

Consolidated Condensed Financial Statements of

AIM HEALTH GROUP INC.

For the three and nine months ended September 30, 2009 and 2008

(Unaudited)

AIM HEALTH GROUP INC.

Consolidated Balance Sheets

	September 30 2009	December 31 2008
Assets	(Unaudited)	
Current assets		
Accounts receivable	\$ 9,915,804	\$ 4,701,043
Prepaid expenses and supplies	<u>1,238,173</u>	<u>934,364</u>
	11,153,977	5,635,407
Property and equipment	6,663,657	3,534,691
Goodwill and intangibles	9,960,499	4,670,369
	<u>\$ 27,778,133</u>	<u>\$ 13,840,467</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness (Note 3)	\$ 2,407,522	\$ 1,313,120
Accounts payable and accrued liabilities (Note 2)	5,978,689	2,677,100
Deferred revenue	175,421	-
Current portion of long-term debt (Note 5)	<u>2,195,033</u>	<u>467,991</u>
	10,756,665	4,458,211
Long-term debt (Note 5)	104,633	1,842,197
Lease inducements	1,927,670	651,266
Advances from an affiliated company (Note 4)	457,718	727,718
Convertible debenture (Note 6)	<u>3,209,920</u>	<u>-</u>
	16,456,606	7,679,392
Shareholders' equity		
Share capital	11,924,778	8,035,005
Deficit	<u>(603,251)</u>	<u>(1,873,930)</u>
	11,321,527	6,161,075
Subsequent event (Note 11)	<u>\$ 27,778,133</u>	<u>\$ 13,840,467</u>

See accompanying notes to unaudited consolidated financial statements.

AIM HEALTH GROUP INC.

Consolidated Statements of Earnings and Comprehensive Income

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
	unaudited		unaudited	
Revenue	\$ 13,143,520	\$ 7,031,236	\$ 40,419,407	\$ 21,950,418
Operating expenses	10,256,678	5,488,120	32,475,390	17,505,269
Earnings before the undernoted	2,886,842	1,543,116	7,944,017	4,445,149
Other expenses				
General and administrative	802,831	596,740	2,526,104	1,604,550
Location and equipment leases	1,173,277	715,514	3,028,038	2,193,778
Interest expense		-		
Long-term debt	72,310	46,151	225,149	326,505
Bank indebtedness	72,173	10,578	109,263	39,321
Accretion expense relating to convertible debenture and warrants	97,706	19,416	308,153	92,461
Amortization of property and equipment	23,700	136,331	440,618	379,738
Stock-based compensation expense	11,646	-	36,014	-
	2,253,643	1,524,730	6,673,339	4,636,353
Income (loss) before income taxes and non- controlling interest	633,199	18,386	1,270,678	(191,204)
Future income taxes (recovery)	-	6,067	-	(56,810)
Income (loss) before non-controlling interest	633,199	12,319	1,270,678	(134,394)
Non-controlling interest	-	-	-	(3,704)
Net income (loss) and comprehensive income (loss)	\$ 633,199	\$ 12,319	\$ 1,270,678	\$ (138,098)
Net income (loss) per common share (Note 8) :				
Basic and fully diluted:	\$ 0.006	\$ 0.000	\$ 0.012	\$ (0.006)

See accompanying notes to unaudited consolidated financial statements.

AIM HEALTH GROUP INC.

Consolidated Statements of Cash Flow

	Three months ended September 30		Nine months ended September 30	
	2009	2008	2009	2008
	unaudited		unaudited	
Cash provided by (used in):				
Operations:				
Net income (loss)	\$ 633,199	\$ 12,319	\$ 1,270,678	\$ (138,098)
Add (deduct) items not involving cash:				
Amortization of property and equipment	23,700	136,331	440,618	379,738
Future income tax recovery	-	6,067	-	(56,810)
Lease inducements	(55,287)	(22,384)	(118,530)	(67,192)
Stock-based compensation	11,646	-	36,016	-
Accretion expense relating to convertible notes, debentures and warrants	97,706	19,416	308,153	92,461
Non-controlling interest	-	-	-	(3,704)
	<u>710,964</u>	<u>151,749</u>	<u>1,936,935</u>	<u>206,395</u>
Change in non-cash operating working capital:				
Accounts receivable	(531,017)	479,097	(2,100,807)	870,037
Prepaid expenses and supplies	1,039,399	(203,730)	309,433	(731,845)
Accounts payable and accrued liabilities	(316,100)	(524,594)	(2,188,417)	(864,671)
Deferred revenue	90,840	-	(222,842)	-
	<u>994,087</u>	<u>(97,478)</u>	<u>(2,265,697)</u>	<u>(520,084)</u>
Financing:				
Increase (decrease) in bank indebtedness	161,716	424,639	1,094,402	(1,645,168)
Decrease in long-term debt	(86,081)	(125,622)	(382,487)	(376,865)
Repayment of equity advance	-	-	-	(250,000)
Proceeds from issuance of shares	-	(5,780)	-	3,886,022
Decrease in advance from shareholders	-	(86,673)	-	(396,867)
Decrease in advances from an affiliated company	-	-	(270,000)	-
	<u>75,635</u>	<u>206,564</u>	<u>441,915</u>	<u>1,217,122</u>
Investments:				
Increase in lease inducements	1,062,249	-	1,394,934	-
Additions to property and equipment	(2,131,970)	(109,086)	(2,651,665)	(697,038)
	<u>(1,069,721)</u>	<u>(109,086)</u>	<u>(1,256,731)</u>	<u>(697,038)</u>
Increase in cash from MedEmerg acquisition (Note 2)	<u>-</u>	<u>-</u>	<u>3,080,513</u>	<u>-</u>
Increase in cash, being cash end of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Supplemental cash flow information:				
Interest paid, net	\$ 144,483	\$ 184,727	\$ 334,412	\$ 309,097

See accompanying notes to unaudited consolidated financial statements.

AIM HEALTH GROUP INC.

Consolidated Statements of Shareholders' Equity

	Nine months ended September 30	
	2009	2008
	unaudited	
Total shareholders' equity, beginning of period	\$ 6,161,075	\$ 4,070,011
Common shares, beginning of period	7,726,786	2,953,339
Issued during the period	3,787,575	4,940,702
Common shares, end of period (Note 7)	11,514,361	7,894,041
Equity component of convertible notes, beginning of period	51,184	60,051
Conversion to share capital	-	(60,051)
	51,184	-
Contributed surplus, beginning of period	75,219	-
Value of MedEmerg options at time of acquisition (Note 2)	15,000	-
Stock-based compensation expense	36,014	-
Contributed surplus, end of period	126,233	-
Warrants, beginning of period	233,000	-
Warrants transferred	-	233,000
Warrants, end of period	233,000	233,000
Retained earnings (deficit), beginning of period	(1,873,930)	1,056,621
Net income (loss) and comprehensive income (loss)	1,270,678	(138,098)
Retained earnings (deficit), end of period	(603,251)	918,523
Total shareholders' equity, end of period	\$ 11,321,527	\$ 9,045,564

See accompanying notes to unaudited consolidated financial statements.

AIM HEALTH GROUP INC.

Notes to Consolidated Condensed Financial Statements

For the three and nine months ended September 30, 2009 and 2008
(Unaudited)

AIM Health Group Inc. (the "Company") (formerly Orior Technologies Inc.) was incorporated on July 13, 2005 under the Ontario Business Corporations Act and provides healthcare services in Canada. On May 1, 2008, the Company completed a transaction whereby it acquired all of the issued and outstanding shares of AIM Health Group Ltd. in exchange for 33,333,333 common shares of the Company. This transaction was accounted for as a reverse takeover ("RTO"). Consequently, the consolidated statements of earnings and cash flows include AIM's results of operations and cash flows from date of inception and the Company's results of operations and cash flows from May 1, 2008. The issued number of common shares and capital is that of Orior prior to the RTO.

