December 23, 2008, at the hour of 3:30 pm (Toronto time) for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the twelve months ended June 30, 2008, together with a report of the auditors thereon;
2. To elect directors;
3. To appoint auditors and to authorize the directors to fix their remuneration; and
4. To transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

This notice is accompanied by a form of proxy, a management information circular and the audited financial statements of the Corporation for the twelve months ended June 30, 2008 together with the associated Management Discussion and Analysis. Shareholders who are unable to attend the meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the meeting.

DATED at Toronto, Ontario this 14th day of November, 2008.

BY ORDER OF THE BOARD

(Signed): “Moses Znaimer”
MOSES ZNAIMER - PRESIDENT AND
CHIEF EXECUTIVE OFFICER

ZOOMERMEDIA LIMITED
(formerly Fifty-Plus.Net International Inc.)

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is furnished in connection with the Annual Meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") of ZoomerMedia Limited ("ZoomerMedia" or the "Corporation") to be held at 550 Queen Street East, Suite 150, Toronto, Ontario, M5A 1V2 on Tuesday, December 23, 2008, at the hour of 3:30 pm, and at any continuation thereof after an adjournment.

The information contained herein is given as of November 14, 2008, except as otherwise stated.

SECTION I - VOTING INFORMATION

Solicitation of Proxies

The enclosed proxy is being solicited by or on behalf of the management of the Corporation. The mailing to Shareholders of this Circular will be on or about November 26, 2008. The cost of soliciting proxies will be borne by the Corporation. While most proxies will be solicited by mail only, regular employees of the Corporation may also solicit proxies by telephone or in person. Such employees will receive no additional compensation for these services other than their regular salaries, but will be reimbursed for their reasonable expenses.

The Corporation will provide proxy materials to brokers, custodians, nominees and fiduciaries and will request that such materials be promptly forwarded to the beneficial owners of Common Shares registered in the names of such brokers, custodians, nominees and fiduciaries. The Corporation will reimburse brokers, custodians, nominees and fiduciaries for their reasonable charges and expenses incurred in forwarding proxy materials to beneficial owners of Common Shares.

Voting Common Shares

The Board of Directors of ZoomerMedia has fixed November 14, 2008 as the record date for the purpose of determining Shareholders entitled to receive Notice of the Meeting (the "Meeting Record Date").

The Corporation will prepare, no later than ten (10) days following the Meeting Record Date, a list of Shareholders entitled to vote as of the Meeting Record Date, showing the number of Common Shares held by each such Shareholder. Each person named on the list of Shareholders is entitled to one (1) vote for each Common Share held, except to the extent that: (i) the Shareholder has transferred any Common Shares after the Meeting Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes ownership of those Common Shares and requests not later than ten (10) days before the date of the Meeting that the transferee's name be included on such list before the Meeting, in which case the transferee is entitled to vote those Common Shares at the Meeting.

Registered Shareholders

Registered shareholders are Shareholders whose Common Shares are held in their own name and they will have received a proxy form in their own name.

Non-Registered/Beneficial Shareholders

Beneficial Shareholders are Shareholders who do not hold their Common Shares in their own name, but rather in the name of a nominee - this could be a bank, trust company, securities broker or other financial institution (and is known as holding in “street form”).

If you are a non-registered Shareholder, there are two (2) ways you can vote your Common Shares held by your nominee. Your nominee is required to seek voting instructions from you in advance of the Meeting in accordance with securities laws, and so you will receive, or will have already received from your nominee, a request for voting instructions or a proxy form for the number of Common Shares you hold. Every nominee has its own mailing procedures and provides its own signing and return instructions. Therefore, please follow them in order to make sure that your Common Shares are voted.

Alternatively, if you wish to vote in person at the Meeting, please insert your own name in the space provided on the “Request for Voting Instructions” or proxy form to appoint yourself as proxyholder and follow the signing and return instructions of your nominee. Non-registered Shareholders who appoint themselves as proxyholders should, at the Meeting, present themselves to a representative of Computershare Trust Company of Canada.

Appointment of Proxy Holders

The persons named in the enclosed form of proxy are directors and/or officers of ZoomerMedia. A Shareholder has the right to appoint some other person (who need not be a Shareholder) to attend and to act for and on behalf of such Shareholder at the Meeting. To exercise this right, the Shareholder must either insert the name of the desired person in the blank space provided in the proxy and strike out the other names or submit another proper form of proxy and, in either case, deliver the completed proxy by post or other form of delivery to the transfer agent for the Corporation, Computershare Trust Company of Canada, 3rd floor, 510 Burrard Street, Vancouver, B.C., to be received not later than the close of business on December 19, 2008 or, in the event of an adjournment, not later than two (2) business days preceding the day to which the Meeting is adjourned.

All Common Shares represented by a properly executed and deposited proxy will be voted or withheld from voting on the matters identified in the Notice of Meeting in accordance with the instructions of the Shareholder as specified thereon.

If you have appointed a person who was designated by ZoomerMedia to vote on your behalf as provided in the enclosed form of proxy and you do not provide any instructions concerning any matter identified in the Notice of Meeting, the Common Shares represented by such proxy will be voted:

- (1) FOR the election of the persons nominated for election as directors of ZoomerMedia; and
- (2) FOR re-appointment of Kraft Berger LLP, Chartered Accountants, as auditors of ZoomerMedia and to authorize the Board of Directors to fix the remuneration of the auditors.

The enclosed form of proxy, when properly signed, confers discretionary authority on the person or persons named to vote on any amendment to matters identified in the Notice of Meeting and on any other matter properly coming before the Meeting. Management is not aware of any such matter; however, if such matter properly comes before the Meeting, the proxies will be voted at the discretion of the person or

persons named therein. The persons named in the form of proxy are either officers or directors of ZoomerMedia.

Revocability of Proxies

A Shareholder executing the enclosed form of proxy has the right to revoke it at any time before it is exercised. Relevant provisions of the *Canada Business Corporations Act* (the “CBCA”) provide that a Shareholder may revoke a proxy by depositing an instrument in writing, executed by the Shareholder or by an attorney authorized in writing, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or by depositing such instrument with the Chairperson of the Meeting on the day of the Meeting, or any adjournment thereof, or in any other manner permitted by law.

Voting Shares and Principal Shareholders

The authorized capital of the Corporation consists of unlimited Common Shares. As of November 14, 2008, there were 170,561,025 Common Shares outstanding. Each Common Share carries the right to one (1) vote on any matter properly coming before the Meeting. A quorum for the meeting of Shareholders must have 1 shareholder present in person or by proxy.

The following table shows, as of the date of this Circular, each person who is known to the Corporation, or its directors and officers, to beneficially own, directly or indirectly, or to exercise control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the meeting.

Name of Shareholder	Securities Owned, Controlled or Directed	Percentage of Class of Outstanding Voting Securities of the Corporation ⁽¹⁾
1068265 Ontario Limited	21,700,000 Common Shares ⁽²⁾	12.72%
Moses Znaimer	131,063,000 Common Shares ⁽³⁾	76.84%

Notes:

- (1) Based on 170,561,025 Common Shares issued and outstanding as at the date hereof.
- (2) 12,500,000 Common Shares are held by MRHD Holdings Limited of which 1068265 Ontario Limited has beneficial control.
- (3) 131,000,000 Common Shares are held by Olympus Management Limited of which Moses Znaimer has beneficial control.

SECTION II - BUSINESS OF THE MEETING

1. Financial Statements and Auditor's Report

The Management's Discussion and Analysis, including the audited financial statements of ZoomerMedia for the twelve months ended June 30, 2008 and the auditor's report on those financial statements, are included with the mailing of this Circular. Additional copies may be obtained from ZoomerMedia upon request.

2. Election of Directors

The articles of ZoomerMedia provide that the board of directors of ZoomerMedia (the "Board of Directors") shall consist of a minimum of three (3) and a maximum of nine (9) directors. The Board of Directors has set the number of directors to be elected at the Meeting at five (5).

The nominees for election as directors of ZoomerMedia are listed below. The persons proposed for election are, in the opinion of the Board of Directors and management, well qualified to act as directors for the forthcoming year.

Such nominees, if elected, will serve until the next Annual Meeting of Shareholders or until his successor is duly elected or appointed. Management has been informed that each nominee is willing to serve as a director, if elected. Management recommends a vote for all nominees for election as directors of the Corporation.

The following table sets out the names of the five (5) nominees, their principal occupation or employment and the year from which each has continually served as a director of ZoomerMedia. The table also sets out, as of November 14, 2008, the number of Common Shares owned by each of them or over which control or direction is exercised by each of them, and the number of warrants or stock options which they hold in ZoomerMedia.

NOMINEES FOR ELECTION AS DIRECTORS

<u>Name, Position with the Corporation and/or Principal Occupation</u>	<u>Common Shares</u>	<u>Warrants</u>	<u>Stock Options</u>
Moses Znaimer ⁽¹⁾⁽²⁾⁽³⁾ Resident of Ontario President and CEO of ZoomerMedia Director of ZoomerMedia since December, 2007	131,063,000 ⁽⁴⁾	30,000,000 ⁽⁴⁾	500,000
Julia Johnston ⁽²⁾⁽³⁾ Resident of Ontario Media Consultant Director of ZoomerMedia since December, 2007	Nil	Nil	750,000
George H. Grant ⁽¹⁾ Resident of Ontario President & CEO of MZMedia Inc.; President & CEO of Grant Broadcast Holdings Ltd. Director of ZoomerMedia since December, 2007	Nil	Nil	500,000

Dr. David R. Morgenthau ⁽²⁾⁽³⁾ Resident of Ontario Physician Director of ZoomerMedia since December, 2007	Nil	Nil	500,000
Jason Tafler ⁽¹⁾ Resident of Pennsylvania Chief Executive Officer of PointRoll Inc. Director of ZoomerMedia since December, 2003	498,000	Nil	300,000

Notes:

- (1) Member of the Audit Committee, of which Jason Tafler is Chairperson
- (2) Member of the Nominating and Corporate Governance Committee, of which Dr. David Morgenthau is Chairperson.
- (3) Member of the Compensation Committee, of which Dr. David Morgenthau is Chairperson.
- (4) 131,000,000 common shares and 30,000,000 warrants are held by Olympus Management Limited of which Moses Znaimer has beneficial control.

The Corporation does not have an Occupational Health and Safety Committee or Executive Committee.

The Corporation has an Audit Committee, as required by the CBCA, and its members are Jason Tafler (Chairperson), Moses Znaimer and George H. Grant. See “Section IV - Corporate Governance - Committees of the Board of Directors - Audit Committee”.

Dr. David Morgenthau (Chairperson), Moses Znaimer and Julia Johnston comprise the Nominating and Corporate Governance Committee of the Board of Directors. See “Section IV – Corporate Governance – Committees of the Board of Directors - Nominating and Corporate Governance Committee”.

Dr. David Morgenthau (Chairperson), Moses Znaimer and Julia Johnston comprise the Compensation Committee of the Board of Directors. See “Section IV - Corporate Governance - Committees of the Board of Directors - Compensation Committee”.

3. Appointment of Auditor

The Board of Directors recommends that Kraft Berger LLP, Chartered Accountants, be re-appointed as the Corporation's auditors to hold office until the close of the next Annual Meeting and to authorize the directors to fix their remuneration. See “Section III - Executive Compensation and Other Information - Disclosure of Auditor Fees”.

SECTION III - EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation of the Directors

Directors of the Corporation who are not employees of the Corporation are remunerated for their services as follows:

• Annual fee		\$6,000
• Annual fee paid to the Chairman of any committee of the Board of Directors		\$1,000
• Attendance fee for any meeting of the Board of Directors	(in person)	\$1,000
	(by telephone)	\$500
• Attendance fee for any committee meeting		\$500

If a Director is required to travel for an additional day to attend a meeting of the Board of Directors or a Committee meeting, an additional attendance fee of \$nil is payable to such Director. Directors are reimbursed for their reasonable expenses incurred to attend meetings.

Officers of the Corporation

The following table sets out the officers of the Corporation and, as of November 14, 2008, the number of Common Shares owned by each of them or over which control or direction is exercised by each of them, and the number of warrants and stock options which they hold in ZoomerMedia.

OFFICERS

<u>Name, Position with the Corporation and/or Principal Occupation</u>	<u>Common Shares</u>	<u>Warrants</u>	<u>Stock Options</u>
MOSES ZNAIMER Resident of Ontario President and Chief Executive Officer Director of ZoomerMedia since December, 2007	131,063,000 ⁽¹⁾	30,000,000 ⁽¹⁾	500,000
ERIC L. VENGROFF Resident of Ontario Executive Vice President	185,000	Nil	4,750,000
DAVID J. CRAVIT Resident of Ontario Executive Vice President	42,000	Nil	4,750,000
GORDON POLAND Resident of Ontario Chief Financial Officer	Nil	Nil	1,000,000

(1) 131,000,000 common shares and 30,000,000 warrants are held by Olympus Management Limited of which Moses Znaimer has beneficial control.

