



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

February 28, 2011

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

	As At February 28 2011 \$	As At May 31 2010 \$
ASSETS		
Current		
Cash and cash equivalents	273,468	46,010
Accounts receivable	50,714	38,770
Prepaid expenses and deposits	10,018	7,980
Goods and services tax recoverable	7,194	3,762
Loans receivable (Note 5)	14,705	14,227
	<hr/> 356,099	<hr/> 110,749
Equipment (Note 4)	17,355	16,042
	<hr/> 373,454	<hr/> 126,791
LIABILITIES		
Current		
Accounts payable and accrued liabilities	42,068	127,079
Deferred revenue	-	6,196
Due to a related party (Note 12)	487,718	45,602
	<hr/> 529,786	<hr/> 178,877
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 6)	9,965,778	9,280,898
Contributed Surplus (Note 9)	588,090	574,732
Share Subscriptions (Note 6)	36,000	40,000
Deficit	(10,746,200)	(9,947,716)
	<hr/> (156,332)	<hr/> (52,086)
	<hr/> 373,454	<hr/> 126,791

Nature of Operations and Continuance of Business [Note 1]

Commitment [Note 15]

Subsequent Events [Note 16]

APPROVED ON BEHALF OF THE BOARD:

/s/ "Russ Rossi"

Russ Rossi, Director

/s/ "Jim Rosevear"

Jim Rosevear, Director

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

QUIZAM MEDIA CORPORATION**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS AND DEFICIT****FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28**

	Three Months Ending February 28, 2011 \$	Three Months Ending February 28, 2010 \$	Nine Months Ending February 28, 2011 \$	Nine Months Ending February 28, 2010 \$
REVENUES				
Training services and software sales	116,227	205,341	397,508	452,975
U.K. ontrack TV sales	20,731	3,822	22,234	21,184
	<u>136,958</u>	<u>209,163</u>	<u>419,742</u>	<u>474,159</u>
EXPENSES				
Accounting and legal	32,100	30,100	107,755	104,672
Advertising and promotion	-	426	-	3,181
Amortization	2,581	3,723	9,320	11,110
Automobile	4,451	7,804	14,027	21,451
Bank charges and interest	626	1,083	1,908	2,657
Interest on related party debt	15,065	532	26,523	6,280
Investor and finance development	6,017	11,622	36,405	46,899
Management fees	18,000	18,000	54,000	54,000
Office and miscellaneous	16,943	13,118	58,812	35,773
On-Track TV development costs (Note 11)	84,572	66,354	279,288	210,225
Regulatory fees	6,515	7,856	19,328	26,875
Rent	43,372	45,964	137,791	137,513
Software development costs (Note 11)	55,305	54,840	126,355	134,706
Stock based compensation (Note 7)	13,358	155,462	13,358	198,978
Subcontractors	300	12,055	1,550	23,955
Telephone and internet	5,454	5,597	15,394	14,618
Travel and business development	19,927	25,826	105,843	95,466
Wages and benefits	63,261	78,321	212,387	194,400
	<u>387,847</u>	<u>538,683</u>	<u>1,220,044</u>	<u>1,322,759</u>
LOSS BEFORE OTHER ITEMS	(250,889)	(329,520)	(800,302)	(848,600)
OTHER ITEMS				
Interest income	510	328	1,818	1,010
Insurance claim	-	1,779	-	1,779
NET LOSS FOR THE PERIOD	(250,379)	(327,413)	(798,484)	(845,811)
DEFICIT, BEGINNING OF PERIOD	(10,495,821)	(9,244,697)	(9,947,716)	(8,726,299)
DEFICIT, END OF PERIOD	(10,746,200)	(9,572,110)	(10,746,200)	(9,572,110)
WEIGHTED AVERAGE LOSS PER SHARE BASIC AND DILUTED	(0.008)	(0.015)	(0.024)	(0.038)
WEIGHTED AVERAGE NUMBER OF SHARES	32,854,388	22,498,715	32,854,388	22,498,715

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

QUIZAM MEDIA CORPORATION**CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE MONTHS AND NINE MONTHS ENDED FEBRUARY 28**