On January 20, 2009, the Company acquired Med-Emerg International Inc. ("MedEmerg") in an all-stock transaction. These financial statements reflect the operations of the Company for the three and nine months ended September 30, 2009 and the results of MedEmerg from January 20, 2009 to September 30, 2009.

The Company's shares trade on the TSX Venture Exchange under the symbol AHG.

1. Significant accounting policies:

(a) Basis of presentation:

These interim unaudited consolidated, condensed financial statements do not contain all disclosures required by Canadian generally accepted accounting principles ("GAAP") for annual financial statements. As a result, these interim consolidated, condensed financial statements should be read in conjunction with the Company's audited consolidated, condensed financial statements and notes thereto for the year ended December 31, 2008. These interim unaudited consolidated, condensed financial statements include the accounts of the Company and all of its subsidiaries. All intercompany transactions and balances have been eliminated on consolidation.

In the opinion of management, the unaudited interim consolidated, condensed financial statements reflect all adjustments, which include normal and recurring adjustments, necessary to present fairly the financial position at September 30, 2009 and the results of operations and cash flows for the three and nine month periods ended September 30, 2009.

The results reported in these interim consolidated, condensed financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

(b) Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064, Goodwill and Intangible Assets, replacing section 3062, Goodwill and Other Intangible Assets, and Section 3450, Research and Development Costs. This section established standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. The new standard was effective for the Company's interim and annual financial statements commencing January 1, 2009. The Company determined that there is no impact of this new standard on its consolidated, condensed financial statements.

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(c) Future Accounting Standards:

- (i) In February 2008, the Canadian Accounting Standards Board confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for Canadian publicly accountable enterprises for years beginning on or after January 1, 2011. The Company is currently evaluating the impact of adopting IFRS.
- (ii) In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements, which replaces the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. The Company will evaluate the impact of adopting this standard on future business combinations.
- (iii) In January 2009, the CICA issued Handbook Section 1582, "Business combinations," which replaces the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the IFRS on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011.
- (iv) In January 2009, the CICA issued Handbook Section 1602, Non-controlling interests, which establishes standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for 2011. Earlier adoption is permitted. The Company will evaluate the impact of adopting this standard on future business acquisitions.

2. Business acquisition:

On January 20, 2009, the Company completed a transaction to acquire MedEmerg in an all-stock transaction. MedEmerg provides infusion, emergency doctor staffing and pain services in Canada. The transaction was completed by way of a court-approved Plan of Arrangement (the "Plan") under the Ontario Business Corporations Act. Pursuant to the Plan, the Company issued 0.78091 of a common share for each MedEmerg common share or 45,509,632 common shares in aggregate. In addition, Calian Technologies Inc. ("Calian"), the sole holder of Series I Special Shares of MedEmerg, exchanged all of such shares for a convertible debenture (note 6). The former shareholders of the Company control 57% of the combined consolidated entity, and accordingly the transaction was accounted for as a purchase of MedEmerg.

The cost of the purchase of \$4,141,595 is based on the fair value of the assets in of MedEmerg acquired by the Company. The following is a preliminary summary of the transaction:

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	<u>Fair Value</u>
Assets acquired:	
Cash and cash equivalents	\$ 3,080,513
Accounts receivable	3,113,954
Prepaid expenses and other	613,243
Property and equipment	917,919
Goodwill	<u>5,289,935</u>
	<u>13,015,564</u>
Less Liabilities assumed:	
Accounts payable and accrued liabilities	5,143,389
Deferred revenue	398,263
Promissory note payable	292,320
Convertible debenture	2,988,813
Equity component of convertible debenture	<u>51,184</u>
	<u>8,873,968</u>
Fair Value of Net Assets Acquired	<u>\$ 4,141,595</u>

The purchase consideration has been allocated on to the fair value of assets acquired and liabilities assumed based on management's best estimates and taking into account all relevant information available at the time these statements were prepared. Management expects that the actual amounts for each of the fair values of the assets and liabilities acquired will vary from the amounts above.

Consideration:

45,509,636 AIM Common Shares at an average price of \$0.083	\$ 3,787,576
Stock options at fair value	15,000
Estimated transaction costs	339,020
	<u>\$ 4,141,596</u>

3. Bank indebtedness:

At September 30, 2009 the Company had an available operating line of credit of \$3,000,000, including a \$500,000 temporary facility, payable on demand, bearing interest at prime plus 3.35% and secured by a general security agreement on the Company's assets, an assignment of fire insurance and a personal guarantee of a shareholder limited to \$600,000. The Company is subject to certain financial and non-financial covenants. As of the date of these financial statements the Company is in compliance with all bank covenants.

4. Advances from an affiliated company and related party transactions:

The Chief Executive Officer and the Chief Financial Officer of the Company control an affiliated company, 2031086 Ontario Inc. The advances from 2031086 Ontario Inc. are due on demand, bear interest at 10% and are unsecured. Interest for the nine months ended September 30, 2009 was \$36,809 (2008 - \$54,579). Subsequent to September 30, 2009, this advance was repaid in full.

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The rehabilitation clinic located in Strathroy, Ontario is leased from a company controlled by the Chief Executive Officer of the Company. Total rent paid for the nine months ended September 30, 2009 was \$36,000 (2008 - \$36,000).

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

5. Long-term debt:

The long-term debt is comprised of the following:

	September 30 2009	December 31, 2008
	unaudited	
Long-term bank indebtedness	\$ 125,833	\$ 467,991
Promissory note payable (Note 2)	230,193	-
Debentures payable	1,943,640	1,842,197
	<u>2,299,666</u>	<u>2,310,188</u>
Less: current portion	2,195,033	467,991
	<u>\$ 104,633</u>	<u>\$ 1,842,197</u>

The promissory note payable is unsecured. The promissory note payable is payable in monthly instalments of \$10,460 (US\$10,000) with interest, at the rate of 5% per annum, to be paid at the end of the instalment period.

The debenture payable is due to BEST Funds. On March 2, 2007, the Company entered into an agreement with BEST Funds, whereby the Company received \$2,000,000 in subordinated debenture financing. The principal terms of the subordinated debentures are that they bear interest payable quarterly at 10% per annum, and have a term of three years, with principal due upon maturity of the loan. The Company may repay the principal without notice or penalty at any time. Subsequent to September 30, 2009, the debenture payable was repaid in full.

6. Convertible debenture:

Pursuant to the acquisition of MedEmerg, Calian, the sole holder of the Series I Special Shares of MedEmerg, exchanged such shares for a convertible debenture (the "Convertible Debenture") issued by the Company, with a face value of \$3,896,900. The Convertible Debenture is due on July 11, 2011 and is payable in cash or common shares. The holder has the right to receive payment of \$1,000,000 on January 1, 2011, unless the holder waives such prepayment. The Convertible Debenture is non-interest bearing and is secured by a continuing, specific and fixed security interest in the Company and all of its property and assets.

The Convertible Debenture is subordinate to the Company's existing senior bank lender and existing providers of long-term debt.

The Convertible Debenture may be converted at the option of the holder at any time prior to maturity into common shares of the Company. Subject to certain conditions, the Company may also convert the Convertible Debenture into common shares of the Company at a price of \$0.57031 if the volume

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weighted average trading price ("VWAP") exceeds \$0.656 for more than 60 days; or at maturity at a price equal to 95% of the VWAP for the 60 days preceding maturity.

The liability component of the Convertible Debenture is calculated as the present value of the principal amount, discounted at a rate of 11%, which is equivalent to what reasonably would have been charged for a similar interest bearing instrument. The Convertible Debenture is accreted to its face value over the life of the instrument, by charges to interest expense.

The equity element of the Convertible Debenture of \$51,184 reflects the value of the conversion option, being the difference between the face value of the Convertible Debenture and the fair value of the liability.