Summary Compensation Table

National Instrument 51-102 provides that information is to be disclosed setting forth all compensation paid to the Corporation's chief executive officer ("CEO") and chief financial officer ("CFO"), or individuals acting in a similar capacity, and each of the Corporation's three most highly compensated executive officers, other than the CEO and CFO, whose total salary and bonus exceeded \$150,000 during the twelve months ended June 30, 2008, 2007, and 2006 ("Named Executive Officers").

Name and Principal Position	Year	ANNUAL COMPENSATION			LONG TERM COMPENSATION			All Other Compensation (\$) ⁽²⁾
		Salary (\$) ⁽¹⁾	Bonus (\$)	Other (\$)	Options (#)	Restricted Shares/Units (#)	LTIP Payouts (\$)	
Moses Znaimer CEO ⁽³⁾	2008	150,000	Nil	Nil	500,000	Nil	Nil	Nil
	2007	--	--	--	--	--	--	--
	2006	--	--	--	--	--	--	--
Eric L. Vengroff, CEO ⁽³⁾⁽⁵⁾	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2007	85,500	Nil	Nil	300,000	Nil	Nil	Nil
	2006	Nil	Nil	Nil	500,000	Nil	Nil	Nil
Gordon A. Poland, CFO ⁽⁴⁾	2008	245,167	Nil	8,498	1,000,000	Nil	Nil	Nil
	2007	200,000	10,700	8,400	Nil	Nil	Nil	Nil
	2006	200,000	22,900	8,400	Nil	Nil	Nil	Nil
David Moore, CFO ⁽⁴⁾	2008	--	--	--	--	--	--	--
	2007	Nil	Nil	63,000	300,000	Nil	Nil	Nil
	2006	--	--	--	--	--	--	--
David Cravit, Executive Vice President ⁽⁵⁾	2008	90,000	Nil	Nil	Nil	Nil	Nil	Nil
	2007	--	--	--	300,000	--	--	--
	2006	--	--	--	500,000	--	--	--
Eric L. Vengroff, Executive Vice- President ⁽³⁾⁽⁵⁾	2008	90,000	Nil	Nil	3,950,000	Nil	Nil	Nil
	2007	--	--	--	--	--	--	--
	2006	--	--	--	--	--	--	--

Notes:

- (1) Salary data is presented on an annualized basis.
- (2) The aggregate value of all other compensation paid to the Named Executive Officers did not exceed \$50,000 or 10% of the total of such officers' respective salary and bonuses in any year.
- (3) Eric L. Vengroff became President of the Corporation on November 11, 2005. On December 28, 2007, Moses Znaimer became President and CEO of the Corporation. Moses Znaimer receives a salary of \$300,000 on an annualized basis.
- (4) Gordon A. Poland was CFO of the Corporation during the 2008 and 2006 periods. David Moore was CFO of the Corporation during the 2007 period.
- (5) Eric L. Vengroff and David J. Cravit were appointed as Executive Vice-Presidents of the Corporation on December 28, 2007. Each receives a salary of \$180,000 on an annualized basis.

Stock Option Plan

ZoomerMedia has adopted a stock option plan (the "Stock Option Plan") in accordance with the requirements of the TSX Venture Exchange.

The following table sets forth, as of November 14, 2008, information concerning securities authorized for issue under the Stock Option Plan, which is the only equity compensation plan of the Corporation.

	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders (the only such plan is the Stock Option Plan)	18,749,003	\$0.13	15,968,035
Equity compensation plans not approved by security holders (the Corporation does not have any such plan)	N/A	\$N/A	N/A

Under the Stock Option Plan, the maximum number of Common Shares that can be issued is 34,000,000. As of November 14, 2008, 24,022,577 stock options have been granted under the Stock Option Plan, 5,990,612 options have expired, 22,222 options have been exercised and 15,968,035 stock options are reserved for future granting.

The following table sets forth details with respect to options to purchase Common Shares which are outstanding under the Stock Option Plan as of the date hereof:

Holder	Date of Grant	Common Shares Under Option (#)	Exercise Price (\$/share)	Expiry Date	Market Price on Date of Grant ⁽¹⁾
Executive Officers as a group (4 in total)	Jan. 13/06	1,000,000	\$0.10	Jan. 13/11	\$0.04
	Sep. 28/06	600,000	\$0.10	Sep. 28/11	\$0.055
	Jan. 25/08	9,400,000	Jan. 25/09 - \$0.10 as to 1/3 of options granted; Jan. 25/10 - \$0.12 as to 1/3 of options granted; Jan. 25/11 - \$0.15 as to 1/3 of options granted	Jan. 25/13	trading halted
Directors who are not also executive officers, as a group (4)	Jan. 13/06	200,000	\$0.10	Jan. 13/11	\$0.04
	Jan. 25/08	2,050,000	Jan. 25/09 - \$0.10 as to 1/3 of options granted; Jan. 25/10 - \$0.12 as to 1/3 of options granted; Jan. 25/11 - \$0.15 as to 1/3 of options granted	Jan. 25/13	trading halted
Employees (9 in total)	Jan. 13/06	600,000	\$0.10	Jan. 13/11	\$0.04
	Sep. 28/06	480,000	\$0.10	Sep. 28/11	\$0.055
	Feb. 28/07	100,000	\$0.10	Feb. 28/12	\$0.08
	May 1/07	33,333	\$0.10	May 1/12	trading halted
	May 2/07	33,333	\$0.10	May 2/12	trading halted
	May 3/07	33,333	\$0.10	May 3/12	trading halted
	Jan. 25/08	500,000	Jan. 25/09 - \$0.10 as to 1/3 of options granted; Jan. 25/10 - \$0.12 as to 1/3 of options granted; Jan. 25/11 - \$0.15 as to 1/3 of options granted	Jan. 25/13	trading halted

	May 22/08	200,000	\$0.28	May 22/13	\$0.31
Consultants (12 in total)	Jan. 13/06 Sep. 28/06 Jan. 25/08	250,000 50,000 1,816,018	\$0.10 \$0.10 Jan. 25/09 - \$0.10 as to 1/3 of options granted; Jan. 25/10 - \$0.12 as to 1/3 of options granted; Jan. 25/11 - \$0.15 as to 1/3 of options granted	Jan. 13/11 Sep. 28/11 Jan. 28/13	\$0.04 \$0.055 trading halted
	Mar. 1/08 Oct. 16/08	550,000 147,059	\$0.375 \$0.17	Mar. 1/13 Oct. 16/13	\$0.375 \$0.17

Notes:

- (1) In accordance with the terms of the plan, based on the closing price of the common shares on the day preceding the date of grant of the options.

The purpose of the Stock Option Plan is to attract and retain superior employees, to provide a strong incentive for employees and consultants to put forth maximum effort for the continued success and growth of the Corporation and, in combination with these goals, to encourage equity ownership in the Corporation by its employees and consultants.

The Stock Option Plan is administered by the Board of Directors, with the Compensation Committee having been designated by the Board of Directors to administer it. The Compensation Committee has full and complete authority to interpret the Stock Option Plan, to prescribe such rules and regulations as it deems necessary for the proper administration of the Stock Option Plan and to make such determinations and to take such actions in connection therewith as it deems necessary or advisable.

The Stock Option Plan is subject to the following:

1. The number of shares subject to issuance pursuant to outstanding options, in the aggregate, does not exceed 34,000,000 (which was 20% of the Corporation's issued shares at the time the Stock Option Plan was last amended).
2. At the time an option is granted, no Optionee may hold options to purchase more than 5% of the issued shares of the Corporation (2% if the Optionee is a consultant or, if the Optionee is providing investor relations services, the aggregate number of shares subject to options held by all investor relations Optionees does not exceed 2% in the aggregate).
3. The exercise price of the options cannot be set at less than the greater of \$0.10 per share or the closing trading price of the Corporation's shares on the TSX Venture Exchange on the day before the granting of the stock options.
4. The options may be exercisable for a period of up to five years.
5. The Board, in its absolute discretion, upon granting an option under this Plan, may specify a particular time period or periods following the date of granting the option during which the optionee may exercise his option to purchase shares and may designate the exercise price and the number of shares in respect of which such optionee may exercise his option during each such time period.
6. The options can only exercised by the Optionee for so long as the Optionee is a director, officer or employee of, or consultant to, the Corporation or any subsidiary or is an employee of the

Corporation's management corporation or within a period of not more than 90 days (30 days, if the Optionee is providing investor relations services) after ceasing to be a director, officer or employee of, or consultant to, the Corporation or, if the Optionee dies, within one year from the Optionee's death. If the Optionee is terminated 'for cause' from such position the option will terminate concurrently.

7. The options are not assignable.
8. No financial assistance is available to Optionees under the Stock Option Plan.
9. Disinterested shareholder approval must be obtained prior to the reduction of the exercise price of options granted to insiders of the Corporation.

The following table sets forth information concerning the aggregated stock options granted to the executive officers of the Corporation during the twelve month period ended June 30, 2008.

**Aggregated Option Grants during the Most Recently Completed
Financial Year - 2008**

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year⁽¹⁾	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Moses Znaimer	500,000	3.44%	\$0.10 as to 166,667 options \$0.12 as to 166,667 options \$0.15 as to 166,666 options	trading halted	Jan. 25/13
Eric L. Vengroff	3,950,000	27.21%	\$0.10 as to 1,316,667 options \$0.12 as to 1,316,667 options \$0.15 as to 1,316,666 options	trading halted	Jan. 25/13
David Cravit	3,950,000	27.21%	\$0.10 as to 1,316,667 options \$0.12 as to 1,316,667 options \$0.15 as to 1,316,666 options	trading halted	Jan. 25/13
Gordon A. Poland	1,000,000	6.89%	\$0.10 as to 333,334 options \$0.12 as to 333,333 options \$0.15 as to 333,333 options	trading halted	Jan. 25/13

Notes:

⁽¹⁾ Based on a total of 14,516,018 options which were granted to directors, employees and consultants for the twelve months ended June 30, 2008.

The following table sets forth information concerning the aggregated stock options exercised by the executive officers of the Corporation during the twelve months ended June 30, 2008.

**Aggregated Option Exercises during the Most Recently Completed Financial Year
and Financial Year-End Option Values - 2008**

Name	Securities Acquired On Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at June 30, 2008 (#) Exercisable/ Unexercisable	Value Unexercised In- the Money Options at June 30, 2008 (\$) Exercisable/ Unexercisable ⁽¹⁾
Moses Znaimer	Nil	N/A	Nil/500,000	Nil/105,000
Eric L. Vengroff	Nil	N/A	700,000/4,050,000	147,000/850,500
David Cravit	Nil	N/A	700,000/4,050,000	147,000/850,500
Gordon A. Poland	Nil	N/A	Nil/1,000,000	Nil/210,000

Notes:

- (1) On June 30, 2008, the last trading day of the 2008 financial period, the closing price of the Common Shares on the TSX Venture Exchange was \$0.21.

Change of Control Agreements

The Corporation has no change of control agreements with executive officers.

Directors' and Officers' Liability Insurance

The Corporation maintains liability insurance for the benefit of the Corporation, its related companies and their directors and officers, as a group.

Interests of Management and Others in Material Transactions

As of June 30, 2008, no director or executive officer of the Corporation, no security holder who is known to the Corporation to own of record or beneficially hold more than 10% of Common Shares and no associate or affiliate of any such director, executive officer or security holder has had any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries, except as disclosed herein.

Report on Executive Compensation

The Compensation Committee of the Board of Directors considers compensation matters as and when required. The Compensation Committee reviews and submits recommendations to the Board of Directors with respect to the Corporation's executive compensation policies and the compensation paid to the Corporation's executive officers. The Compensation Committee also reviews the design and competitiveness of the Corporation's compensation and benefit programs generally and has the authority to recommend to the Board of Directors for its approval amendments to, and grants pursuant to, such programs.

Composition of the Compensation Committee

The Compensation Committee is composed of Dr. David Morgenthau (Chair), Julia Johnston and Moses Znaimer.

Compensation Philosophy

The Corporation's executive compensation policy is designed to provide for the enhancement of shareholder value, the successful implementation of the Corporation's business plans and a link between executive compensation and the financial performance of the Corporation.

The objectives of the Corporation's executive compensation policy are to:

- (a) attract, retain and motivate executives critical to the success of the Corporation;
- (b) provide fair, competitive and cost effective compensation programs to its executives;
- (c) link the interests of management with those of the Shareholders; and
- (d) provide rewards for outstanding corporate and individual performance.

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package for each executive officer. It then submits to the Board of Directors recommendations with respect to the basic salary, bonus and participation in long-term incentive plans for each executive officer.

Basic Salary

In determining the basic salary of an executive officer, the Compensation Committee places equal weight on the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by comparable businesses;
- (c) the experience level of the executive officer; and
- (d) his or her overall performance.

Bonus Payments

Executive officers are eligible for annual cash bonuses, after taking into account and giving equal weight to, financial performance, attainment of certain corporate objectives and individual performance.