	Three Months Ending February 28, 2011 \$	Three Months Ending February 28, 2010 \$	Nine Months Ending February 28, 2011 \$	Nine Months Ending February 28, 2010 \$
OPERATING ACTIVITIES				
Net loss for the quarter	(250,379)	(327,413)	(798,484)	(845,811)
Items not affecting cash:				
Amortization	2,581	3,723	9,320	11,110
Stock based compensation	13,358	155,462	13,358	198,978
Changes in non-cash working capital items:				
Decrease (Increase) in accounts receivable	(4,188)	(51,848)	(11,944)	(111,550)
Decrease (Increase) in prepaid expenses and deposits	2,465	1,843	(2,038)	5,748
Decrease (Increase) in goods and services tax recoverable	3,274	7,226	(3,432)	5,531
(Decrease) Increase in accounts payable and accrued liabilities	(41,649)	2,565	(85,011)	740
(Decrease) Increase in deferred revenue	-	-	(6,196)	(7,507)
CASH USED IN OPERATING ACTIVITIES	(274,538)	(208,442)	(884,427)	(742,761)
FINANCING ACTIVITIES				
Finance from (Repayments to) related parties	(87,833)	(39,646)	442,116	(112,590)
Issuance of share capital, net	-	226,200	684,880	996,230
Proceeds received from common shares subscribed	36,000	-	(4,000)	(225,500)
Deferred share issuance costs	-	-	-	2,438
CASH PROVIDED BY FINANCING ACTIVITIES	(51,833)	186,554	1,122,996	660,578
INVESTING ACTIVITIES				
Loans receivable	(132)	-	(478)	-
Acquisition of equipment	(4,313)	(6,233)	(10,633)	(10,555)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(4,445)	(6,233)	(11,111)	(10,555)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(330,816)	(28,121)	227,458	(92,738)
CASH AND CASH EQUIVALENTS – BEGINNING OF THE PERIOD	604,284	143,985	46,010	208,602
CASH AND CASH EQUIVALENTS – ENDING OF THE PERIOD	273,468	115,864	273,468	115,864
NON-CASH FINANCING AND INVESTING ACTIVITIES				
Issuance of shares for finders' fees	-	-	31,025	523,360
SUPPLEMENTAL INFORMATION				
Interest paid	15,065	532	26,523	6,280
Income tax paid	-	-	-	-

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

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

1. NATURE AND CONTINUANCE OF OPERATIONS

Quizam Media Corporation (the "Company") was incorporated on September 15, 2000 under the provisions of the Company Act of British Columbia and is listed on the TSX Venture Exchange ("TSX-V"). The Company's principal business activity consists of providing computer training and consulting services and marketing of a computer based educational program.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

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

(b) Use of estimates

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

(c) Foreign currency translation

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

(d) Cash and cash equivalents

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

(e) Equipment

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

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

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Long-lived assets

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

(g) Deferred share issuance costs

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

(h) Income taxes

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

(i) Revenue recognition

Training revenues are recorded when earned, which is the date students attend a course, and when collectibility is reasonably assured. On-Track TV revenues are recorded when access to the On-Track TV website has been granted and collection is reasonably assured.

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

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

(j) Stock-based compensation

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

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Earnings (loss) per share

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

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

(l) Development costs

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

(m) Financial instruments

The Company has classified its financial instruments as follows:

Cash and cash equivalents	held-for-trading
Accounts receivable	loans and receivables
Loans receivable	loans and receivables
Accounts payable	other financial liabilities
Due to related parties	other financial liabilities

Financial assets and liabilities classified as held-for-trading are measured at fair value, with gains and losses recognized in net income. Financial assets classified as held-to-maturity, loans and receivables, and financial liabilities other than those classified as held-for-trading are measured at amortized cost, using the effective interest method of amortization. Financial assets classified as available-for-sale are measured at fair value, with unrealized gains and losses being recognized as other comprehensive income until realized, or if an unrealized loss is considered other than temporary, the unrealized loss is recorded in income. 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

The Company currently does not have derivative instruments and accordingly is not affected by CICA Handbook Section 3865, *Hedges*.

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

3. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

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

4. EQUIPMENT

	Cost	Accumulated Amortization	February 28 2011 Net Book Value	May 31, 2010 Net Book Value
	\$	\$	\$	\$
Computer hardware	339,885	323,551	16,334	14,431
Furniture and fixtures	69,241	69,100	141	183
Library	3,651	2,771	880	1,428
	412,777	395,422	17,355	16,042

5. LOANS RECEIVABLE

The Company has developed a program where it shares marketing and sales expenses with its licensees. Any monies advanced to licensees will take the form of an interest bearing loan and must be paid back to the Company. In the current year, the Company advanced £7,600 pounds (repayable at CDN \$14,705 including interest) to Central Media Services Limited, a UK Licensee. The loan bears a fixed interest rate of 5% per annum calculated monthly. There are no fixed terms of repayment.