	<u>September 30</u> <u>2009</u>	<u>December 31,</u> <u>2008</u>
	<u>unaudited</u>	
Proceeds of convertible debenture	\$ 3,896,900	\$ -
Less equity component of convertible debenture	51,184	-
Less discount to reflect implicit interest rate	856,903	-
	-	-
Fair value of convertible debenture	2,988,813	-
Accumulated accretion	228,507	-
	<u>\$ 3,217,320</u>	<u>\$ -</u>

7. Share capital:

Authorized:

Unlimited number of common shares

Issued and outstanding:

(i) Common shares:

	<u>Number</u>	<u>Amount</u>
Balance, December 31, 2008	60,326,759	\$ 7,726,786
Issued on acquisition of MedEmerg (Note 2)	45,509,632	3,787,575
<u>Balance, September 30, 2009</u>	<u>105,836,391</u>	<u>\$ 11,514,361</u>

(ii) Stock options:

The Board of Directors approved the granting of stock options to certain employees and consultants on an individual basis under which a maximum of 5,500,000 common shares may be reserved for issue under the plan. In addition, options may not be granted to an individual to purchase in excess of 5% of the then outstanding shares.

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The vesting period of these options has been determined by the Board of Directors and generally will range from immediate to three years from the date of grant. The following table summarizes options outstanding:

Expiry Date	Exercise Price	Balance			Balance September 30, 2009	Remaining Contractual Life (years)
		December 31, 2008	Granted	Expired		
September 28, 2011	\$ 0.20	735,000	-	-	735,000	2.3
April 20, 2013	\$ 0.23	2,440,000	-	-	2,440,000	3.8
January 20, 2014	\$ 0.23	-	125,000	-	125,000	4.6
		3,175,000	125,000	-	3,300,000	
Weighted average exercise price		\$ 0.223	\$ 0.230	\$ 0.223	\$ 0.223	
Weighted average grant date fair value of options		\$ 0.061	\$ 0.046	\$ 0.223	\$ 0.061	

The fair value of the options granted during the first nine months of 2009 was calculated using the following assumptions: volatility 60%, risk-free interest rate 4% and expected life of option five years.

The fair value of the options granted during the year ended December 31, 2008 was calculated using the following assumptions: volatility 60%, risk-free interest rate 4% and expected life of option five years.

Included in stock-based compensation expense for the nine months ended September 30, 2009 is \$36,014 (nine months ended September 30, 2008 – nil) relating to stock options.

8. Income (loss) per share:

The computations for basic and diluted income (loss) and comprehensive income (loss) per share are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	unaudited		unaudited	
Net income (loss) and comprehensive income (loss)	\$ 633,199	\$ 12,319	\$ 1,270,678	\$ (138,098)
Weighted average number of common shares outstanding:	105,836,391	45,898,900	102,335,650	25,008,920
Income (loss) per share basic and fully diluted:	\$ 0.006	\$ 0.000	\$ 0.012	\$ (0.006)

Warrants to purchase 1,666,666 common shares from \$0.35 to \$0.45 are not included in the computation of diluted earnings per share because the exercise price was greater than the average market price of the common shares for the year.

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Options to purchase 3,300,000 common shares from \$0.20 to \$0.23 are not included in the computation of diluted earnings per share because the exercise price was greater than the average market price of the common shares for the year.

9. Economic Dependence

The Company derived approximately 47% and 15% of its revenues for the nine month period ended September 30, 2009 (2008 – 46% and 2%) from billings to the Ontario Hospital Insurance Program (“OHIP”) and from services provided under a contract with a pharmaceutical company, respectively, and as such is subject to concentration risk associated with its reliance on services provided to OHIP and the pharmaceutical company.

10. Contingencies:

From time to time the Company is involved in litigation, investigations or proceedings related to claims arising out of its operations in the ordinary course of business. In the opinion of the Company’s management, these claims and lawsuits in the aggregate, even if adversely settled, would not have a material impact on the Company.

11. Subsequent Event

On November 13, 2009, the Company issued, in a private placement, \$3,500,000 of 10% convertible, secured debentures, to accredited investors. The debentures were priced at a par value of \$1,000, bear interest at the rate of 10% per annum, payable quarterly, and mature on December 31, 2012. The debentures are convertible into common shares of the Company, at the option of the holder, at any time prior to maturity, at a conversion price of \$0.30 per common share. The Company can redeem the debentures after one year, without penalty, and may force conversion of the debentures to common shares if volume weighted average trading price of its common shares exceeds \$0.40 for 20 calendar days.

12. Comparative figures:

Certain 2008 comparative figures have been reclassified to conform to the financial statement presentation adopted in 2009.

Management's discussion and analysis (MD&A)

Introduction

This Management's Discussion and Analysis of Results and Financial Condition ("MD&A") provides management's perspective on our Company, our performance and our strategy for the future.

Review and approval by the Board of Directors

The Board of Directors, on the recommendation of its Audit Committee, approved the contents of this MD&A on November 30, 2009.

Forward-Looking Information

Certain statements contained in this MD&A include statements which contain words such as "anticipate", "could", "should", "expect", "seek", "may", "intend", "likely", "will", "believe" and similar expressions, statements relating to matters that are not historical facts, and statements of beliefs, intentions and expectations about development, results and events which will or may occur in the future. Such statements constitute "forward-looking information" within the meaning of applicable Canadian securities legislation and are based on certain assumptions and analysis made by us derived from our experience and perceptions. Forward-looking information in this MD&A includes, but is not limited to: expected cash provided by continuing operations; future capital expenditures; including the amount and nature thereof; trends and developments in the healthcare industry; business strategy and outlook; expansion and growth of business and operations; accounting policies; credit risks; anticipated acquisitions; and other such matters.

All such forward-looking information is based on certain assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances. The risks, uncertainties, and assumptions are difficult to predict and may affect operations, and may include, without limitation: equipment and labour shortages and inflationary costs; general economic conditions; industry conditions; changes in applicable environmental, taxation and other laws and regulations as well as how such laws and regulations are interpreted and enforced; operating risks; risks inherent in the ability to generate sufficient cash flow from operations to meet current and future obligations; increased competition; stock market volatility; opportunities available to or pursued by AIM Health Group; ability to maintain current and obtain additional financing; and other factors, many of which are beyond our control. The foregoing factors are not exhaustive and are further discussed herein under the heading "Trends, Risks and Uncertainties".

Actual results, performance or achievements could differ materially from those expressed in, or implied by, this forward-looking information and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits will be derived therefrom. Except as required by law, AIM Health Group disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

The forward-looking information contained herein is expressly qualified by this cautionary statement.

Overview

The following MD&A of AIM Health Group Inc. ("AIM" or the "Company") is for the three months ended September 30, 2009 (the "Quarter", the third quarter of Fiscal 2009). This MD&A has been prepared as at November 30, 2009 and should be read in conjunction with our audited financial

statements for the year ended December 31, 2008 and the attached interim unaudited financial statements for the three and nine months ended September 30, 2009. These interim financial statements are prepared in accordance with Canadian generally accepted accounting principles and have not been subject to a review by the Company's auditors. Additional information, including the Company's Annual Audited Financial Statements, Annual Information Form and Management Information Circular, are available on SEDAR's website at www.sedar.com. External economic and industry factors remain substantially unchanged, unless otherwise noted.

AIM provides patient care and health related consulting services for Employers, Unions, Hospitals, Pharmaceutical Companies, Insurers and the General Public

AIM's plan is to create a fully integrated healthcare company with both privately and publicly-funded services that complement Canada's publicly funded medically-based, healthcare system. These services are designed to meet the health and wellness needs of Canadians.

AIM is listed for trading on the TSX Venture Exchange under the symbol AHG.