In taking into account the financial performance aspect, it is recognized that executive officers cannot control certain factors, such as interest rates and other general economic conditions. When applying the financial performance criteria, the Compensation Committee considers factors over which the executive officers can exercise control, such as meeting budget targets established by the Board of Directors at the beginning of each year, controlling costs, taking successful advantage of business opportunities and

enhancing the competitive and business prospects of the Corporation. There are no pre-established payout ranges.

In 2008, no bonuses were awarded to the officers of the Corporation.

Long-Term Incentives

The Corporation maintains a stock option plan, the “Stock Option Plan”, which has been approved by the Shareholders of the Corporation.

During the twelve months ended June 30, 2008, the Board of Directors, on the recommendation of the Compensation Committee, granted 9,400,000 stock options to executive officers of the Corporation. The exercise price of these options is \$0.10 per share as to 1/3 of these options, \$0.12 per share as to 1/3 of these options and \$0.15 per share as to 1/3 of these options and the options will expire on Jan. 25, 2013.

Compensation Committee of the
Board of Directors of ZoomerMedia Limited

Dr. David Morgenthau (Chairperson)
Julia Johnston
Moses Znaimer

November 14, 2008

SECTION IV – CORPORATE GOVERNANCE

ZoomerMedia believes that good corporate governance is an essential element in a well-managed company. The following is a description of the Corporation's corporate governance practices.

Mandate of the Board of Directors

The duties and responsibilities of the Board of Directors are:

- to supervise the management of the business and affairs of the Corporation; and
- to act with a view towards the best interests of the Corporation.

In discharging its mandate, the Board of Directors is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Corporation;
- identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Corporation to facilitate communications with investors and other interested parties; and
- the integrity of the Corporation's internal control and management information systems.

The Board of Directors also has the mandate to assess the effectiveness of the Board of Directors as a whole, its committees and the contribution of individual directors.

Composition of the Board of Directors

The Board of Directors, as proposed in this Circular for election at the Meeting, will consist of five (5) members, of whom the Board of Directors has determined that four (4) are independent. These four (4) directors are Julia Johnston, George H. Grant, Dr. David R. Morgenthau and Jason Tafler.

Meetings of the Board of Directors

The Board of Directors meets at least once each calendar quarter and following the annual meeting of Shareholders of the Corporation. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Corporation faces from time to time. In fiscal 2008, the Board of Directors met 5 times.

Independence of the Board of Directors

To facilitate the functioning of the Board of Directors independently of management, the following structures and processes are in place:

- members of management on the Board of Directors are limited to a minority of the directors;
- when appropriate, members of management are not present for the discussion and determination of certain matters at meetings of the Board of Directors;
- under the by-laws of the Corporation, the chairman or any two directors may call a meeting of the Board of Directors; and
- in addition to the standing committees of the Board of Directors, independent committees are appointed from time to time, when appropriate.

Committees of the Board of Directors

The Board of Directors has three (3) standing committees:

- the Audit Committee;
- the Nominating and Corporate Governance Committee; and
- the Compensation Committee.

These committees are majority represented by Board Members who are independent of management and report directly to the Board of Directors. From time to time, when appropriate, *ad hoc* committees of the Board of Directors are appointed by the Board of Directors.

Audit Committee

The Audit Committee of the Corporation's Board of Directors is principally responsible for:

- a) recommending to the Corporation's Board of Directors the external auditor to be nominated for election by the Corporation's shareholders at each annual meeting and negotiating the compensation of such external auditor;
- b) overseeing the work of the external auditor;
- c) reviewing the Corporation's annual and interim financial statements, Management's Discussion and Analysis and press releases regarding earnings before they are reviewed and approved by the Board of Directors and publicly disseminated by the Corporation; and
- d) reviewing the Corporation's financial reporting procedures to ensure adequate procedures are in place for the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph.

The Audit Committee's Charter

The Corporation's Board of Directors has adopted a Charter for the Audit Committee, which sets out the Committee's mandate, organization, powers and responsibilities. The complete Charter is attached as Schedule "A" to this Management Information Circular.

Composition of the Audit Committee

The members of the Audit Committee are Jason Tafler (Chairperson), Moses Znaimer and George H. Grant, two of whom are independent and all of whom are financially literate. Multilateral Instrument 52-110 "Audit Committees" ("MI 52-110") of various Canadian securities administrators exempts the members of the Corporation's Audit Committee from being independent and financially literate since the Corporation is a "Venture Issuer" (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S.A., or a market outside of Canada and the U.S.A.).

Name of Member	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Jason Tafler (Chairperson)	Yes	Yes
Moses Znaimer	No	Yes
George H. Grant	Yes	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Corporation. A "material relationship" is a relationship which could, in the view of the Board of Directors of the Corporation, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Audit Committee Oversight

During the twelve months ended June 30, 2008, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation's Board of Directors.

Reliance on Certain Exemptions

During the twelve months ended June 30, 2008, the Corporation has not relied on the exemption in Section 2.4 (*De Minimus Non-Audit Services*) of MI 52-110, or an exemption from MI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of MI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
June 30, 2008	\$55,000	\$59,260	\$11,490	\$Nil
June 30, 2007	\$22,000	\$Nil	\$1,500	\$2,000

Notes:

- (1) The aggregate fees billed for audit services.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional services other than those listed in the other columns.

Exemption

Since the Corporation is a Venture Issuer (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S.A., or a market outside of Canada and the U.S.A.), it is exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of MI 52-110.

Nominating and Corporate Governance Committee

The members of the Nominating and Corporate Governance Committee are Dr. David Morgenthau (Chairperson), Moses Znaimer and Julia Johnston. During fiscal 2008, the Nominating and Corporate Governance met two (2) times.

The purposes of the Nominating and Corporate Governance Committee are:

- to identify and recommend individuals to the Board of Directors for nomination as members of the Board of Directors and its committees (other than the Nominating and Corporate Governance Committee);
- to review and set out recommendations for the remuneration of the President and Chief Executive Officer of the Corporation; and
- to develop and recommend to the Board of Directors a set of corporate governance principles applicable to the Corporation.

Compensation Committee

The members of the Compensation Committee are David Morgenthau (Chairperson), Moses Znaimer and Julia Johnston. During fiscal 2008, the Compensation Committee met two (2) times.

The purposes of the Compensation Committee are to make recommendations to the Board of Directors relating to the compensation of:

- Members of the Board of Directors;
- Members of senior management of the Corporation.

Decisions requiring Board of Directors Approval

In addition to those matters which, by law, must be approved by the Board of Directors, the approval of the Board of Directors is required for:

- the Corporation's annual business plan and budget;
- major acquisitions or dispositions by the Corporation; and
- transactions which are outside of the Corporation's existing business.

Shareholder Communications

The Board of Directors has authorized management to represent the Corporation in its communications with shareholders and members of the investment community. In addition, management meets regularly with investors and other interested parties to receive and respond to inquiries and comments. The Corporation seeks to ensure that all inquiries and concerns receive a complete and timely response from the appropriate member of management.

The Board of Directors reviews the Corporation's significant communications with investors and the public, including the Corporation's Annual Information Form, Management's Discussion & Analysis, Management Information Circular, annual audited financial statements and quarterly unaudited financial statements.

Expectations of Management

The Board of Directors has charged management with responsibility for the efficient management of the business and affairs of the Corporation and the identification and proposal of initiatives for the Corporation to secure opportunities as they arise. In order for the Board of Directors to effectively carry out its mandate, it regularly assesses the abilities of, and communicates those assessments to, management.

The Board of Directors recognizes the value of direct input from management as it serves to assist the Board of Directors in its deliberations. Where appropriate, members of management are invited to attend meetings of the Board of Directors to provide their input on various matters.

OTHER BUSINESS

The form of proxy accompanying this Circular confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of the Meeting or other matters which may properly come before the Meeting. Management of the Corporation knows of no matter to come before the Meeting or of any amendment or variation to matters identified in the Notice of the Meeting, other than the matters referred to in the Notice of the Meeting. However, if matters not now known to management should properly come before the Meeting, Common Shares represented by proxies solicited by management will be voted on each such matter in accordance with the best judgment of the person voting such Common Shares.

ADDITIONAL INFORMATION

The Corporation will furnish, without charge, to any Shareholder submitting a written request, a copy of the Corporation's annual report for the twelve months ended June 30, 2008, including the financial statements and schedules thereto. Such written request should be directed to the attention of ZoomerMedia Limited, 550 Queen Street East, Suite 105, Toronto Ontario M5A 1V2.

BOARD OF DIRECTORS APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board of Directors of the Corporation.

DATED this 14th day of November, 2008.

MOSES ZNAIMER
President and Chief Executive Officer

SCHEDULE "A"

**CHARTER
FOR
THE AUDIT COMMITTEE
OF
THE BOARD OF DIRECTORS
OF
ZOOMERMEDIA LIMITED**

I. MANDATE

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of ZoomerMedia Limited (the "**Company**") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. The quality and integrity of the Company's financial statements and other financial information;
2. The compliance of such statements and information with legal and regulatory requirements;
3. The qualifications and independence of the Company's independent external auditor (the "**Auditor**"); and
4. The performance of the Company's internal accounting procedures and Auditor.

II. STRUCTURE AND OPERATIONS**A. Composition**

The Committee shall be comprised of three or more members.

B. Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

C. Appointment and Removal

In accordance with the By-Laws of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

D. Chair

Unless the Board shall select a Chair, the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

E. Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

F. Meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

III. DUTIES

A. Introduction

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

Independence of Auditor

1. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company, consistent with Independence Standards Board Standard 1.
2. Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.
3. Require the Auditor to report directly to the Committee.
4. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

5. Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work.
6. Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor.
7. Pre-approve all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor unless such non-audit services:
 - (a) which are not pre-approved, are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;
 - (b) were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Company

8. Establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

9. Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal

controls and any special steps adopted in light of material control deficiencies.

10. Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
11. Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
12. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
13. Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:
 - (a) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management.
 - (b) The management inquiry letter provided by the Auditor and the Company's response to that letter.
 - (c) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Public Disclosure by the Company

14. Review the Company's annual and quarterly financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.
15. Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures.
16. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its Mandate

17. Consult with the Auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
18. Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. \
19. Meet with management, any internal auditor and the Auditor in separate executive sessions at least quarterly.
20. Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors.
21. Make regular reports to the Board.
22. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
23. Annually review the Committee's own performance.
24. Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board.
25. Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

C. Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

ZOOMERMEDIA LIMITED
(Formerly Fifty-Plus.Net International Inc.)

Management's Discussion and Analysis
for the Year ended June 30, 2008

October 28, 2008

The following discussion provides a review of the consolidated financial condition and operating performance of ZoomerMedia Limited (formerly Fifty-Plus.Net International Inc.) for the year ended June 30, 2008, and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2008, which have been prepared in Canadian dollars in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements made in this report are 'forward-looking statements' which may include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words 'believe', 'anticipate', 'expect', 'estimate', 'project', 'will be', 'will continue', 'will likely result' or similar words or phrases. Forward-looking statements involve risks and uncertainties, which may cause actual results to differ materially from the forward-looking statements. The risks and uncertainties are detailed from time to time in filings by ZoomerMedia Limited with provincial securities commissions. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, the following:

- 1) • the risks inherent in the operation of Internet media properties generally;
- 2) • the Corporation's dependency on a few large customers;
- 3) • the competition in the Internet and media industry for the baby boom generation's business;
- 4) • the risks associated with governmental regulation of internet businesses;
- 5) • the results of legal claims made by or against the Corporation.
- 6) • the risk of managing the current revenue growth rate;
- 7) • the dependence of the business on the continuing operation of its computer systems; and
- 8) • the dependence on key personnel.

Given these risks, and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

OVERVIEW OF THE BUSINESS

The principal business activities of ZoomerMedia Limited (the "Company") are the operation of a Canadian website specifically for adults over 45 providing content, commerce and community, the publication of a magazine specifically for adults over 45 and the exclusive provision of membership and marketing services to CARP, **A New Vision of Aging for Canada**. The website generates revenue from advertising and fees related to advertising and sponsorship exclusivity agreements. The magazine generates revenue from advertising, subscriptions and sundry sources. The provision of membership and marketing services to CARP generates revenue from royalties.

OPERATING RESULTS

On December 28, 2007, Olympus Management Limited (“OML”), a private Ontario corporation, acquired control of Fifty-Plus.Net International Inc. (“FPN”) through a reverse take-over (“RTO”). The details of the transaction are as follows:

(a) OML subscribed for 30 million units issued by FPN from treasury at a price of \$0.10 per unit for aggregate gross proceeds of \$3 million. Each unit consists of one (1) common share and one (1) share purchase warrant exercisable at \$0.10 per share until December 28, 2010, being a period of three years from the date of the RTO’s closing.

(b) OML sold to FPN 66.7% of the outstanding shares of Kemur Publishing Co. Ltd. (“Kemur”). Kemur is a private Ontario corporation that publishes CARP Magazine, a magazine targeted at Canada’s population of 45 years of age and older. In consideration for the transfer of these shares FPN issued 30 million common shares to OML at a price of \$0.10 per share for an aggregate consideration of \$3 million.