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

6. SHARE CAPITAL

	Number of Shares	\$
Balance at May 31, 2009	18,212,461	8,220,403
For cash - Issued by private placement	5,590,913	765,000
For cash - Exercise of options	435,000	84,250
For cash - Exercise of warrants	626,955	185,814
Issued as finders' fees	378,381	52,360
Share issuance costs	-	(62,017)
Fair value of stock options exercised transferred from contributed surplus	-	35,088
Balance at May 31, 2010	25,243,710	9,280,898
For cash - Issued by private placement	7,777,777	700,000
Issued as finders' fees	344,722	31,025
Share issuance costs	-	(46,145)
Balance at February 28, 2011	33,366,209	9,965,778

For the nine months ended February 28, 2011:

- (a) In June 2010, the Company completed a non-brokered private placement consisting of 7,777,777 units at \$0.09 per unit for proceeds of \$700,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.20 for the first six months and \$0.40 for the second six-month period expiring on June 23, 2011. In connection with the private placement, the Company recorded the issuance of 344,722 shares as finders' fees with a fair value of \$31,025 as share issuance costs. The Company had received \$40,000 in share subscriptions as at May 31, 2010.
- (b) For the nine months ended February 28, 2011, there were no options or warrants exercised.
- (c) On December 2, 2010, the Company granted 365,000 options to officers, employees and consultants which are exercisable at \$0.10 per share until December 1, 2011. The Company recognized \$13,358 in stock-based compensation on the consolidated statements of operations and deficit with a corresponding entry to contributed surplus on the balance sheet.
- (d) During the nine months ended February 28, 2011, 867,500 options expired and 155,000 options cancelled.
- (e) During the nine months ended February 28, 2011, 7,463,957 warrants expired.

For the nine months ended February 28, 2010:

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

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

6. SHARE CAPITAL (continued)

- (b) In June, 2009, the Company completed a non-brokered private placement consisting of 1,500,000 units at \$0.21 per unit for proceeds of \$315,000. Each unit consists of one common share and one share purchase warrant exercisable at a price of \$0.45 for the first six months and \$0.65 for the second six-month period expiring on June 5, 2010. In connection with the private placement, the Company issued 107,381 shares as finders' fees with a fair value of \$22,550 and recorded as share issuance costs.
- (c) In January, 2010, 581,500 warrants were exercised at \$0.30 for proceeds of \$174,450.
- (d) During the nine months ended February 28, 2010, 210,000 options were exercised at \$0.20 and 125,000 options were exercised at \$0.15 for proceeds of \$60,750 in total. The fair value, when granted, of \$28,835 was transferred to share capital from contributed surplus to reflect the exercise of these options.
- (e) On February 3, 2010, the Company granted 400,000 options to directors, officers, employees and consultants which are exercisable at \$0.35 per share, 50,000 options at \$0.40 per share, 25,000 options at \$0.50 per share and 5,000 options at \$0.45 per share until February 2, 2010. On February 18, 2010, the Company granted 75,000 options to consultants which are exercisable at \$0.35 per share and 75,000 options at \$0.40 per share until February 18, 2011. The Company recognized \$155,462 in stock-based compensation on the consolidated statements of operations and deficit with a corresponding entry to contributed surplus on the balance sheet.
- (f) On November 27, 2009, the Company granted 30,000 options to consultants which are exercisable at \$0.30 per share, 30,000 options at \$0.50 per share, 30,000 options at \$0.65 per share and 30,000 options at \$0.75 per share until December 1, 2010. The Company recognized \$21,149 in stock-based compensation on the consolidated statements of operations and deficit with a corresponding entry to contributed surplus on the balance sheet.
- (g) On October 15, 2009, the Company granted 317,500 options to directors, officers, employees and consultants which are exercisable at \$0.15 per share until October 15, 2010. The Company recognized \$17,135 in stock-based compensation on the consolidated statements of operations and deficit with a corresponding entry to contributed surplus on the balance sheet.
- (h) On June 24, 2009, the Company granted 50,000 options to consultants which are exercised at \$0.20 per share until June 24, 2010. The Company recognized \$5,232 in stock-based compensation on the consolidated statements of operations and deficit with a corresponding entry to contributed surplus on the balance sheet.
- (i) On January 9, 2010, 65,000 options expired and 15,000 options were cancelled on January 22, 2010.

7. STOCK OPTIONS

Stock option plan and stock options issued

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

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

and outstanding shares on the grant date. Options vest immediately. Vesting restrictions may also be applied to certain other options grants, at the discretion of the directors.

7. STOCK OPTIONS (continued)

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

	Number of shares	Weighted Average Exercise Price \$
Outstanding, May 31, 2009	757,500	0.25
Cancelled/expired	(157,500)	0.27
Exercised	(435,000)	0.18
Granted	1,797,500	0.26
Outstanding, May 31, 2010	1,962,500	0.27
Cancelled/expired	(1,012,500)	0.32
Granted	365,000	0.10
Outstanding, February 28, 2011	1,315,000	0.22

8. SHARE PURCHASE WARRANTS

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

	Number of shares	Weighted Average Exercise Price \$
Balance, May 31, 2009	5,479,999	0.42
Issued with private placements	5,590,913	0.24
Exercised	(626,955)	0.30
Expired	(2,980,000)	0.75
Balance, May 31, 2010	7,463,957	0.50
Issued with private placements	7,777,777	0.20
Expired	(7,463,957)	0.50
Balance, February 28, 2011	7,777,777	0.20