Introduction

The Canadian HealthCare Industry is significantly influenced by publicly funded services, which are generally delivered through costly hospital-based delivery systems. Due to increasing funding constraints on the public sector, publicly funded healthcare services are fragmented and generally reactive in nature.

AIM has a range of services that are complementary to and supportive of the public system, and has commenced the development of a community based delivery infrastructure which we refer to as our Health and Wellness Centres. The existing ten Centres (HWC), are state of the art facilities providing medical (Family Medicine, Walk-In Medical) and complementary alternative medicine ("CAM") services including, Physiotherapy, Psychological, Chiropractic, Pharmacy, Massage Therapy, and Nutrition Counseling. Specialty services delivered in the HWC's include infusions and chronic pain management. Our infrastructure also includes a network of more than 70 community and hospital-based sites, and our services are delivered by our more than 700 employees and medical consultants.

As of November 30, 2009 our key service lines are:

1. Walk-In and Family practice medicine;
2. Complementary Alternative Medical Services;
3. Infusion Services;
4. Pharmaceutical Research;
5. Chronic Pain Management;
6. Hospital / Institutional Physician Staffing; and
7. Occupational Health and Medical Management.

Some of these services are described in more detail below:

Infusion Services

Many of today's drugs are complex molecules that require different patient delivery formats which are described as subcutaneous, intramuscular or infusion therapies. AIM is a leading provider of community-based intravenous infusions, providing more than 28,000 infusions annually through its network of 36 clinical sites.

Pharmaceutical Research

Prior to the introduction of new drugs into the market place, pharmaceutical companies require clinical research sites to conduct studies to establish the efficacy of new drug therapies. AIM provides pharmaceutical research services to pharmaceutical companies in community and hospital-based sites. Currently AIM has more than 30 sites that provide research services and we are involved in over 40 clinical trials at various stages.

Chronic Pain Management

Chronic pain afflicts 20% of the population. Led by some of the top Canadian pain management medical specialists, the Company has developed standardized approaches to patient evaluation, interdisciplinary medical and cognitive program-based therapy and physician training. AIM has positioned itself to be the national standard for chronic pain management best practices and currently provides more than 45,000 treatments annually.

Hospital / Institutional Physician Staffing

The Company's staffing solutions group assists hospital's emergency departments and other institutional clients in meeting their physician staffing needs. We currently have contracts with more than 30 hospitals, nine correctional facilities and two mental health facilities. To help address the chronic shortage of emergency room physicians, the Company also developed a training program designed for Ontario's family physicians. In concert with the College of Family Physicians, the Company developed and hosted training sessions designed to re-introduce family physicians to hospital emergency departments.

Occupational Health and Medical Management

Employers in Canada spend more than \$6.5 billion annually on costs associated with employee injury. AIM helps to manage both occupational and non-occupational illnesses and injuries, with a goal of returning employees back to the work environment quickly and safely. Our core services include: independent medical and functional assessments; prevention and wellness programs; medical and rehabilitation treatment programs; and assistance with claims management.

Corporate Development

In January 2009, the Company completed a transaction to acquire Med-Emerg International Inc. ("MedEmerg") in an all-stock transaction. MedEmerg provides infusion, emergency doctor staffing and pain services in Canada. The transaction was completed by way of a court-approved Plan of Arrangement (the "Plan") under the OBCA. Pursuant to the Plan, the Company issued 0.78091 of a common share for each MedEmerg common share or 45,509,632 common shares in aggregate. In addition, Calian Technologies Inc. ("Calian"), the sole holder of Series I Special Shares of MedEmerg, exchanged all of such shares for a convertible debenture. The former shareholders of the Company will control 57% of the newly combined consolidated entity, and accordingly the transaction has been accounted for as a purchase of MedEmerg. This transaction allows AIM to provide more complementary services through its HWC infrastructure.

During the Quarter the Company continued to integrate MedEmerg services into the HWC infrastructure. Three of MedEmerg's chronic pain management sites were relocated to AIM sites during the Quarter, bringing to five, the number of sites relocated since the transaction was completed. The Company continues to build on the cross-referral opportunities within its expanded service lines.

Selected Financial Data

The following table sets out selected financial information for the Company for the periods indicated:

	Pro Forma		
	September 30, 2009*	September 30, 2009	December 31, 2008
Current assets	11,153,977	11,153,977	5,635,407
Current liabilities	7,556,665	10,756,665	4,458,211
Working capital	<u>3,597,312</u>	<u>397,312</u>	<u>1,177,196</u>
Property and equipment	6,663,657	6,663,657	3,534,691
Goodwill	9,960,499	9,960,499	4,670,369
Long-term liabilities	<u>(8,899,941)</u>	<u>(5,699,941)</u>	<u>(3,221,181)</u>
	<u><u>11,321,527</u></u>	<u><u>11,321,527</u></u>	<u><u>6,161,075</u></u>
Share capital	11,924,778	11,924,778	8,035,005
Deficit	<u>(603,251)</u>	<u>(603,251)</u>	<u>(1,873,930)</u>
	<u><u>11,321,527</u></u>	<u><u>11,321,527</u></u>	<u><u>6,161,075</u></u>

* This column reflects the September 30, 2009 balance sheet and the impact of the secured, convertible debenture financing and the repayment of the long-term debt owing to BEST Funds, all of which occurred in November, 2009.

Summary of Quarterly Results

	Q4 2007 (Three months ended December 31, 2007) (unaudited)	Q1 2008 (Three months ended March 31, 2008) (unaudited)	Q2 2008 (Three months ended June 30, 2008) (unaudited)	Q3 2008 (Three months ended September 30, 2008) (unaudited)	Q4 2008 (Three months ended December 31, 2008) (unaudited)	Q1 2009 (Three months ended March 31, 2009) (unaudited)	Q2 2009 (Three months ended June 30, 2009) (unaudited)	Q3 2009 (Three months ended September 30, 2009) (unaudited)
Revenue	7,976,081	7,932,798	6,986,384	7,031,236	7,468,538	13,091,911	14,183,976	13,143,520
EBITDA	31,298	248,810	167,150	230,862	(974,719)	672,303	806,838	910,734
Net Income (loss)	(212,467)	(32,194)	(118,223)	12,319	(2,792,453)	271,835	365,645	633,198
Net earnings per share								
Basic	(15.82)	(0.010)	(0.003)	0.000	(0.060)	0.003	0.003	0.006
Diluted	(15.38)	(0.010)	0.000	0.000	(0.060)	0.003	0.003	0.006

During the third Quarter, the Company had EBITDA and net income of \$910,734 and \$633,198, respectively, representing increases of approximately \$680,000 and \$620,000, respectively, compared to EBITDA and net income reported for the same period in 2008. The increase relates to increased contribution from the service lines, driven largely by the recently acquired MedEmerg business; and by a significant reduction in general and administrative expenses as a percentage of the sales.

EBITDA for the nine months ended September 30, 2009 was \$2,389,875, compared to \$639,413 for the same period in 2008.

For the nine months ended September 30, 2009, the Company earned net income of \$1,270,678 compared to a loss of \$138,098 for the same period in 2008. As discussed above, the improved performance is largely attributable to the improved service line revenues and ongoing integration cost savings.

Working Capital Changes

The working capital position of the Company decreased during the first nine months of 2009, by approximately \$780,000 to \$397,312 from \$1,177,196 as at December 31, 2008. Working capital was positively impacted by:

- Cash provided through the acquisition of MedEmerg of \$3,080,000; and
- Cash generated by operations of approximately \$1,900,000.

The increases above were primarily offset by:

- The reclassification of the \$1,910,000 debenture payable due in March 2010 into current liabilities;
- The repayment of long-term debt and advances from affiliated companies of \$650,000; and
- The purchase of property and equipment, net of lease inducements of \$1,250,000.