(c) OML transferred to FPN certain marketing rights and licensing revenues (the “royalty stream”) derived from the CARP name which have a term expiring December 31, 2099. However, there will be a deduction of \$720,765 payable to Lombard Canada Ltd. (“Lombard”) from these revenues for the first 15 years following the RTO’s closing as well as 50% of certain royalties over the first three years following the RTO’s closing. In addition, \$600,000 will be payable to Megadak Enterprises Inc. (“Megadak”) for the first 10 years following the RTO’s closing. In consideration of the transfer of the royalty stream, FPN issued to OML 71 million common shares of FPN at a price \$0.10 per share for an aggregate consideration of \$7.1 million.

(d) Pursuant to a separate agreement, FPN acquired the remaining 33.3% outstanding shares of Kemur from MRHD Holdings Limited (“MRHD”) in exchange for 12.5 million common shares of FPN at a price of \$0.10 per share for an aggregate consideration of \$1.25 million. MRHD and Megadak are under common ownership.

As a result of the RTO, the former shareholders of Kemur (i.e. OML) acquired control of FPN. Under the purchase method of accounting Kemur has been identified as the acquirer, and, accordingly, the entity is considered to be a continuation of Kemur with the net assets of FPN at the date of the RTO deemed to have been acquired by Kemur. Since the RTO is accounted for as a reverse take-over, the comparative figures are those of Kemur. The earnings of Fifty-Plus.Net International Inc and its wholly owned subsidiary, Fifty-Plus.Net Inc. have been included in the statements of loss and comprehensive loss from the date of acquisition, December 28, 2007. On June 10, 2008, Kemur was continued as a Federal corporation and changed its name to ZoomerMedia Limited (“ZoomerMedia”).

The RTO was completed on December 28, 2007. However, the results of FPN for the period from the date of the RTO’s closing (i.e. December 28, 2007) to December 31, 2007 are not material and have not been included in the statement of income for the year ended June 30, 2008.

Fourth Quarter Results

For the fourth quarter ended June 30, 2008, the Company had revenue of \$2,205,583 and expenses of \$2,891,813 with a net loss after tax of \$686,230. These results are in line with the Company’s business plan for 2008 as it invests in the development of ZOOMER magazine and accompanying Zoomer-branded websites, to ensure that the Company maximizes its share of the growing media expenditures anticipated in 2009 and beyond aimed at the aging baby boomer cohort. For the comparable quarter ended June 30, 2007, the Company had revenue of \$1,096,330 and expenses of \$1,035,761 with a net income after tax of \$60,659. Magazine advertising revenue for the quarter was \$703,630 versus \$669,299 for the comparable quarter last year. This increase of \$34,331 (5.0%) is a result of increased advertising pages sold. Subscription revenue for the quarter was \$372,884 versus \$397,701 for the comparable quarter last year. This decline of \$24,817 (6.2%) is attributable to the moderate decline in our subscriber base. A reduction in

sundry revenue of \$24,370 for the quarter was attributable to a reallocation of \$70,571 during the quarter from sundry revenue to royalty revenue. This compares to sundry revenue of (\$41,240) for the comparable quarter last year due to a reallocation of royalty revenues. Website revenue of \$394,082 and royalty revenue of \$759,357 was earned in the quarter. Comparative figures for these two revenue categories for the comparable quarter last year are not contained in these consolidated financial statements as the comparative figures are those of Kemur.

Administration expenses were \$267,628 versus \$160,515 for the comparable quarter last year, an increase of \$107,113 (66.7%) due to the inclusion of the administration costs pertaining to the website that are not included in the comparative figures for the comparable quarter last year as the comparative figures are those of Kemur.

Amortization expenses were \$336,075 versus \$7,703 for the comparable quarter last year due to the inclusion of the amortization of \$328,372 pertaining to the CARP Royalty Rights and the Intangible Assets that are not included in the comparative figures for the comparable quarter last year as the comparative figures are those of Kemur.

Circulation expenses were \$79,348 versus \$64,348 for the comparable quarter last year, an increase of \$15,000 (23.3%) due to a direct mail expenditure during the quarter of \$25,561 while no such expenditure was incurred in the comparable quarter last year and the reduction of circulation costs due to the elimination of amounts paid to FPN Subco effective December 31, 2007 for subscriptions received via the Internet.

Editorial expenses \$358,153 versus \$195,447 for the comparable quarter last year, an increase of \$162,706 (83.2%) due to additional personnel hires for the re-launch of the magazine.

Production expenses were \$357,014 versus \$405,303 for the comparable quarter last year, a decrease of \$48,289 (11.9%) as a result of printing and distributing fewer copies of the magazine due to the slight decline in the subscription base.

Royalties paid were \$368,160 versus \$32,919 for the comparable quarter last year. The increase is due to the obligations assumed on the acquisition of the CARP Royalty Rights as described above.

Sales expenses were \$599,795 versus \$133,425 for the comparable quarter last year, an increase of \$466,370 (349.5%). This variance is attributable to \$83,769 of costs incurred in the development of a prototype of *Zoomer* magazine incurred in the quarter and the inclusion of sales costs of \$398,470 for website sales and CARP marketing initiatives that are not included in the comparative figures for the comparable quarter last year as the comparative figures are those of Kemur. The new magazine will be a major transformation from the previous product, that had suffered through lack of investment, as evidenced by the declining circulation revenues over the past few years.

Directors' fees of \$16,000, management fees of \$201,802, professional fees of \$122,400, stock option expenses of \$117,000 and website expenses of \$485,653 were incurred. Comparative figures for these expense categories for the comparable quarter last year are not contained in these consolidated financial statements as the comparative figures are those of Kemur. Strong advertising demand and the need to enhance the look and functionality of the Company's main web properties, 50Plus.com and CARP.ca, have incurred additional expenditures in this very important area. New features such as improved search capability and new article presentation have increased page views by an average of 60% in the past 12 months.

Year End Results

For the year ended June 30, 2008, the Company had revenue of \$6,725,494 and expenses of \$7,833,010 with a net loss after income taxes of \$1,107,516. For the year ended June 30, 2007, the Company had revenue of \$4,763,873 and expenses of \$4,455,526 with a net income after tax of \$308,347. Magazine

advertising revenue was \$2,961,838 versus \$2,981,094 for last year. This decrease of \$19,256 (0.6%) is primarily the result of revenues lost during the restructuring the magazine's sales and marketing department during the third quarter of this year. Subscription revenue was \$1,534,973 versus \$1,582,395 for last year. This decline of \$47,422 (3.0%) is attributable to the moderate decline in the magazine subscriber base. Circulation revenues are expected to increase in subsequent periods through sustained marketing efforts such as the above-mentioned direct mail program, newsstand sales and free-standing inserts to be distributed through the major daily newspapers. Sundry revenue was \$177,835 versus \$129,813 for last year. This increase of \$48,022 (37.0%) is due primarily to interest earned on investments during the year. Website revenue of \$816,634 and royalty revenue of \$1,234,214 was earned in the current year. Comparative figures for these two revenue categories for last year are not contained in these consolidated financial statements as the comparative figures are those of Kemur.

Administration expenses were \$823,686 versus \$636,313 for last year, an increase of \$187,373 (29.4%) due to the inclusion of the administration costs pertaining to the website that are not included in the comparative figures for last year as the comparative figures are those of Kemur.

Amortization expenses were \$559,410 versus \$32,933 for last year due to the inclusion of the amortization of \$333,334 pertaining to the amortization of the CARP Royalty Rights and \$174,016 pertaining to the amortization of the Intangible Assets that are not included in the comparative figures for last year as the comparative figures are those of Kemur.

Circulation expenses were \$261,333 versus \$246,719 for last year, an increase of \$14,614 (5.9%) due to a direct mail expenditure of \$25,561 during the fourth quarter while no such expenditure was incurred last year and the reduction of circulation costs due to the elimination of amounts paid to FPN Subco effective December 31, 2007 for subscriptions received via the Internet.

Editorial expenses were \$1,134,504 versus \$829,935 for last year, an increase of \$304,549 (36.7%) due to personnel restructuring costs associated with the RTO during the second quarter and additional personnel hires in the third and fourth quarters for the re-launch of the magazine.

Production expenses were \$1,627,120 versus \$1,732,641 for last year, a decrease of \$105,521 (6.1%) as a result of printing and distributing fewer copies of the magazine due to the slight decline in the subscription base.

Royalties paid were \$813,011 versus \$143,303 for last year. The increase occurred during the third and fourth quarters and is due to the obligations assumed on the acquisition of the CARP Royalty Rights as described above.

Sales expenses were \$1,254,744 versus \$652,982 for last year, an increase of \$601,762 (92.2%). This variance is attributable to \$83,769 of costs incurred in the development of a prototype of Zoomer Magazine and the inclusion of sales costs of \$602,690 during the third and fourth quarters for website sales and CARP marketing initiatives that are not included in the comparative figures for the comparable quarter last year as the comparative figures are those of Kemur net of savings for sales salaries realized in the fourth quarter for contracting out sales representation of the magazine.

Directors fees of \$34,000, management fees of \$300,745, professional fees of \$139,400, stock option expenses of \$184,000 and website expenses of \$971,068 were incurred. Comparative figures for these expense categories for last year are not contained in these consolidated financial statements as the comparative figures are those of Kemur.

The Company is dependent on one customer, Lombard Canada Ltd., for approximately 20% of its revenues. Lombard Canada Ltd. is part of a group that offers insurance products. Lombard Canada Ltd. and related entities have committed to the contractual arrangements as described below under, "MATERIAL CONTRACTS".

The Company currently receives government assistance through two programs. First, the Company receives postal subsidies through the Publications Assistance Program administered by the Department of Canadian Heritage. These subsidies totaled \$375,536 for the year ended June 30, 2008 and \$400,763 for last year. These subsidies were applied against the cost of postage. Second, the Company receives an annual grant administered by the Department of Canadian Heritage to support Canadian editorial content which is included in sundry revenues.

LIQUIDITY, SOLVENCY AND CASH FLOW

As at June 30, 2008, the Company had cash and short term deposits on hand of \$2,233,536 and working capital (excluding the current portion of deferred revenue) of \$2,887,318 (2007 – \$1,814,824).

The Company recorded a net loss for the year of \$1,107,516, and working capital increased from \$856,473 at the beginning of the year to \$1,902,420 at the end of the year mainly due to the issuance of common stock.

The Company will continue to invest in its magazine publishing operations through the first three quarters of its 2009 fiscal year as it continues to invest in the relaunch of ZOOMER magazine. It is anticipated that increased advertising and subscription revenues should begin to exceed the increased editorial and production costs of the new magazine format, on a per issue published basis, by the fourth quarter of the Company's 2009 fiscal year. The Company will also continue to invest in the development of its various websites over the 2009 fiscal year with a view to increasing pageviews and the resultant website revenues to reduce the operating losses of the websites.

The Company continually reviews its business plan with a careful eye on available cash reserves to sustain operations.

QUARTERLY INFORMATION

The following table sets out selected quarterly results of the Company for the previous eight quarters. The information contained herein is drawn from the interim financial statements of the Corporation for each of the aforementioned periods.

Year	2008	2008	2007	2007
Quarter	June 30	March 31	December 31	September 30
	(\$)	(\$)	(\$)	(\$)
Revenue	2,205,583	2,126,833	1,096,988	1,296,090
Working Capital	1,902,420	3,042,615	3,579,947	921,058
Working Capital exclusive of current portion of Deferred Revenue	2,887,318	4,101,110	4,705,536	1,831,533
Total Assets	17,201,825	15,364,423	16,090,229	2,261,513
Expenses	2,891,813	2,617,590	1,099,226	1,224,381
Net Income (loss)	(686,230)	(490,757)	(2,238)	71,709
Net Income (loss)(per share)	(0.01)	0.00	0.00	0.00

Year	2007	2007	2006	2006
Quarter	June 30	March 31	December 31	September 30
	(\$)	(\$)	(\$)	(\$)
Revenue	1,096,330	1,275,751	1,021,337	1,370,455
Working Capital	856,473	793,645	1,033,186	983,670
Working Capital exclusive of current portion of Deferred Revenue	1,814,824	1,768,164	2,000,208	1,907,643
Total Assets	2,165,870	2,347,389	2,409,638	2,580,450
Expenses	1,035,761	1,135,919	958,143	1,261,003
Net Income	60,569	139,832	39,294	68,652
Net Income (per share)	0.00	0.00	0.00	0.00

Quarterly results are inconsistent from period to period due to the non-cyclical nature of the publishing business of the Company.

FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES

On December 28, 2007, Olympus Management Limited (“OML”), a private Ontario corporation, acquired control of Fifty-Plus.Net International Inc. (“FPN”) through a reverse take-over (“RTO”). The details of the transaction are described under “OPERATING RESULTS” As part of the RTO, OML subscribed for 30 million units issued by FPN from treasury at a price of \$0.10 per unit for aggregate gross proceeds of \$3 million. Each unit consists of one (1) common share and one (1) share purchase warrant exercisable at \$0.10 per share for a period of three years from the date of the RTO’s closing. These funds are being applied to costs associated with the RTO, marketing and CARP membership development, editorial and content development, the repayment of a non-arm’s length loan and general working capital.