At February 28, 2011, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price \$	Expiry Date
7,777,777	\$0.20 to Dec 22, 2010 or 0.40 to Jun 23, 2011	June 23, 2011

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

9. CONTRIBUTED SURPLUS

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

	Amount \$
Balance, May 31, 2009	353,153
Fair value of stock options exercised and transferred to share capital	(35,088)
Fair value of stock options granted	256,667
Balance, May 31, 2010	574,732
Fair value of stock options exercised and transferred to share capital	-
Fair value of stock options granted	13,358
Balance, February 28, 2011	588,090

10. SEGMENTED INFORMATION

(a) Training Services and UK On-Track TV Sales for the nine months ended February 28:

	2011 \$	2010 \$
Revenue	419,742	474,092
Expenses	(845,820)	(764,867)
Profit (loss)	(426,078)	(290,755)

(b) Software Sales and Licensing for the nine months ended February 28:

	2011 \$	2010 \$
Revenue	-	67
Expenses	(372,406)	(555,103)
Profit (loss)	(372,406)	(555,036)

11. PRODUCT DEVELOPMENT COSTS

(a) On-Track TV

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

The costs associated with development of the On-Track TV, which are included in the statement of operations, and comprehensive loss and deficit, for the nine months ended February 28, 2011 and 2010 are as follows:

	2011 \$	2010 \$
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QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

Salary, wages and fees (management, programming and marketing)	244,121	174,880
Materials	523	301
Marketing	4,970	10,766
Advertising and promotion	29,674	24,278
	<u>279,288</u>	<u>210,225</u>

11. PRODUCT DEVELOPMENT COSTS (continued)

(b) Quizam software

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

The costs associated with development of the Quizam educational software, which are included in the statement of operations, and comprehensive loss and deficit, for the nine months ended February 28, 2011 and 2010 are as follows:

	2011	2010
	\$	\$
Salary, wages and fees (management, programming and marketing)	124,240	166,082
Materials	521	3,902
Marketing	–	5,545
Advertising and promotion	1,594	41,611
	<u>126,355</u>	<u>217,140</u>

12. RELATED PARTY TRANSACTIONS

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

The Company owes \$487,718 (February 28, 2010 - \$5,380) to a significant shareholder, who is also a director and officer. The loan is secured by the assets of the Company, bears interest at 12% per annum and is due upon demand.

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

- (a) Management, administration, accounting and software development are provided by a company owned by a significant shareholder. An amount of \$439,290 (2010 - \$345,905) was paid for these services during the nine months ending February 28, 2011.
- (b) Marketing and publicity fees totalling \$18,259 (2010 - \$14,286) were paid to a company owned by a relative of one of the directors.
- (c) Marketing and publicity fees totalling \$52,647 (2010 - \$62,705) were paid to relatives of one of the directors.
- (d) A significant shareholder was paid \$26,523 (2010 - \$6,280) in interest on loans to the Company. These fees were recorded at their exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related entities.

13. CAPITAL DISCLOSURE

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

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

14. LINE OF CREDIT

As at February 28, 2011, the Company has a line of credit of \$5,000 bearing interest at the bank's prime rate plus five percent. The line of credit is guaranteed by the assets of the Company. There was no outstanding balance as of February 28, 2011.

15. COMMITMENT

The Company has extended an office lease through October 31, 2013 and is committed to the following lease payments during the next four fiscal years under the lease for its premises:

	\$
2011	24,889
2012	99,554
2013	101,788
2014	43,076

16. SUBSEQUENT EVENTS

- (a) On March 5, 2011, the Company granted 150,000 options to consultants which are exercisable at \$0.10 per share until September 5, 2012.
- (b) On March 17th, 2011, the Company completed a non-brokered private placement consisting 5,750,000 units at \$0.06 per unit for proceeds of \$345,000. Each unit consists of once common share and one share purchase warrant exercisable at a price of \$0.15 for the first six months and \$0.30 for the second six-month period expiring on March 18, 2012.
- (c) On March 30th, 2011 ontrackTV signed a deal with Sainsbury in the UK to provide 4,000 licences to its staff with an option for more licences. ontrackTV has continued to sell E-Learning licences globally but the Sainsbury deal is particularly noteworthy as Sainsbury is one of the largest most recognized companies in the U.K.
- (d) In March, 2011, the following options were expired unexercised.

No. of options	Exercise price \$	Expiry date
225,000	0.25	March 6, 2011
45,000	0.25	March 11, 2011
25,000	0.20	March 19, 2011

QUIZAM MEDIA CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING FEBRUARY 28, 2011

25,000

0.30

March 19, 2011

- (e) On April 5, 2011, the Company granted 400,000 options to directors which are exercisable at \$0.15 per share until October 5, 2012.