On November 13, 2009, the Company completed a secured, convertible debenture financing in the principal amount of \$3,500,000. This transaction increased the Company's working capital position to approximately \$3.8 million and improved the working capital ratio to approximately 1.5.

Results of Operations – Three and Nine Months Ended September 30, 2009

Revenues

Since 2006, we have focussed on the development of more profitable services to be delivered through our new Health and Wellness Centre infrastructure. The acquisition of MedEmerg in January has assisted with this development and it is anticipated that revenues will continue to be enhanced as we further integrate the operations of MedEmerg with our Health and Wellness Centres.

Revenues for the Quarter increased to \$13,143,520 compared to revenues of \$7,031,236 from the same period in 2008 representing an overall increase of approximately \$6,110,000 or 87%.

For the nine month period ended September 30, 2009, revenues increased 84% to \$40,419,407 from \$21,950,418 for the same period in 2008.

The following provides additional detail on revenue sources by service line:

Medical, Rehab and Complementary Services

Medical, Rehab and Complementary Services are primarily provided through Health and Wellness Centres which are currently a business development focus, and through standalone rehab and medical clinics. The first Health and Wellness Centre was opened as a proto-type centre in 2005 in London, Ontario. Similar sites are now running in two sites in Ottawa, five locations in London and sites in Hamilton, Mississauga and Brampton. New centres typically incur losses during the ramp-up phase until a normal complement of doctors is on site.

Medical, Rehab and Complementary Services revenues for the Quarter of approximately \$5,200,000 increased approximately 1% or \$45,000 from \$5,156,002 in 2008. The Company continued with its initiative to close smaller single purpose medical or rehab facilities and to open larger, comprehensive wellness centres. In the short-term this has caused some dislocation of its health care practitioners and negatively impacted revenue growth.

For the nine months ended September 30, 2009, revenues for Medical, Rehab and Complementary Services were approximately \$16,634,000 compared to \$16,558,492 for the same period in 2008. As discussed above, the Company continues to execute its business plan to open larger, comprehensive wellness centres, causing a short-term restriction of its growth plans.

Pharmaceutical Research Services (“PIRC”)

PIRC provides drug trial research services on behalf of pharmaceutical companies. PIRC was created in July 2002 and has demonstrated steady ongoing growth from 15 active or pending site and trial combinations in 2006 to more than 40 at the end of the Quarter. When PIRC was launched, its trials were largely hospital-based, orthopaedic trials. Over time we have expanded to other areas of clinical research and to include community-based trials. Currently PIRC has a network of more than 200 physicians to select from, representing a patient pool with more than 200,000 patient files.

PIRC service revenues decreased to approximately \$495,000 for the Quarter from \$1,535,439 for 2008. This decrease of \$1,040,000 or 68% is primarily the result of an unusual time delay between significant research trials and a slower uptake on another trial. We expect a return to higher research revenues during the fourth quarter of 2009. This service line was also negatively impacted by temporary curtailment of research budgets by certain pharmaceutical companies.

For the nine months ended September 30, 2009, revenues for PIRC were \$2,664,046 compared to \$4,284,688 for the same period in 2008. The decrease is primarily the result of an unusual time delay between two significant research trials. We expect that our fourth quarter revenue will be much improved from the third quarter.

Workplace Health and Cost Solutions (“WHCS”)

WHCS has invested substantial time and money in new product and service development, including a corporate medical assessment service. Programs have been developed and are now being delivered on wellness, prevention issues, stress and lifestyle management, as well as specialty services such as mental health, cancer management and corporate medical services.

During the Quarter revenue from WHCS services increased to \$578,571 from \$339,885 for the same period in 2008. This represents an increase in revenues of \$239,000 or 70%. This increase was a result of new contracts won in 2008 and 2009 as the Company continues to actively solicit new contracts.

For the nine months ended September 30, 2009, revenues for WHCS were \$1,647,718 compared to \$1,107,238 for the same period in 2008. As discussed above, the increase of approximately \$540,000 or 49% is the result of new contracts awarded in 2008 and 2009, resulting from increased sales and marketing efforts.

Pain Management Services (“CPM”)

As part of the MedEmerg acquisition, AIM acquired CPM Health Centres Inc. (“CPM”). CPM was launched in November 2004 with the acquisition of the Scarborough Pain Clinic. Since then 10 more clinics have been opened, most recently in Brampton, Ontario in January, 2008. These stand alone clinics are, where feasible, are being integrated into the Health and Wellness Centres.

CPM had revenues of approximately \$2,550,000 during the Quarter. There were no corresponding revenues in 2008 as the Company assumed this service line in the January 2009 acquisition of Med-Emerg. To enhance the operational efficiencies of the CPM centres, sites in London, Ottawa, Mississauga and Hamilton have been co-located with Health and Wellness Centres. An additional site in St. Catharines was closed with its operations moved to the Hamilton site.

For the nine months ended September 30, 2009, CPM had revenues of \$8,280,000. As noted above, there were no corresponding revenues, reported by the Company, in 2008.

Infusion Services (“Infusions”)

With the acquisition of MedEmerg, AIM expanded its network of Infusion sites to 36, in Ontario and Quebec. Historically, Infusion services were limited to infusions of Remicade™, an anti-inflammatory therapy that is approved in Canada for rheumatoid arthritis, Crohn’s disease, ankylosing spondylitis, ulcerative colitis, psoriatic arthritis and psoriasis. During the first nine months of 2009, the Company began providing infusion services for certain oncological drug therapies and for patients suffering from certain blood disorders. It is AIM’s plan to expand its Infusion services across Canada and to provide infusion services to an expanding portfolio of drug therapies.

In the Quarter, revenues increased from approximately \$88,000 in 2008 to approximately \$2,480,000 representing the significant impact of the Infusion operations of MedEmerg. Patient visits increased from approximately 350 in 2008 to approximately 8,000 in the Quarter.

For the nine months ended September 30, 2009, revenues from infusions were approximately \$6,650,000 compared to less than \$200,000 for the same period in 2008.

Staffing Solutions (“Staffing”)

With the acquisition of MedEmerg, AIM now provides physician-staffing services to more than 30 healthcare facilities across Ontario, including rural and urban hospitals as well as tertiary care centers and corrections facilities. The Company believes that on-going physician shortages and continuing demand for improved levels of care will continue to drive its Staffing business.

In concert with the College of Family Physicians, the Company has developed and hosted training sessions designed to re-introduce family physicians to the emergency departments of hospitals.

Staffing revenues were approximately \$1,400,000 in the Quarter. There were no corresponding revenues in 2008.

For the nine months ended September 30, 2009, revenues from Staffing were approximately \$4,250,000. As noted above, there were no corresponding revenues for the same period in 2008.

Gross margin

In the Quarter, the Company’s gross margin (revenues less all operating expenses excluding rental and equipment leases) increased to approximately 22% from 17% for the first quarter of the year. This is consistent with the gross margin earned during the same period in 2008.

Gross margin percentage for the nine months ended September 30, 2009 was 20%. Again, this was comparable to the gross margin percentage for the same period in 2008.

The following table illustrates the key financial metrics that the Company has experienced over the previous 8 quarters:

	Q4 2007 (Three months ended December 31, 2007) (unaudited)	Q1 2008 (Three months ended March 31, 2008) (unaudited)	Q2 2008 (Three months ended June 30, 2008) (unaudited)	Q3 2008 (Three months ended September 30, 2008) (unaudited)	Q4 2008 (Three months ended December 31, 2008) (unaudited)	Q1 2009 (Three months ended March 31, 2009) (unaudited)	Q2 2009 (Three months ended June 30, 2009) (unaudited)	Q3 2009 (Three months ended September 30, 2009) (unaudited)
Revenues	7,976,081	7,932,798	6,986,384	7,031,236	7,468,538	13,091,911	14,183,976	13,143,520
Operating expense	6,722,239	6,093,315	5,340,771	5,488,120	7,111,839	5,623,373	11,340,916	10,256,678
Gross margin	1,253,842	1,839,483	1,645,613	1,543,116	356,699	2,214,115	2,843,060	2,886,842
Gross margin %	16%	23%	24%	22%	5%	16.9%	20.0%	22.0%

General and administrative expenses for the Quarter were \$802,831 compared to \$596,740 for the same period in 2008, representing an increase of approximately \$205,000 or 35%. As a

percentage of revenue, general and administrative costs have decreased from 8.5% in 2008 to 6.1% in 2009. The increase in expenses reflects significant increases in the size of the Company, pursuant to the MedEmerg acquisition. Similarly, the expenses as a percentage of revenue have decreased, reflecting some of the synergies of the acquisition.