As a result of the RTO, the former shareholders of Kemur (i.e. OML) acquired control of FPN. Under the purchase method of accounting Kemur has been identified as the acquirer, and, accordingly, the entity is considered to be a continuation of Kemur with the net assets of FPN at the date of the RTO deemed to have been acquired by Kemur. Since the RTO is accounted for as a reverse take-over, the comparative figures are those of Kemur.

The fair value of the shares issued was used to determine the value of the purchase consideration as follows:

Fair value of deemed shares issued 27,038,803 @ \$0.10	\$ 2,703,880
Fair value of stock options previously issued	132,000
Transaction costs	<u>383,276</u>
	<u>\$ 3,219,156</u>
Net working capital deficiency assumed (including cash of \$59,444)	\$ (255,807)
Property and equipment	24,479
Future income tax assets	69,490
Intangible assets	1,413,500
Goodwill	<u>1,967,494</u>
	<u>\$ 3,219,156</u>
Cash acquired	\$ 59,444
Transaction costs	<u>(383,276)</u>
Net cash used in RTO	<u>\$ (323,832)</u>

The RTO was completed on December 28, 2007, however, the results of FPN for the period from the date of the RTO's closing (i.e. December 28, 2007) to December 31, 2007 are not material and have not been included in the statement of income for the year ended June 30, 2008.

RELATED PARTY TRANSACTIONS

- a) The Company publishes a magazine called ZOOMER (formerly called CARP) which is directed to adults 45 years of age and up and whose subscribers are primarily members of CARP, A New Vision of Aging for Canada. The majority shareholder of the Company is also the Executive Director of CARP. The Company paid CARP subscriber list maintenance fees that totaled \$163,660 (\$184,387 in 2007) and marketing fees of \$50,000 (\$nil in 2007) during the year ended June 30. It received advertising revenues of \$216,089 (\$171,938 in 2007) during the year ended June 30. The Company also received fees for accounting services totaling \$12,000 ((\$12,000 in 2007), commissions of \$43,419 (\$nil in 2007) and computer maintenance services fees of \$19,800 (\$nil in 2007) during the year ended June 30. Its net receivable as at June 30 was \$92,800 (\$15,150 in 2007).
- b) Royalties of \$64,542 (\$nil in 2007) were paid during the year ended June 30 to OML, the majority shareholder of the Company. The Company also paid management fees totaling \$150,000 (\$nil in 2007) during the year ended June 30 to OML. The Company also received fees for website consulting services of \$5,000 (\$nil in 2007) during the year ended June 30. Its net payable as at June 30 was \$72,251 (\$nil in 2007)
- c) Royalties of \$312,148 (\$143,287 in 2007) were paid during the year ended June 30 to Megadak Enterprises Inc., a corporation owned by the same shareholders as Kemur Publishing Co. Ltd.'s former minority shareholders, MRHD Holdings Limited. Its net receivable as at June 30 was \$100,000 (\$22,013 in 2007).
- d) The Company paid management fees totaling \$150,745 (\$nil in 2007) during the year ended June 30 to Zoomer Management Limited, a wholly-owned subsidiary of Olympus Management Limited. Its net payable as at June 30 was \$nil (\$nil in 2007).
- e) The Company paid sales management fees totaling \$2,572 (\$nil in 2007), rent totaling \$1,586 (\$nil in 2007) and advertising fees of \$29,820 (\$nil in 2007) during the year ended June 30 to MZ Media Inc., a corporation owned by the Company's majority shareholder. The Company also received fees for computer maintenance services of \$22,680 (\$nil in 2007) during the year ended June 30. Its net receivable as at June 30 was \$20,108 (\$nil in 2007).
- f) The Company paid computer maintenance services totaling \$21,000 (\$42,000 in 2007) to Fifty-Plus.Net Inc., a corporation controlled by the Company's minority shareholders until December 28, 2007. The Company also paid subscription acquisition fees totaling \$27,090 (\$61,760 in 2007) to Fifty Plus-Net Inc. Its net payable as at June 30 was \$nil (\$3,500 in 2007).
- g) Advertising Revenues of \$38,934 (\$269,090 in 2007) were received during the year ended June 30 from McLennan Group Insurance Inc., a corporation related to the Company's majority shareholder until August 1, 2007. Its net receivable as at June 30 was \$nil (\$nil in 2007).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet financial commitments and does not anticipate entering into any contracts of such nature, other than the addition of such operating leases for equipment and premises as may be required in the normal course of business.

ACCOUNTING PRINCIPLES ISSUED AND IMPLEMENTED

Effective July 1, 2007 the Company adopted the following new CICA Handbook Standards. These new standards have been adopted on a prospective basis with no restatement of prior period financial statements.

- (i) Section 3855, “Financial Instruments – Recognition and Measurement” provides guidance on the recognition and measurement of financial assets, financial liabilities and derivative financial instruments. This new standard requires that all financial assets and liabilities be classified as either: held-to-maturity, held-for-trading, loans and receivables, available-for-sale, or other financial liabilities. The initial and subsequent recognition depends on their initial classification.

Held-to-maturity financial assets are initially recognized at their fair values and subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

Held-for-trading financial instruments are carried at fair value with changes in the fair value charged or credited to net earnings in the period in which they arise.

Loans and receivables are initially recognized at their fair values, with any resulting premium or discount from the face value being amortized to income or expense using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

Available-for-sale financial instruments are carried at fair value with changes in the fair value charged or credited to other comprehensive income. Impairment losses are charged to net earnings in the period in which they arise.

Other financial liabilities are initially measured at cost or at amortized cost depending upon the nature of the instrument with any resulting premium or discount from the face value being amortized to income or expense using the effective interest method.

All derivative financial instruments meeting certain recognition criteria are carried at fair value with changes in fair value charged or credited to income or expense in the period in which they arise.

The standard requires the Company to make certain elections, upon initial adoption of the new rules, regarding the accounting model to be used to account for each financial instrument. This new section also requires that transaction costs incurred in connection with the issuance of financial instruments either be capitalized and presented as a reduction of the carrying value of the related financial instrument or expensed as incurred. If capitalized, transaction costs must be amortized to income using the effective interest method. This section does not permit the restatement of financial statements of prior periods.

Following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding as of July 1, 2007 and/or June 30, 2008:

Cash and short term deposits	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

In addition, the Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

- (ii) Section 1530, "Comprehensive Income", along with Section 3251, "Equity" which amends Section 3250, "Surplus", require enterprises to separately disclose comprehensive income and its components as well as net income in their financial statements. Further, they require enterprises to separately present changes in equity during the period as well as components of equity at the end of the period, including comprehensive income. Since the Company does not have any elements of comprehensive income, the adoption of these sections did not have any impact on the Company's financial statements.
- (iii) Section 3865, "Hedges" allows optional treatment providing that hedges be designated as either fair value hedges, cash flow hedges or hedges of a self-sustaining foreign operation. Since the Company does not currently have hedging programs in place which qualify for hedge accounting, the adoption of this section did not have any impact on the Company's financial statements.
- (iv) Section 1506, "Accounting Changes" include changes in accounting policy, changes in accounting estimates and correction of errors. Under section 1506, voluntary changes in accounting policy are only permitted if they result in financial statements that provide more reliable and relevant information. When a change in accounting policy is made, this change is applied retrospectively unless impractical. Changes in accounting estimates are generally applied prospectively and material prior period errors are corrected retrospectively. The only impact in the current year is to provide disclosure of when an entity has not applied a new source of Generally Accepted Accounting Principles ("GAAP") that has been issued but is not yet effective.

ACCOUNTING PRINCIPLES ISSUED BUT NOT YET ADOPTED

The following accounting policies will be effective for fiscal 2009.

The Company will be required to adopt the CICA Handbook Section 3862 – Financial Instruments - Disclosures. This Section requires the disclosure of information about (i) the significance of financial instruments for the Company's financial position and performance and (ii) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

The Company will be required to adopt the CICA Handbook Section 3863 – Financial Instruments - Presentation. This Section establishes standards for the presentation of financial instruments and non-financial derivatives.

The Company will be required to adopt the CICA Handbook Section 1535 – Capital Disclosures. This Section specifies the disclosure of (i) the nature of its externally imposed capital requirements; (ii) whether the entity has complied with those capital requirements; and (iii) if it has not complied, the consequences of such non-compliance.

The following accounting policies will be effective for fiscal 2010.

The Company will be required to adopt the CICA Handbook Section 3064, Goodwill and Intangible Assets. This section replaces Section 3062, Goodwill and Other Intangible Assets. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

The Company will be required to adopt the CICA Handbook Section 1400 – General Standards of Financial Statement Presentation. This Section was amended to include guidance on an entity's ability to

continue as a going concern. The revised standard explicitly requires management to assess the Company's ability to continue as a going concern.

The Company is assessing the impact of the adoption of the above standards on the financial statements of the Company.

The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011, when IFRS will be fully adopted. The impact of the transition to IFRS on the Company's financial statements is not yet determinable.

MATERIAL CONTRACTS

Future minimum lease payments under operating leases for premises and equipment are as follows:

Fiscal Year	(\$)
2009	223,129
2010	185,692
2011	137,167
2012	92,101
2013	<u>28,719</u>
	<u>666,808</u>

The Company has the right to implement CARP affinity programs, as well as provide control over certain other rights to license the use of the CARP logo, and to control the use of the CARP name and other intellectual property in certain media as follows:

(a) Agency Agreement

An assignment of the agency agreement dated May 1, 2001, pursuant to which the Company has the right to act as the exclusive representative and agent with regard to contracts, dealings and endeavours of any type by virtue of which CARP could receive certain remuneration. The agreement has terms which continues until December 31, 2099 subject to cancellation by the Company on three years' notice. The rights of the Company under this agreement include the following rights:

- (i) to publish articles, newsletters, tabloids, newspapers, magazines and other periodicals in any form of media featuring, using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;
- (ii) to publish books featuring, using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;
- (iii) to produce and distribute radio programs, television programs, and programs in any other media using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;

- (iv) to produce and distribute motion pictures in film, video and any other media using or exploiting CARP's name and/or any one or more of CARP's tradenames, trademarks or other like intellectual property;
- (v) to affix any one or more of CARP's tradenames, trademarks or other like intellectual property to products, packaging, sales or promotional materials, except those soliciting membership in CARP;
- (vi) to mark products and/or their packaging as having been approved by CARP, or as having been manufactured under license from CARP, or as having been produced for members of CARP;
- (vii) to hold out products or services as having been approved by CARP or as having been designed or formulated for members of CARP, including without limitation offering products or services at prices which purportedly for members of CARP afford a discount from the regular prices thereof;
- (viii) to promote and market goods and services to the members of CARP, including, but without limiting the generality of the foregoing, newspapers; publications other than newspapers; residences; nursing care facilities; medical facilities; communication equipment and services; appliances; vehicles (rental, lease and sale); transportation facilities and services; vacations; travel accommodation and services; financial services; insurance services, policies and programs; education services; and entertainment;
- (ix) to establish and maintain any one or more remotely accessible information or communication sites (including but without limitation any one or more sites on the worldwide web) which are targeted to members of CARP, under any contractual format or regime which is contemplated to generate revenues; and
- (x) to use CARP's membership list subject to and in compliance with applicable legislation.

The Company is entitled to utilize such rights in its own discretion and to remunerate CARP as it may determine in its own discretion. Subject to certain terms and conditions including the obligation to ensure that no published material is obscene, lewd or lascivious, or promotes or could incite hatred or intolerance of, or discrimination against, any persons because of their race, colour, religion or national origin, sex, sexual orientation, handicap or family status.

The royalty revenues earned under the agency agreement will be offset by certain deferred payment obligations to Megadak Enterprises Inc. and Lombard Canada Ltd. which were incurred in order to acquire the royalty rights. These deferred payment obligations total approximately \$1,447,765 for the first year from the date of closing (which occurred on December 28, 2007), \$1,465,765 per year for the second and third year from the date of closing, \$1,320,765 per year for the fourth through the tenth year from the date of closing and \$720,000 per year for a further 5 years after that, and may be summarized as follows:

Year	Payment to Megadak Enterprises Inc. (\$)	Payment to Lombard Canada Ltd. (\$)	Total (\$)
2008	600,000	847,765	1,447,765
2009	600,000	865,765	1,465,765
2010	600,000	865,765	1,465,765
2011	600,000	720,765	1,320,765
2012	600,000	720,765	1,320,765
2013	600,000	720,765	1,320,765
2014	600,000	720,765	1,320,765
2015	600,000	720,765	1,320,765
2016	600,000	720,765	1,320,765
2017	600,000	720,765	1,320,765
2018		720,765	720,765
2019		720,765	720,765
2020		720,765	720,765
2021		720,765	720,765
2022		720,765	720,765
Total	6,000,000	11,228,475	17,228,475

(b) FPN Subco Publication Agreement

On June 14, 1999, FPN and the Company entered into an agreement pursuant to which the Company was granted certain exclusive rights in CARP publications.

(c) Publishing Contract

An assignment of a publishing contract dated May 1, 2001, pursuant to which the Company has been given the sole and exclusive right, licence and authority to publish magazines, newspapers, newsletters, tabloids and other periodicals, as well as books, pamphlets, catalogues and other publications, intended principally for members of CARP, in any form of media now known or which hereafter comes into existence (including without limitation, in print form or in any electronic form, which expression includes the worldwide web) under, featuring, using or exploiting any one or more of CARP's tradenames, trademarks and other intellectual property. Pursuant to this agreement, the Company has agreed to pay a royalty on certain of its advertising revenues and \$1.00 per year for each of the magazine's subscribers on account of mailing maintenance costs.

(d) Lombard Canada Ltd. Royalty Agreement

An assignment of a royalty agreement dated August 1, 2007 pursuant to which Lombard Canada Ltd. has agreed to pay the Company a royalty calculated on the amount of direct premiums for insurance coverage payable until August 1, 2022 under policies of insurance insuring any members of CARP and issued or placed by Lombard or its affiliates. The royalty payment agreement permits an annual discount of \$720,765 which totals \$10,811,475 over the term of the agreement. In addition, during the first three years of the royalty agreement, Lombard receives certain credits for licensing revenues associated with financial products and services which are estimated to total \$417,000 (2008 - \$127,000; 2009 - \$145,000; 2010 - \$145,000). Pursuant to this agreement, Lombard is required to spend a minimum of \$250,000 in advertising with CARP Magazine, increased annually by the Consumer Price Index for a period of 15 years, except that for every 10% reduction in the subscription levels for the CARP Magazine during a contract year from a threshold level of 90% of the paid subscribers as at August 1, 2007 (approximately 190,000

paid subscribers), such minimum advertising commitment may be reduced by 10%. Lombard may elect to cease making advertising expenditures where the CARP Magazine subscription level falls to less than 60% of such threshold and there is a failure to raise the CARP Magazine subscription level to greater than 60% of such threshold upon 60 days' notice.

LEGAL PROCEEDINGS

The Company is not engaged in any legal proceedings.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at June 30, 2008, the CEO and CFO have evaluated the effectiveness of the Corporation's disclosure controls and procedures as defined in Multilateral Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings) of the Canadian Securities Administrators and has concluded that such controls and procedures are effective.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for designing internal control over financial reporting or causing it to be designed under their supervision, 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. Due to the small size of the company, there are inherent weaknesses in the systems of internal control as it is not possible to segregate all the necessary functions. At the present time, the CEO and CFO have concluded that the system of internal controls is comparable to issuers of a similar size and undertaking. As the Company's current operations are limited in size and scope, there is little risk in the Company's financial reporting of inaccuracy, failure to fairly reflect transactions, failure to fairly record transactions as may be required to present financial statements in accordance with generally accepted accounting principles, unauthorized receipts and expenditures, or the inability to provide assurance that unauthorized acquisitions or dispositions of assets can be detected. Weaknesses in internal controls are addressed through internal reviews during the fiscal period, quarterly audit committee meetings, and by a full compliance based audit undertaken by the Company's external auditors with respect to the audit of year-end financial statements. When the size of the business warrants the expansion of the number of individuals involved in the accounting function, these weaknesses will be addressed.

DISCLOSURE ON OUTSTANDING SHARE DATA

ZoomerMedia Limited shares trade on the TSX Venture Exchange under the symbol ZUM. The Company is authorized to issue an unlimited number of preference shares in one or more series and an unlimited number of common shares without par value. On October 28, 2008, there were 170,561,025 common shares issued and outstanding, 17,873,795 stock options outstanding with a weighted average exercise price of \$0.13 expiring between 2011 and 2013 and 30,500,000 common share purchase warrants outstanding with a weighted average exercise price of \$0.10 expiring between 2009 and 2010.

SUBSEQUENT EVENTS

On July 1, 2008, Fifty-Plus.Net International Inc. and its wholly-owned subsidiaries Fifty-Plus.Net Inc. and ZoomerMedia Limited amalgamated and will carry on business under the name ZoomerMedia Limited.

In September of 2008, the Company entered into additional operating lease agreements for its premises. The commitment for expenditures under these leases has been included in “MATERIAL CONTRACTS” above.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

FIFTY-PLUS.NET INTERNATIONAL INC.
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

FIFTY-PLUS.NET INTERNATIONAL INC.

JUNE 30, 2008 AND 2007

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AUDITORS' REPORT

To the Shareholders of
FIFTY-PLUS.NET INTERNATIONAL INC.

We have audited the consolidated balance sheets of **FIFTY-PLUS.NET INTERNATIONAL INC.** as at June 30, 2008 and 2007 and the consolidated statements of loss and comprehensive loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2008 and 2007 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Kraft Berger LLP

KRAFT BERGER LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Ontario
October 8, 2008

FIFTY-PLUS.NET INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS

JUNE 30

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT		
Cash and short term deposits	\$ 2,233,536	\$ 1,362,688
Accounts receivable	1,085,225	339,434
Income taxes recoverable	56,599	10,955
Prepaid expenses	<u>328,760</u>	<u>274,058</u>
	3,704,120	1,987,135
PROPERTY AND EQUIPMENT (Note 4)	570,311	119,680
OTHER ASSETS (Note 5)	53,750	59,055
ROYALTY STREAM (Note 6)	9,666,666	-
INTANGIBLE ASSETS (Note 7)	1,239,484	-
GOODWILL (Note 2)	<u>1,967,494</u>	<u>-</u>
	<u>\$ 17,201,825</u>	<u>\$ 2,165,870</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 816,802	\$ 172,311
Deferred revenue	<u>984,898</u>	<u>958,351</u>
	1,801,700	1,130,662
DEFERRED REVENUE	366,741	402,520
FUTURE INCOME TAXES (Note 8)	<u>2,434,855</u>	<u>16,523</u>
	<u>4,603,296</u>	<u>1,549,705</u>

COMMITMENTS AND CONTINGENT LIABILITIES (Note 14)**SUBSEQUENT EVENTS** (Note 15)

SHAREHOLDERS' EQUITY

COMMON STOCK (Note 9(b))	11,693,984	104
WARRANTS (Note 9(c))	1,080,000	-
STOCK OPTIONS (Note 9(d))	316,000	-
RETAINED EARNINGS (DEFICIT)	<u>(491,455)</u>	<u>616,061</u>
	<u>12,598,529</u>	<u>616,165</u>
	<u>\$ 17,201,825</u>	<u>\$ 2,165,870</u>

See accompanying notes to consolidated financial statements.

APPROVED ON BEHALF OF THE BOARD:

["signed"] Director
George Grant

["signed"] Director
Jason Tafler

FIFTY-PLUS.NET INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS AND DEFICIT

FOR THE YEARS ENDED JUNE 30

	<u>2008</u>	<u>2007</u>
REVENUE		
Magazine advertising	\$ 2,961,838	\$ 2,981,094
Magazine subscriptions	1,534,973	1,582,395
Royalty	1,234,214	70,571
Website	816,634	-
Sundry	<u>177,835</u>	<u>129,813</u>
	<u>6,725,494</u>	<u>4,763,873</u>
EXPENSES		
Production	1,627,120	1,732,641
Sales	1,254,744	652,982
Editorial	1,134,504	829,935
Website	971,068	-
Administration	823,686	636,313
Royalties	813,011	143,303
Amortization - property and equipment	52,060	32,933
- royalty stream	333,334	-
- intangible assets	174,016	-
Management fees	300,745	-
Circulation	261,333	246,719
Stock-based compensation (Note 9(d))	184,000	-
Professional fees	139,400	-
Loss on disposal of property and equipment	57,204	-
Directors' fees	<u>34,000</u>	<u>-</u>
	<u>8,160,225</u>	<u>4,274,826</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>(1,434,731)</u>	<u>489,047</u>
Income taxes - current (Note 8)	84,963	180,700
- future recovery (Note 8)	<u>(412,178)</u>	<u>-</u>
	<u>(327,215)</u>	<u>180,700</u>
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	(1,107,516)	308,347
RETAINED EARNINGS , beginning of year	<u>616,061</u>	<u>709,714</u>
	(491,455)	1,018,061
Dividends paid	<u>-</u>	<u>(402,000)</u>
RETAINED EARNINGS (DEFICIT) , end of year	\$ <u>(491,455)</u>	\$ <u>616,061</u>
Net income (loss) per share (basic and diluted) (Note 10)	\$ <u>(0.01)</u>	\$ <u>0.01</u>
Weighted average number of shares outstanding (Note 10)	<u>95,756,024</u>	<u>42,500,000</u>

See accompanying notes to consolidated financial statements.

FIFTY-PLUS.NET INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30

	<u>2008</u>	<u>2007</u>
OPERATING ACTIVITIES		
Net income (loss) and comprehensive income (loss) for the year	\$ (1,107,516)	\$ 308,347
Amortization - property and equipment	52,060	32,933
- royalty stream	333,334	-
- intangible assets	174,016	-
Stock-based compensation	184,000	-
Loss on disposal of property and equipment	57,204	-
Future income taxes	<u>(412,178)</u>	<u>-</u>
	<u>(719,080)</u>	<u>341,280</u>
Change in non-cash components of working capital		
Accounts receivable	(399,422)	165,074
Income taxes recoverable	(45,644)	(47,237)
Prepaid expenses	(30,996)	(23,284)
Other assets	5,305	(2,782)
Accounts payable and accrued liabilities	425,620	(37,703)
Deferred revenue	<u>(225,687)</u>	<u>20,188</u>
	<u>(270,824)</u>	<u>74,256</u>
	<u>(989,904)</u>	<u>415,536</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(535,416)	(4,948)
Cash used in RTO inclusive of transaction costs (Note 2)	<u>(323,832)</u>	<u>-</u>
	<u>(859,248)</u>	<u>(4,948)</u>
FINANCING ACTIVITIES		
Repayment of loan payable	(250,000)	-
Issuance of common stock (net of transaction costs)	2,970,000	-
Common share dividends	<u>-</u>	<u>(402,000)</u>
	<u>2,720,000</u>	<u>(402,000)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	870,848	8,588
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,362,688</u>	<u>1,354,100</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,233,536</u>	<u>\$ 1,362,688</u>
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 277,994	\$ 564,864
Short term deposits	<u>1,955,542</u>	<u>797,824</u>
	<u>\$ 2,233,536</u>	<u>\$ 1,362,688</u>
SUPPLEMENTARY CASH FLOW INFORMATION:		
Income taxes paid	\$ 138,783	\$ 235,622
SUPPLEMENTARY DISCLOSURE RELATED TO NON-CASH ACTIVITIES		
Acquisition of royalty stream through issuance of common stock (Note 2(c))	\$ 7,100,000	\$ -

See accompanying notes to consolidated financial statements.

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

1. NATURE OF OPERATIONS

The principal business activities of Fifty-Plus.Net International Inc. (the "Company") are the operation of a Canadian website specifically for adults over 45 providing content, commerce and community, the publication of a magazine specifically for adults over 45 and the exclusive provision of membership and marketing services to CARP, A New Vision of Aging for Canada. The website generates revenue from advertising and fees related to advertising and sponsorship exclusivity agreements. The magazine generates revenue from advertising, subscriptions and sundry sources. The provision of membership and marketing services to CARP generates revenue from royalties.

2. BASIS OF PRESENTATION AND BUSINESS COMBINATION

On December 28, 2007, Olympus Management Limited ("OML"), a private Ontario corporation, acquired control of the Company through a reverse take-over ("RTO"). The details of the transaction are as follows:

- (a) OML subscribed for 30 million units issued by the Company from treasury at a price of \$0.10 per unit for aggregate gross proceeds of \$3 million. Each unit consists of one (1) common share and one (1) share purchase warrant exercisable at \$0.10 per share until December 28, 2010, being a period of three years from the date of the RTO's closing.
- (b) OML sold to the Company 66.7% of the outstanding shares of Kemur Publishing Co. Ltd. ("Kemur"). Kemur is a private Ontario corporation that publishes CARP magazine, a magazine targeted at Canada's population of 45 years of age and older. In consideration for the transfer of these shares the Company issued 30 million common shares to OML at a price of \$0.10 per share for an aggregate consideration of \$3 million.
- (c) OML transferred to the Company certain marketing rights and licensing revenues (the "royalty stream") derived from the CARP name which have a term expiring December 31, 2099. However, there will be a deduction of \$720,765 payable to Lombard Canada Ltd. ("Lombard") each year from these revenues for the first 15 years following the RTO's closing as well as 50% of certain royalties over the first three years following the RTO's closing. In addition, \$600,000 will be payable to Megadak Enterprises Inc. ("Megadak") each year for the first 10 years following the RTO's closing. In consideration of the transfer of the royalty stream, the Company issued to OML 71 million common shares at a price \$0.10 per share for an aggregate consideration of \$7.1 million.
- (d) Pursuant to a separate agreement, the Company acquired the remaining 33.3% outstanding shares of Kemur from MRHD Holdings Limited ("MRHD") in exchange for 12.5 million common shares at a price of \$0.10 per share for an aggregate consideration of \$1.25 million. MRHD and Megadak are under common ownership.