For the nine month period ended September 30, 2009, general and administrative expenses were \$2,526,104 compared to \$1,604,550 for the same period in 2008. As discussed above, the increase reflects the substantial increase in the size of the Company, pursuant to the MedEmerg acquisition. Again, as a percent of revenue, the general and administrative expenses decreased from 7.3% to 6.2%, on a year-over-year basis.

Location and equipment lease expenses for the Quarter were \$1,173,277 compared to \$715,514 in 2008 representing an increase of approximately \$460,000 or 64%. The increase in location and equipment lease expense relates to the impact of costs associated with the opening of new and larger Health and Wellness Centres and the impact of lease costs associated with the MedEmerg medical locations.

For the nine month period ended September 30, 2009, location and equipment lease expenses were \$3,028,038 compared to \$2,193,778 for the same period in 2009. As discussed above, the increased costs are attributable to the opening of new and larger Health and Wellness Centres and equipment expenses relating to the recently acquired MedEmerg.

Other Expenses

Interest expense on long-term debt for the Quarter was \$72,310 compared to \$46,151 in third quarter of 2008, an increase of approximately \$25,000. The increase in long-term debt interest is consistent with increased levels of debt.

For the nine months ended September 30, 2009, the Company reported interest expense on long-term debt of \$225,149 compared to \$326,505. The decrease reflects the conversion of certain convertible notes to equity in April 2008.

For the Quarter the Company reported bank interest on bank indebtedness of \$72,173 compared to an expense of \$10,578 in the third quarter of 2008. The increase in bank charges and interest reflect the increased borrowing by the Company to fund the Health and Wellness Centre expansion.

For the nine months ended September 30, 2009, the Company reported interest and charges on bank indebtedness of \$109,263, compared to \$39,321 for the same period in 2008. The Company increased its utilization of bank indebtedness in 2009.

Accretion and interest expense on convertible notes, debenture and warrants for the Quarter increased from \$19,416 to \$97,706, reflecting the impact of the accretion of the recently issued convertible debenture.

For the nine months ended September 30, 2009, accretion and interest expense on convertible notes, debenture and warrants increased to \$308,153, from \$92,461 in 2008. The increase reflects the impact of accretion on the convertible debenture that was issued in January 2009.

During the Quarter, amortization costs were \$23,700 compared to \$136,331, in the third quarter of 2008. The decrease in amortization costs reflects the impact of a comprehensive review of amortization periods for the new Health and Wellness Centres.

For the nine months ended September 30, 2009, amortization of property and equipment increased to \$440,618 from \$379,738 in 2008. Amortization expense increased for the nine month period ended September 30, 2009, compared to the same period in 2008 because of the continued expansion of the Health and Wellness Centres.

Stock-based compensation expense for the Quarter was \$11,646, compared to nil in the same period in 2008. In October 2008 and January 2009, the Company issued 2,525,000 stock options to its certain employees and directors.

For the nine months ended September 30, 2009, stock-based compensation expense was \$36,014 compared to nil for the same period in 2008. As discussed above, the Company issued stock options to its certain employees and directors in late 2008 and January 2009.

The Company reported income after income taxes and non-controlling interests of \$633,199 in the Quarter, compared to \$12,319 in the same period in 2008. The Company acquired the remainder of non-controlling interests in second half of 2008 and in the fourth quarter of 2008, the Company fully provided for the benefit of future income tax assets. The Company does not expect to pay significant corporate income tax in the foreseeable future because of significant net operating loss carry forwards available for income tax purposes.

For the nine months ended September 30, 2009, the Company reported income after income taxes and non-controlling interests of \$1,270,678 compared to a loss of \$138,098.

Cash Flow

During the nine months ended September 30, 2009, the Company generated approximately \$1,936,000 in cash from operations and also increased its bank indebtedness by approximately \$1,100,000. The cash flow from operations, the increase in bank indebtedness and the cash acquired through the acquisition of MedEmerg of \$3,080,000 were principally deployed as follows:

- To fund increased accounts receivable of approximately \$2,100,000;
- To reduce accounts payable, largely arising from the MedEmerg acquisition of approximately \$2,190,000;
- To reduce deferred revenues by approximately \$220,000;
- To repay indebtedness to bank and an affiliated party of approximately \$650,000; and
- To finance equipment and related costs associated with the Health and Wellness Centres of approximately \$1,260,000, net of lease inducements of approximately \$1,400,000.

The Company currently has adequate working capital to meet its operational needs.

Liquidity and Capital Resources

The Company's working capital ratio (defined as current assets divided by current liabilities) is 1.04 to 1 compared to 1.26 to 1 at December 31, 2008, representing working capital of \$397,312 and \$1,171,196, respectively. While the working capital ratio has declined in the first nine months of the year, it primarily did so because of the accrual of a number of one-time costs of approximately \$.2 million primarily for duplicate facilities and severance relating to the MedEmerg transaction, and the reclassification of the \$1.9 million debenture payable due in March 2010 into current liabilities. On November 13, 2009, the Company completed a secured, convertible debenture financing in the principal amount of \$3,500,000. After considering this transaction and the subsequent repayment of debt, the pro forma working capital position would be approximately \$3.6 million and the working capital ratio would be approximately 1.5.

At September 30, 2009 the Company had an available operating line of credit of \$3,000,000, including a \$500,000 temporary facility, payable on demand, bearing interest at prime plus 3.35% and secured by a general security agreement on the Company's assets, an assignment of fire insurance and a personal guarantee of a shareholder limited to \$600,000. As at September 30, 2009, the \$2,500,000 facility had been drawn upon by approximately \$2,400,000.

AIM, through its positive working capital, access to operating credit facilities, and its recently completed secured, convertible debenture financing, has the ability to meet its operational working capital requirements.

The following chart summarizes the contractual obligations of AIM Health Group:

Contractual Obligation	Payment Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After five years
Long-term debt	108,318	108,318	-	-	-
Obligations under capital lease	-	-	-	-	-
Advances from affiliated company	457,718	-	457,718	-	-
Debentures payable	1,842,197	-	1,842,197	-	-
Operating leases	17,310,410	2,881,945	5,433,842	3,851,783	5,142,840
Interest	83,333	50,000	33,333	-	-
Total	19,801,976	3,040,263	7,767,090	3,851,783	5,142,840

Off Balance Sheet Arrangements

The Company has no off-balance sheet financing arrangements, other than operating leases detailed above.

Trends, Risks and Uncertainties

The Company is exposed to a number of risks and uncertainties that could impact future results. The nature of the Company's business is such that it is affected by general economic conditions and competitive factors, both from domestic and non-domestic sources. The Company's actual operating results may be very different from those expected as of the date of the MD&A. The following risks should be considered when evaluating the business of the Company.

Current Economic Environment

The current economic climate provides challenges to all companies as individuals and companies worldwide adjust their purchasing and spending habits to account for the new economic climate. The majority of the Company's revenues are generated from insurance companies, OHIP, and pharmaceutical companies. The Company believes, given the current economic climate, it is difficult to predict the future spending patterns. The Company continues to monitor its revenues and expenses carefully.