As a result of the RTO, the former shareholders of Kemur (i.e. OML) acquired control of the Company. Under the purchase method of accounting Kemur has been identified as the acquirer, and, accordingly, the entity is considered to be a continuation of Kemur with the net assets of the Company at the date of the RTO deemed to have been acquired by Kemur. Since the RTO is accounted for as a reverse take-over, the comparative figures are those of Kemur. The earnings of Fifty-Plus.Net International Inc. and its wholly-owned subsidiary Fifty-Plus.Net Inc. have been included in the statements of loss and comprehensive loss from the date of acquisition December 28, 2007. On June 10, 2008 Kemur was continued as a Federal corporation and changed its name to ZoomerMedia Limited ("ZoomerMedia").

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

2. BASIS OF PRESENTATION AND BUSINESS COMBINATION (Continued)

The fair value of the shares issued with respect to the RTO was used to determine the value of the purchase consideration as follows:

Fair value of deemed shares issued 27,038,803 @ \$0.10	\$ 2,703,880
Fair value of stock options previously issued	132,000
Transaction costs	<u>383,276</u>
	<u>\$ 3,219,156</u>

Net working capital deficiency assumed (including cash of \$59,444)	\$ (255,807)
Property and equipment	24,479
Future income tax assets	69,490
Intangible assets	1,413,500
Goodwill	<u>1,967,494</u>
	<u>\$ 3,219,156</u>

Cash acquired	\$ 59,444
Transaction costs	<u>(383,276)</u>
Net cash used in RTO	<u>\$ (323,832)</u>

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

These consolidated financial statements include the accounts of the Company, its active wholly owned subsidiaries, Fifty-Plus.Net Inc. and ZoomerMedia Limited and its inactive wholly owned subsidiary, Ventel Communications, Inc. All significant intercompany balances and transactions have been eliminated upon consolidation.

(b) Cash and Short Term Deposits

Cash and short term deposits consist of cash balances and short term investment certificates with original maturities of three months or less.

(c) Property and Equipment

Property and equipment is recorded at cost and amortized over its estimated useful life using the following bases and annual rates:

Office equipment	- 20%, declining balance basis
Computer hardware	- 40%, declining balance basis
Computer software	- 3 years, straight-line basis
Leasehold improvements	- 5 years, straight-line basis

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Royalty Stream

The royalty stream is recorded at cost and is amortized on a straight-line basis over 15 years which represents the estimated life of the revenue stream.

(e) Intangible Assets

Intangible assets which include website domain name, articles and content as well as customer relationships are recorded at cost at the date of acquisition and are amortized on a straight-line basis over 3-5 years which represents the estimated useful life of these assets.

(f) Goodwill

Goodwill represents the excess purchase price of acquired businesses over the fair value of the net identifiable assets acquired. Goodwill is not amortized. The Company compares the carrying amount of the goodwill to the fair value, at least annually, and recognizes in income any impairment in value.

Acquisitions are accounted for using the purchase method whereby assets and liabilities acquired are recorded at their fair values as of the date of acquisition and any excess of the purchase price over such fair value is recorded as goodwill. Goodwill is identified and allocated to reporting units by preparing estimates of the fair value of each reporting unit and comparing this amount to the fair value of assets and liabilities in the reporting unit. Goodwill is not amortized.

The Company evaluates, on at least an annual basis, the carrying amount of goodwill to determine whether current events and circumstances indicate that such carrying amount may no longer be recoverable. To accomplish this, the Company compares the fair value of its reporting units to their carrying amounts. If the carrying value of a reporting unit exceeds its fair value, the Company compares the implied fair value of the reporting unit's goodwill to its carrying amount, and any excess of the carrying value over the fair value is charged to operations. Assumptions underlying fair value estimates are subject to significant risks and uncertainties.

(g) Impairment of Long-Lived Assets

The Company reviews, when circumstances indicate it to be necessary, the carrying values of its long-lived assets by comparing the carrying amount of the asset or group of assets to the expected future undiscounted cash flows to be generated by the asset or group of assets. An impairment loss is recognized when the carrying amount of an asset or group of assets held for use exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition. The impairment loss is measured as the amount by which the asset carrying amount exceeds its fair value, based on quoted market prices, when available, or on the estimated current value of future cash flows.

(h) Revenue Recognition

Magazine advertising revenue

Magazine advertising revenue, net of agency commission, where applicable, is recognized when the magazine in which the advertisements are placed, is published and distributed.

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Revenue Recognition (Continued)

Magazine subscription revenue

Magazine subscription revenue, mailing list maintenance costs and subscription acquisition costs are recognized over the term of the related subscriptions on the straight-line basis. The unearned or prepaid portions of these items are deferred and recorded in the accounts as deferred revenue and prepaid expenses. The prepaid portion of mailing list maintenance costs in excess of one year is recorded as deferred list maintenance charges and included in other assets.

Royalty revenue

Royalty revenue is comprised of licensing fees from the CARP name and is calculated as a percentage of the volume of business conducted by the licensee in a given period. Royalty revenue is recognized in the period in which it is earned from each licensee.

Website revenue

Website revenue is primarily comprised of advertising and user maintenance fees. Website revenue is recognized when the related services are provided to customers. Revenue related to advertising and sponsorship exclusivity agreements is recognized over the term of the agreement. Amounts billed in accordance with customer contracts, but not yet earned, are recorded as deferred revenue.

Sundry revenue

Sundry revenue is mainly comprised of interest earned and government grants and subsidies which are recognized in the period in which they are earned.

(i) Income Taxes

The Company accounts for income taxes under the asset and liability method that requires the recognition of future tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amount and tax basis of assets and liabilities. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to the taxable income in the years in which those temporary differences are expected to be recovered or settled. The Company provides a valuation allowance on net future tax assets when it is more likely than not that such assets will not be realized.

(j) Stock Based Compensation

The Company has a stock based compensation plan, which is described in Note 9(d). The Company accounts for all stock based payments using the fair value based method. Under the fair value based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortized on a straight line basis over the vesting period. No compensation cost is recognized for options that employees forfeit if they fail to satisfy the service requirement for vesting.

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Net Income per Share

Basic net income per share is computed by dividing net income available to common shareholders by the weighted average number of shares outstanding during the period. The treasury stock method is used to calculate diluted net income per share. Diluted net income per share is similar to basic net income per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding assuming that warrants and stock options with an average market price for the period greater than their exercise price are exercised and the proceeds used to repurchase common shares.

(l) Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Items requiring significant estimates and subject to measurement uncertainty include provision for allowance for doubtful accounts receivable, the carrying values of royalty stream, intangible assets, goodwill and the valuation of warrants and stock options. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(m) Accounting Principles Issued and Implemented

Effective July 1, 2007 the Company adopted the following new CICA Handbook Standards. These new standards have been adopted on a prospective basis with no restatement of prior period financial statements.

- (i) Section 3855, "Financial Instruments – Recognition and Measurement" provides guidance on the recognition and measurement of financial assets, financial liabilities and derivative financial instruments. This new standard requires that all financial assets and liabilities be classified as either: held-to-maturity, held-for-trading, loans and receivables, available-for sale, or other financial liabilities. The initial and subsequent recognition depends on their initial classification.

Held-to-maturity financial assets are initially recognized at their fair values and subsequently measured at amortized cost using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

Held-for-trading financial instruments are carried at fair value with changes in the fair value charged or credited to net earnings in the period in which they arise.

Loans and receivables are initially recognized at their fair values, with any resulting premium or discount from the face value being amortized to income or expense using the effective interest method. Impairment losses are charged to net earnings in the period in which they arise.

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Accounting Principles Issued and Implemented (continued)

Available-for-sale financial instruments are carried at fair value with changes in the fair value charged or credited to other comprehensive income. Impairment losses are charged to net earnings in the period in which they arise.

Other financial liabilities are initially measured at cost or at amortized cost depending upon the nature of the instrument with any resulting premium or discount from the face value being amortized to income or expense using the effective interest method.

All derivative financial instruments meeting certain recognition criteria are carried at fair value with changes in fair value charged or credited to income or expense in the period in which they arise.

The standard requires the Company to make certain elections, upon initial adoption of the new rules, regarding the accounting model to be used to account for each financial instrument. This new section also requires that transaction costs incurred in connection with the issuance of financial instruments either be capitalized and presented as a reduction of the carrying value of the related financial instrument or expensed as incurred. If capitalized, transaction costs must be amortized to income using the effective interest method. This section does not permit the restatement of financial statements of prior periods.

Following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding as of July 1, 2007 and/or June 30, 2008:

Cash and short term deposits	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

In addition, the Company has elected to account for transaction costs related to the issuance of financial instruments as a reduction of the carrying value of the related financial instruments.

- (ii) Section 1530, "Comprehensive Income", along with Section 3251, "Equity" which amends Section 3250, "Surplus", require enterprises to separately disclose comprehensive income and its components as well as net income in their financial statements. Further, they require enterprises to separately present changes in equity during the period as well as components of equity at the end of the period, including comprehensive income. Since the Company does not have any elements of comprehensive income, the adoption of these sections did not have any impact on the Company's financial statements.
- (iii) Section 3865, "Hedges" allows optional treatment providing that hedges be designated as either fair value hedges, cash flow hedges or hedges of a self-sustaining foreign operation. Since the Company does not currently have hedging programs in place which qualify for hedge accounting, the adoption of this section did not have any impact on the Company's financial statements.

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Accounting Principles Issued and Implemented (continued)

(iv) Section 1506, "Accounting Changes" include changes in accounting policy, changes in accounting estimates and correction of errors. Under section 1506, voluntary changes in accounting policy are only permitted if they result in financial statements that provide more reliable and relevant information. When a change in accounting policy is made, this change is applied retrospectively unless impractical. Changes in accounting estimates are generally applied prospectively and material prior period errors are corrected retrospectively. The only impact in the current year is to provide disclosure of when an entity has not applied a new source of Generally Accepted Accounting Principles ("GAAP") that has been issued but is not yet effective.

(n) Accounting Standards Issued But Not Yet Adopted

The following accounting policies will be effective for fiscal 2009.

The Company will be required to adopt the CICA Handbook Section 3862 – Financial Instruments - Disclosures. This Section requires the disclosure of information about (i) the significance of financial instruments for the Company's financial position and performance and (ii) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the balance sheet date, and how the entity manages those risks.

The Company will be required to adopt the CICA Handbook Section 3863 – Financial Instruments - Presentation. This Section establishes standards for the presentation of financial instruments and non-financial derivatives.

The Company will be required to adopt the CICA Handbook Section 1535 – Capital Disclosures. This Section specifies the disclosure of (i) the nature of its externally imposed capital requirements; (ii) whether the entity has complied with those capital requirements; and (iii) if it has not complied, the consequences of such non-compliance.

The following accounting policies will be effective for fiscal 2010.

The Company will be required to adopt the CICA Handbook Section 3064, Goodwill and Intangible Assets. This section replaces Section 3062, Goodwill and Other Intangible Assets. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062.

The Company will be required to adopt the CICA Handbook Section 1400 – General Standards of Financial Statement Presentation. This Section was amended to include guidance on an entity's ability to continue as a going concern. The revised standard explicitly requires management to assess the Company's ability to continue as a going concern.

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Accounting Standards Issued But Not Yet Adopted (Continued)

The Company is assessing the impact of the adoption of the above standards on the financial statements of the Company.

The CICA plans to converge Canadian Generally Accepted Accounting Principles with International Financial Reporting Standards ("IFRS") over a transition period expected to end in 2011, when IFRS will be fully adopted. The impact of the transition to IFRS on the Company's financial statements is not yet determinable.

4. PROPERTY AND EQUIPMENT

	2008			2007
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
Office equipment	\$ 258,948	\$ 50,896	\$ 208,052	\$ 65,954
Computer hardware	460,701	332,789	127,912	26,617
Computer software	224,514	129,351	95,163	27,109
Leasehold improvements	<u>146,509</u>	<u>7,325</u>	<u>139,184</u>	<u>-</u>
	<u>\$ 1,090,672</u>	<u>\$ 520,361</u>	<u>\$ 570,311</u>	<u>\$ 119,680</u>

5. OTHER ASSETS

Other assets are comprised of the following:

	2008	2007
Deferred list maintenance charges	\$ 53,746	\$ 59,051
Sundry assets	<u>4</u>	<u>4</u>
	<u>\$ 53,750</u>	<u>\$ 59,055</u>

6. ROYALTY STREAM

Cost	\$ 10,000,000	\$ -
Less: Accumulated amortization	<u>333,334</u>	<u>-</u>
	<u>\$ 9,666,666</u>	<u>\$ -</u>

7. INTANGIBLE ASSETS

Cost	\$ 1,413,500	\$ -
Less: Accumulated amortization	<u>174,016</u>	<u>-</u>
	<u>\$ 1,239,484</u>	<u>\$ -</u>

FIFTY-PLUS.NET INTERNATIONAL INC.
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8. INCOME TAXES

Income tax expense (recovery) varies from the amounts that would be computed by applying the statutory income tax rate to income before income taxes as follows:

	<u>2008</u>	<u>2007</u>
Statutory income tax rate	35.31 %	36.12 %
Expected income tax expense (recovery)	\$ (506,604)	\$ 176,644
Stock based compensation not deductible for income tax purposes	64,970	-
Impact of future changes in enacted income tax rates	122,614	-
Permanent differences not deductible for income tax purposes	4,382	4,056
Transaction and share issuance costs deductible for income tax purposes	(14,872)	-
Other	<u>2,295</u>	<u>-</u>
	<u>\$ (327,215)</u>	<u>\$ 180,700</u>

The tax effects of temporary differences that give rise to significant portions of the future income tax assets and liabilities at June 30 are presented below:

	<u>2008</u>	<u>2007</u>
Future Income Tax Assets		
Non capital loss carryforwards	\$ 492,526	\$ -
Net capital loss carryforwards	13,377	-
Transaction and stock issuance costs	103,067	-
Property and equipment	263,910	-
Cumulative eligible capital	<u>3,908</u>	<u>-</u>
	876,788	-
Valuation allowance	<u>(124,069)</u>	<u>-</u>
	<u>752,719</u>	<u>-</u>
Future Income Tax Liabilities		
Royalty stream	2,803,334	-
Intangible assets	384,240	-
Property and equipment	<u>-</u>	<u>16,523</u>
	<u>3,187,574</u>	<u>16,523</u>
Net Future Income Tax Liabilities	<u>\$ 2,434,855</u>	<u>\$ 16,523</u>

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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8. INCOME TAXES (Continued)

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income, uncertainties related to the industry in which the Company operates and tax planning strategies in making this assessment.

As at June 30, 2008, the Company has approximately \$1,903,000 of non-capital losses available that may be used to reduce future years' taxable income. The potential tax benefits of certain of these losses have been reflected in the accounts of the Company. These losses expire over the following fiscal years:

2009	\$ 476,000
2010	109,000
2014	107,000
2015	64,000
2026	6,000
2027	122,000
2028	<u>1,019,000</u>
	<u>\$ 1,903,000</u>

9. SHARE CAPITAL

(a) Authorized

Unlimited preference shares that may be issued in one or more series by the Board of Directors

Unlimited number of common shares

(b) Issued and Outstanding

Common shares	<u>Number</u>	<u>Amount</u>
Balance, June 30, 2006 and 2007	-	\$ 104
Purchase of the Company (Note 2)	27,038,803	2,703,880
Shares issued to former majority shareholder of Kemur (Note 2(a))	30,000,000	-
Private placement - December 28, 2007 (Note 2(b))	30,000,000	2,970,000
Acquisition of royalty stream (Note 2(c))	71,000,000	7,100,000
Shares issued to former minority shareholder of Kemur (Note 2(d))	12,500,000	-
Allocated to warrants (Note 9(c))	<u>-</u>	<u>(1,080,000)</u>
Balance, June 30, 2007	<u>170,538,803</u>	<u>\$ 11,693,984</u>

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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9. SHARE CAPITAL (Continued)

(c) Common Share Purchase Warrants

	<u>Number</u>	<u>Amount</u>
Balance, June 30, 2006 and 2007	-	\$ -
Inherited upon RTO (Note 2)	500,000	-
Issued in respect of private placement (Notes 2(a) and 9(b))	<u>30,000,000</u>	<u>1,080,000</u>
Balance, June 30, 2008	<u>30,500,000</u>	<u>\$ 1,080,000</u>

The following is a summary of unexercised warrants, date of grant, exercise price and expiry date as at June 30, 2008:

<u>Number Outstanding</u>	<u>Date of Issue</u>	<u>Weighted Average Exercise Price</u>	<u>Expiry Date</u>
500,000	April 10, 2007	\$ 0.15	April 10, 2009
<u>30,000,000</u>	December 28, 2007	<u>0.10</u>	December 28, 2010
<u>30,500,000</u>		<u>\$ 0.10</u>	

The fair value of each warrant at the date of issue was estimated using the Black-Scholes Option Pricing Model with the following assumptions:

Risk-free interest rate	3.90%
Expected dividend yield	0.00%
Expected stock price volatility	60.00%
Expected life of warrants	3 years
Weighted-average fair value of warrants	\$0.04

(d) Stock Options

The Company has a stock option plan for the benefit of employees and directors of the Company and certain key service providers to the Company. The Company is authorized to issue 34,000,000 stock options under this plan.

The options either vest on issuance or vest one-third upon issuance, and one-third in each of the next two following years.

For the year ended June 30, 2008, the value ascribed to unexercised options recorded as a component of shareholders' equity is as follows:

	<u>2008</u>	<u>2007</u>
Balance - beginning of year	\$ -	\$ -
Inherited upon RTO (Note 2)	132,000	-
Options granted during the year	<u>184,000</u>	<u>-</u>
Balance - end of year	<u>\$ 316,000</u>	<u>\$ -</u>

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

9. SHARE CAPITAL (Continued)

(d) Stock Options (Continued)

Details of stock option transactions are as follows:

	<u>Number of Options</u>	<u>Weighted Average Exercise Price of Options</u>
Balance, June 30, 2006 and 2007	-	\$ -
Inherited upon RTO	3,779,999	0.10
Issued during 2008	14,516,018	0.14
Cancelled during 2008	<u>(400,000)</u>	<u>0.10</u>
Balance, June 30, 2008	<u>17,896,017</u>	<u>\$ 0.13</u>

The fair value of the options granted in the year has been estimated using the Black-Scholes Option Pricing Model based on the following assumptions:

Risk-free interest rate	3.15% - 4.20%
Expected dividend yield	0.00%
Expected stock price volatility	60.00%
Expected life of stock options	3.75 - 5.00 years
Weighted-average fair value of stock options	\$0.04

<u>Exercise price</u>	<u>Options Outstanding as at June 30, 2008</u>		<u>Options Exercisable as at June 30, 2008</u>	
	<u>Number Outstanding</u>	<u>Weighted Average Remaining Life (years)</u>	<u>Number Exercisable</u>	<u>Weighted Average Exercise Price</u>
\$0.10	2,050,000	2.5	2,050,000	\$ 0.10
0.10	1,130,000	3.2	753,333	0.10
0.10	100,000	3.7	66,667	0.10
0.10	99,999	3.8	66,666	0.10
0.10	4,483,336	4.6	-	0.10
0.12	4,586,110	4.6	-	0.12
0.13	141,023	4.6	-	0.13
0.15	4,555,549	4.6	-	0.15
0.38	550,000	4.7	-	0.38
0.28	<u>200,000</u>	<u>4.9</u>	<u>-</u>	<u>0.28</u>
	<u>17,896,017</u>	<u>4.3</u>	<u>2,936,666</u>	<u>\$ 0.10</u>

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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10. BASIC AND DILUTED NET INCOME (LOSS) PER SHARE

For the year ended June 30, 2008, the diluted net loss per share is the same as the basic net loss per share because the determination of the diluted weighted average number of shares outstanding does not include the effect of 17,896,017 outstanding stock options or 30,500,000 outstanding warrants since they are anti-dilutive.

For year ended June 30, 2007, the diluted net income per share is the same as the basic net income per share because there were no outstanding stock options or warrants.

11. RELATED PARTY TRANSACTIONS

- a) The Company publishes a magazine called ZOOMER (formerly called CARP) which is directed to adults 45 years of age and up and whose subscribers are primarily members of CARP. The majority shareholder of the Company is also the Executive Director of CARP. During the year, the Company paid CARP subscriber list maintenance fees of \$163,660 (2007 - \$184,387) and marketing fees of \$50,000 (2007 - \$Nil) and received from CARP advertising revenues of \$216,089 (2007 - \$171,938), commissions of \$43,419 (2007 - \$Nil), computer maintenance services fees of \$19,800 (2007 - \$Nil) and accounting services of \$12,000 (2007 - \$12,000). The Company's net receivable from CARP as at June 30, 2008 was \$92,800 (2007 - \$15,150).
- b) During the year, the Company paid royalties of \$64,542 (2007 - \$Nil) and management fees of \$150,000 (2007 - \$Nil) to OML, the majority shareholder of the Company and received website consulting services fees from OML of \$5,000 (2007 - \$Nil). The Company's net payable to OML as at June 30, 2008 was \$72,251 (2007 - \$Nil).
- c) During the year, the Company paid royalties of \$312,148 (2007 - \$143,287) to Megadak, a corporation owned by the same shareholders as Kemur's former minority shareholders, MRHD. The company's payable to Megadak as at June 30, 2008 was \$100,000 (2007 - \$22,013).
- d) During the year, the Company paid management fees of \$150,745 (2007 - \$Nil) to Zoomer Management Limited, a wholly-owned subsidiary of OML.
- e) During the year, the Company paid management fees of \$2,572 (2007 - \$Nil), rent of \$1,586 (2007 - \$Nil) and advertising fees of \$29,820 (2007 - \$Nil) to MZ Media Inc., a corporation owned by the Company's majority shareholder and received computer maintenance services fees from MZ Media Inc. of \$22,680 (2007 - \$Nil). The Company's net receivable from MZ Media Inc. as at June 30, 2008 was \$20,108 (2007 - \$Nil).
- f) Prior to the RTO, Kemur paid computer maintenance services of \$21,000 (2007 - \$42,000) and subscription acquisition fees of \$27,090 (2007 - \$61,760) to Fifty-Plus.Net Inc.
- g) Kemur's major shareholder was Lombard until August 1, 2007. McLennan Group Insurance Inc. which is related to Lombard through common management, paid advertising revenues of \$38,934 (2007 - \$269,090) to Kemur during the period ended August 1, 2007.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

FIFTY-PLUS.NET INTERNATIONAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

12. FINANCIAL INSTRUMENTS**(a) Fair Value**

The carrying amounts of the Company's cash and short term deposits, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(b) Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and short term deposits and accounts receivable. Cash and short term deposits consist of deposits with major commercial banks. With respect to accounts receivable, the Company performs periodic credit evaluations of the financial condition of its customers and typically does not require collateral from them. Management assesses the need for allowances for potential credit losses by considering the credit risk of specific customers, historical trends and other information.

(c) Major Customer

For the year ended June 30, 2008, one customer accounted for 20% of total revenue (2007 - 6%).

13. GOVERNMENT ASSISTANCE

The Company currently receives government assistance through two programs. First, the Company receives postal subsidies through the Publications Assistance Program administered by the Department of Canadian Heritage. During the year, these subsidies totaled \$375,536 (2007 - \$400,763) and are netted against production expense in the statements of loss and comprehensive loss. Second, the Company receives an annual grant administered by the Department of Canadian Heritage to support Canadian editorial content. During the year, this grant totaled \$67,830 (2007 - \$69,862) and is included in sundry revenue in the statements of loss and comprehensive loss.

14. COMMITMENTS AND CONTINGENT LIABILITIES

- (a) The Company is committed to fixed and contingent royalty payments as described in Note 2(c).
- (b) The Company is obligated to pay \$1 per year for each of its magazine's subscribers on account of mailing maintenance costs.
- (c) Future minimum lease payments under operating leases for premises (excluding the Company's proportionate share of building operating costs) and equipment over the next five fiscal years and in aggregate are as follows:

2009	\$ 223,129
2010	185,692
2011	137,167
2012	92,101
2013	<u>28,719</u>
	<u>\$ 666,808</u>

FIFTY-PLUS.NET INTERNATIONAL INC.
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15. SUBSEQUENT EVENTS

- (a) On July 1, 2008, Fifty-Plus.Net International Inc. and its wholly-owned subsidiaries Fifty-Plus.Net Inc. and ZoomerMedia Limited amalgamated and will carry on business under the name ZoomerMedia Limited.
- (b) In September 2008, the Company entered into additional operating lease agreements for its premises. The commitment for expenditures under these leases has been included in the amounts in Note 14(c).

CORPORATE INFORMATION

Officers/Directors: Moses Znaimer, B.A., M.A., President, Chief Executive Officer and Director
Eric L. Vengroff, B.A., M.B.A., Executive Vice-President
David J. Cravit, B.A., Executive Vice-President
Gordon A. Poland, B.B.A., Chief Financial Officer
Julia J. Johnston, B.A., LL.B., Director
George H. Grant, Director
Jason L. Tafler, B.B.A, CFA, Director
David Morgenthau, MD, Director

Share Listing: TSX Venture Exchange – Symbol: ZUM

Reporting Issuer: Provinces of Ontario, British Columbia, Alberta & Quebec

Authorized Capital: Unlimited number of common shares & preferred shares

Shares Outstanding: 170,538,803 common shares

Shares Subject to Issuance: 48,396,017 common shares

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