Recruitment of doctors

The recruitment of physicians is critical for the success of the Company's business plan. The Company believes that it has a competitive advantage to medical clinic competitors in its Health and Wellness Centres because it brings the largest array of non-medicare healthcare opportunities to the physicians. This work is generally more lucrative for the physicians and makes the recruitment process for physicians easier. The Company's broad base and depth of knowledge and medical community relationships make it difficult for new competitors to successfully enter the marketplace. In addition, a well-funded competitor would require time and substantial capital to replicate the services and infrastructure developed by the Company.

Regulatory Issues

The current laws in Canada do not permit private healthcare to compete in all areas of the market place with public healthcare. The Company is in compliance with all laws in its current business model. While the Company believes that private health services should be complementary to the public Medicare system, it is uncertain what political forces will drive future legislation in Canada. The current public sentiment is that the public wants more healthcare services regardless of whether the services are funded by the public sector. All of the Company's medical personnel, both physicians and registered nurses, have the requisite professional licenses from their respective governing professional bodies. Notwithstanding the fact that the Company operates in markets that are not regulated, any change in governmental regulation and licensing requirements or interpretation relating to healthcare services could have an adverse impact on the scope of the Company's activities.

Cash Flow Risk

The Company has a positive earnings and cash flow budget for Fiscal 2009 however, there can be no assurance that the Company will continue to have positive cash flow in the future. The Company anticipates substantial capital expenditures, particularly as it builds new Health and Wellness Centres, to achieve its growth objectives.

Uncertainty of Liquidity and Capital Requirements

The Company's future capital requirements will depend on many factors, including the rate of growth of its client base, the costs of expanding into new markets, the growth of the market for health services and the costs of administering the Company. In order to meet such capital requirements, the Company may consider additional public or private financing (including the incurrence of debt and the issuance of additional equity securities) to fund all or a part of

particular programs, which could entail dilution of the Company's shares. There can be no assurance that additional funding will be available or, if available, that it will be available on acceptable terms. If adequate funds are not available, the Company may have to reduce substantially or otherwise eliminate certain expenditures, including marketing of its products and services, or obtain funds through arrangements with corporate partners that may require the Company to relinquish rights to certain assets. There can be no assurance that the Company will be able to raise additional capital if its capital resources are exhausted.

Insurance

All physicians working for the Company are covered by their own malpractice insurance policies. In addition, the Company maintains liability insurance in amounts it believes are sufficient to cover the Company's arising risk out of its operations. Some claims, however, could exceed the scope of its coverage or the coverage of particular claims could be denied. There is no assurance that the existing coverage will continue to be sufficient or that, in the future, policies will be available at adequate levels of insurance or at acceptable costs. Litigation could adversely affect the Company's existing and potential client relationships, create adverse public relations and divert management's time and resources from the operation of the business.

Management

The Company's success is dependent on its senior management team. The experience and talents of these individuals will be a significant factor in the Company's continued growth and success. The loss of one or more of these individuals without adequate replacement could have a material adverse effect on the Company's operations and business prospects.

Confidentiality of Personal and Health Information

The collection, use and disclosure of patient personal and health information are subject to substantial regulation by federal and, in most cases, by provincial governments. These laws provide that the individual's consent is required prior to the collection, use and disclosure of the information collected from them (with limited prescribed exceptions), that the collected information be protected with reasonable security measures and that the individual have access to the information so collected in order to ensure its accuracy. In addition, future legislation may affect the dissemination of health information that is not individually identifiable. Physicians and other persons providing patient information to the Company are also required to comply with these laws and regulations. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines or penalties.

Risks of Future Legal Proceedings

Any alleged failure by the Company to comply with laws and regulations may lead to the imposition of fines and penalties or the denial, revocation or delay in the renewal of permits and licenses issued by governmental authorities. A significant judgement against the Company or the imposition of a significant fine or penalty could have a material adverse effect on the Company's business, financial condition and results of operations. Moreover, the Company may from time to time be notified of claims that it may be infringing patents, copyrights or other intellectual property rights owned by other third parties. Any litigation could result in substantial costs and

diversion of resources and could have a material adverse effect on the Company's business, financial conditions and results of operations.

Absence of Dividends

The Company does not anticipate paying dividends in the foreseeable future. The Company's current intention is to reinvest its earnings to finance its business. There can be no assurance that the Company's Board of Directors will ever declare cash dividends, which action is exclusively within their discretion.

Volatility of Share Price

Market prices for securities of health services companies may be volatile. Factors such as announcements (publicly made or at conferences) of innovations, new commercial and medical products, patents, the development of proprietary rights by the Company or others, regulatory actions, publications, quarterly financial results or public concerns over health, future sales of securities by the Company or by its current shareholders and other factors could have a significant effect on the market price and volatility of the Company's shares.

Potential Fluctuations in Financial Results and Forecasting

The Company's revenues and operating results may vary significantly from quarter to quarter. As a result, quarter to quarter comparisons of the Company's revenues and operating results may not be meaningful. There is no guarantee that the Company will be able to accurately predict future revenues or results of operations. In that eventuality, it is possible that in one or more future quarters the Company's operating results will fall below the expectations of securities analysts and investors. If this happens, the trading price of the Company's shares might be materially and adversely affected.

Acquisitions

The Company has acquired and anticipates that it will continue to acquire complementary businesses, assets, technologies, services or products and/or enter into joint venture relationships to accomplish such purpose. The completion of such transactions poses additional risks to the Company's business. The benefit to the Company of these acquisitions is highly dependent on its ability to integrate the acquired businesses and their technologies, employees and products.

Related Party Transactions

Other than as follows, the Company has not acquired any assets or been provided any services from any director, officer, insider or promoter of AIM Health Group:

- 2031086 Ontario Inc. has provided a loan to AIM totalling \$457,718 as at September 30, 2009. This loan bears interest at 10% per annum. Subsequent to September 30, 2009, this loan was repaid in full.
- The lease for a rehabilitation clinic located in Strathroy, Ontario is leased from a company controlled by the Chief Executive Officer of AIM. Total rent paid was \$36,000 for the first nine months of 2009 (2008 - \$36,000).

All related party transactions were in the normal course of business and were measured at the exchange amount.

The interest rates noted above are substantially more than that charged by the Company's primary bank but less than a higher risk loan. The lenders and the Company considered market rates for a loan that was in a security position behind the primary bank but ahead of equity and other liabilities and supported by quality assets and expected cash flow. The Company also had discussions with its primary lender in terms of reasonable market terms. It was agreed that 10% was an approximation of fair market value.

The annual lease cost of the Strathroy lease is \$48,000 and the clinic is approximately 3,000 square feet translating to a per square foot rate of \$16. The rate approximates local lease conditions.

Disclosure of Outstanding Share Data

As at September 30, 2009 the Company had the following securities issued and outstanding:

<u>105,836,391</u>	Common shares
735,000	Stock options with an exercise price of \$0.20
2,565,000	Stock options with an exercise price of \$0.23
666,666	Warrants with an exercise price of \$0.35
<u>1,000,000</u>	Warrants with an exercise price of \$0.45
4,966,666	Total stock options and warrants
<hr/>	
<u>110,803,057</u>	Total number of outstanding securities

Critical Accounting Estimates

The Company's discussion and analysis of its results of operations and financial position is based upon the consolidated financial statements, which have been prepared in accordance with Canadian GAAP. The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. The Company's management bases its estimates on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. On an ongoing basis, management evaluates these estimates. However, actual results may differ from these estimates under different assumptions of conditions.

Management believes the following critical accounting policies affect the more significant judgments and estimates used in the preparation of the consolidated financial statements of the Company:

Business Combination Accounting

The accounting for the Qualifying Transaction, between the Orior and AIM, has been accounted for as a reverse takeover transaction, whereby AIM is considered to be the acquirer for accounting purposes. If this method of accounting was not considered to be appropriate then the carrying value of many assets on the balance sheet would be materially different.

The accounting for the Plan of Arrangement, whereby AIM issued shares to the MedEmerg shareholders, has been accounted for as an acquisition. As such, it is necessary to estimate the fair value of assets and liabilities at the time of the acquisition and to allocate the purchase price to the assets acquired and liabilities assumed. If this method of accounting or if the estimates of value are not considered to be appropriate, then the carrying value of many assets on the balance sheet may be materially different.

Impairment of Goodwill and Long-lived Assets

Goodwill is subject to an annual impairment test or more frequently when an event or circumstance occurs that more likely than not reduces the fair value of a reporting unit or indefinite life intangible below its carrying value.

We are required to evaluate goodwill annually or whenever events or changes in circumstances indicate that we may not recover the carrying amount. Absent any triggering events during the year, we conduct our goodwill assessment in the fourth quarter of the year to correspond with our planning cycle. We test impairment, using the two-step method, at the reporting unit level by comparing the reporting unit's carrying amount to its fair value. Goodwill is not amortized and is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and the second step of the impairment test is unnecessary. The second step is carried out when the carrying amount of a reporting unit exceeds its fair value, in which case, the implied fair value of the reporting unit's goodwill, determined in the same manner as the value of goodwill is determined in a business combination, is compared with its carrying amount to measure the amount of the impairment loss, if any. In the fourth quarter of each year, we perform our annual goodwill assessment and determined that there was no impairment for the year.

Revenue recognition:

Revenue from health services, which include medical services, rehabilitation services, pharmaceutical research and services for corporate clients is recognized when services are performed, fees are determinable and collectability is reasonably assured.

Revenue from the sale of retail products such as orthotics, braces and splints is recognized at point of sale.

Changes in Accounting Policies

No changes in accounting policies affecting the Company in the Quarter have occurred.

Financial and Other Instruments

The Company is exposed to financial market risks including interest rates on its debt obligations. The interest rate on some of the Company's debt is variable and therefore subject to interest rate risk. The Company's credit facilities bear interest based on bank prime.

Financial Risk Management

Credit risk

The Company, in the normal course of business, monitors the financial condition of its customers and reviews the credit history of each new customer. Other than receivables from the Ontario Ministry of Health, the Company does not have a significant exposure to any individual customer or counter party. The Company establishes an allowance for doubtful accounts that corresponds to the credit risk of specific customers, historical trends and economic circumstances. The Company does not believe that it is exposed to an unusual level of customer credit risk.

The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individual significant exposures, and an overall loss component established based on historical trends and other information.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors collection efforts to ensure sufficient cash flows are generated from operations to meet current debt requirements. The Company has a revolving credit facility that permits the Company to borrow funds up to \$3.0 million, including a \$0.5 million temporary facility, subject to standard borrowing base calculations. At September 30, 2009, the Company had undrawn availability under its revolving loan facility. The Company monitors cash flow on a daily basis and in aggregate through its annual budgeting process. The Company expects that cash flow from operations during the year ended December 31, 2009 together with the availability under the revolving credit facility and the net proceeds of the recently completed secured, convertible debenture financing will be adequate to fund on-going investments in working capital and normal capital expenditures.

The carrying value of long-term debt and debenture payable approximate fair value as the terms and conditions for similar type of borrowing arrangement are comparable to current market conditions for similar items.

The fair value of advances from shareholders and advances from affiliated company and are not readily obtainable due to the lack of comparable information.

Recently Issued Pronouncements

International Financial Reporting Standards

The CICA plans to merge Canadian GAAP with International Financial Reporting Standards (IFRS) over a transition period expected to end in 2011. The Company will apply the new accounting standards at the beginning of its 2012 fiscal year. As a result of the new standard, the Company has (a) established an IFRS implementation committee with a mandate to oversee the conversion process, including any impact that the conversion may have on business practices, systems and internal controls over financial reporting, and (b) commenced the training of key financial executives. During the fourth quarter of 2009, the committee will complete an analysis of the differences between IFRS and the Company's current accounting policies, as well as an assessment of the impact of various accounting alternatives offered pursuant to IFRS. The Company continues to make progress on the IFRS transition project.

Business Combinations

In January 2009, the CICA issued Handbook Section 1582, Business Combinations, which replaced the existing standards. This section establishes the standards for the accounting of business combinations, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. This standard is equivalent to the International Financial Reporting Standards on business combinations. This standard is applied prospectively to business combinations with acquisition dates on or after January 1, 2011. Earlier adoption is permitted. We will evaluate the impact of adopting this standard for future business combinations.

In January 2009, the CICA issued Handbook Section 1601, Consolidated Financial Statements, which replaced the existing standards. This section establishes the standards for preparing consolidated financial statements and is effective for 2011. Earlier adoption is permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In January 2009, the CICA issued Handbook Section 1602, Non-controlling Interests, which established standards for the accounting of non-controlling interests of a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. This standard is equivalent to the International Financial Reporting Standards on consolidated and separate financial statements. This standard is effective for 2011. Earlier adoption is permitted. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

Credit Risk and Fair Value of Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities which clarified that the credit risk of counterparties should be taken into account in determining the fair value of derivative instruments. EIC 173 is to be applied retrospectively without restatement of prior periods to all financial assets and liabilities measured at fair value in interim and annual financial statements for periods ending on or after the date of issuance of this Abstract. We are currently evaluating the impact of adopting this standard on our consolidated financial statements.

Non-GAAP Measures

The Company uses EBITDA as a performance measurement both internally and externally. These measurements do not have any standardized meaning and are not recognized under Canadian generally accepted accounting principles and are therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA is defined by the Company as earnings before interest, taxes, depreciation, amortization, normalized further for stock-based compensation is a widely accepted measure of operating cash flows that the Company believes may be used to measure its ability to service debt.

The following table reconciles EBITDA to Net income and comprehensive income in the Quarter:

	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
EBITDA	\$ 910,734	\$ 230,862	\$ 2,389,875	\$ 639,413
Deduct:				
Interest expense	144,483	56,729	334,412	365,826
Accretion expense relating to convertible notes, debentures and warrants	97,706	19,416	308,153	92,461
Amortization of property and equipment	23,700	136,331	440,618	379,738
Stock compensation expense	11,646	-	36,014	-
Non-controlling interest	-	-	-	(3,704)
Future income taxes recovery	-	6,067	-	(56,810)
Net income (loss) and comprehensive income (loss) for the period	\$ 633,199	\$ 12,319	\$1,270,678	(\$138,098)

Outlook

The Company seeks to capitalize on the growing market demand for healthcare services, both through organic growth but also through acquisitions. During the fourth quarter of 2009, the strategic priority will be the continued integration of the Company with MedEmerg. Key integration activities will include rationalization of common costs, identifying service line expansion opportunities from each other's businesses, and integration of more services such as pain management and infusions into the Health and Wellness Centre infrastructure.

The Company expects to continue to:

- (i) expand its delivery infrastructure by opening new Health and Wellness Centres and broadening the range of services in such centres;
- (ii) grow the various services provided; and
- (iii) look for attractive acquisition targets that provide for strategic opportunities of new services, programs or personnel, add to the Company's critical mass in any of its divisions or increase the Company's geographic coverage.

The Company continues to develop new Health and Wellness Centres and to convert older model pure medical and rehabilitation clinics into new Health and Wellness Centres. It is expected that both revenues and profitability will improve as older centres are converted, new Health and Wellness Centre built and more services, including those acquired in the MedEmerg transaction, continue to be rolled out. The newest Health and Wellness Centre in Mississauga, Ontario began operations in July 2009.

Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

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)/President and Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure. As at September 30, 2009, the Company's management, with the participation of the CEO/President and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that such controls and procedures are effective.

Additional Information

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

Toronto, Ontario
November 30, 2009