

Consolidated Financial Statements of

AIM HEALTH GROUP INC.

(formerly Orior Technologies Inc.)

Three months and six months ended June 30, 2008 and 2007

(Unaudited)

AIM HEALTH GROUP INC.

Consolidated Balance Sheets

	June 30, 2008 (unaudited)	December 31, 2007
Assets		
Current assets:		
Accounts receivable	\$ 5,242,651	\$ 5,633,591
Prepaid expenses and supplies	1,027,430	499,315
Future income taxes	645,210	645,210
	<u>6,915,291</u>	<u>6,778,116</u>
Property and equipment (note 3)	3,521,795	3,177,250
Future income taxes	817,916	755,039
Goodwill (note 4)	4,624,729	4,395,713
	<u>\$ 15,879,731</u>	<u>\$ 15,106,118</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness (note 5)	\$ 274,567	\$ 2,344,374
Accounts payable and accrued liabilities	2,580,852	2,892,301
Current portion of long-term debt	524,983	691,657
Current portion of capital lease	174,038	169,138
Equity advances from Orior Technology Inc.	—	250,000
Current portion of convertible notes (note 9)	—	743,387
	<u>3,554,440</u>	<u>7,090,857</u>
Capital lease	20,214	109,683
Lease inducement	695,990	740,798
Advances from shareholders (note 6)	86,673	396,867
Advances from an affiliated company (note 7)	727,718	727,718
Debentures payable (note 10)	1,755,671	1,711,254
Warrants (note 10)	—	233,000
Non-controlling interest	—	25,930
Shareholders' equity:		
Share capital (note 11):		
Common shares	7,899,821	2,953,339
Warrants	233,000	—
Equity component of convertible notes (note 9)	—	60,051
Retained earnings	906,204	1,056,621
	<u>9,039,025</u>	<u>4,070,011</u>
	<u>\$ 15,879,731</u>	<u>\$ 15,106,118</u>

See accompanying notes to unaudited consolidated financial statements

AIM HEALTH GROUP INC.

Consolidated Statements of Earnings and Comprehensive Income
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Revenue	\$ 6,986,384	\$ 6,886,144	\$ 14,919,182	\$ 13,864,835
Operating expense	5,340,771	5,533,605	11,434,086	10,882,010
Earnings before the undernoted	1,645,613	1,352,539	3,485,096	2,982,825
Other expenses:				
General and administrative	745,578	413,088	1,590,872	894,048
Location and equipment leases	732,885	746,457	1,478,264	1,521,524
Interest expense				
Long-term debt	164,221	131,579	280,354	195,517
Bank indebtedness	20,506	23,929	28,743	47,860
Accretion and interest expense relating to convertible notes, debentures and warrants	27,968	30,677	73,045	48,409
Depreciation of property and equipment	123,345	107,567	243,408	215,134
	1,814,503	1,453,297	3,694,686	2,922,492
Income (loss) before income taxes and non-controlling interest	(168,890)	(100,758)	(209,590)	60,333
Future income taxes expense (recovery):	(50,667)	(30,227)	(62,877)	18,100
Income (loss) before non-controlling interest	(118,223)	(70,531)	(146,713)	42,233
Non-controlling interest	–	(6,482)	(3,704)	(12,965)
Net income (loss) and comprehensive income (loss)	\$ (118,223)	\$ (77,013)	\$ (150,417)	\$ 29,268
Income (loss) per share:				
Basic	(0.00)	(5.74)	(0.01)	2.18
Diluted	(0.00)	(5.74)	(0.01)	2.18

See accompanying notes to unaudited consolidated financial statements

AIM HEALTH GROUP INC.

Consolidated Statements of Cash Flow
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Cash provided by (used in):				
Operations:				
Net income (loss)	\$ (118,223)	\$ (77,013)	\$ (150,417)	\$ 29,268
Items not involving cash:				
Depreciation of property and equipment	123,345	107,567	243,408	215,134
Future income taxes	(50,667)	(154,172)	(62,877)	81,725
Lease inducements	(22,404)	(11,500)	(44,809)	(23,000)
Accretion and interest expense relating to convertible notes, debentures and warrants	27,968	30,677	73,045	48,409
Non-controlling interest	—	6,483	(3,704)	12,965
	(39,981)	(97,958)	54,646	364,501
Change in non-cash operating working capital:				
Accounts receivable	458,554	(896,152)	390,940	(2,046,676)
Prepaid expenses and supplies	(456,434)	(105,010)	(528,115)	(166,071)
Accounts payable and Accrued liabilities	(8,357)	563,910	(311,449)	800,767
	(46,218)	(535,210)	(393,978)	(1,047,479)
Financing:				
Increase (decrease) in Bank indebtedness	(1,110,682)	779,784	(2,069,807)	(478,630)
Repayment of long-term debt	(83,337)	(75,055)	(166,674)	(149,927)
Repayment of capital lease	(42,285)	(39,485)	(84,569)	(78,970)
Repayment of equity advance	(250,000)	—	(250,000)	—
Issuance of debentures payable	22,033	—	(28,628)	1,594,220
Repayment of convertible note	—	—	—	40,051
Redemption of preferred shares	—	—	—	(35,000)
Proceeds from issuance of warrants	—	—	—	233,000
Proceeds from issuance of shares	1,858,734	—	3,891,802	—
Decrease in advance from shareholder	(1,052)	(7,123)	(310,194)	(27,424)
	393,411	658,121	981,930	1,097,320
Investments:				
Additions to property and equipment	(347,193)	(122,910)	(587,953)	(49,841)
Increase in cash, being cash, end of period	\$ —	\$ —	\$ —	\$ —
Supplemental cash flow information:				
Interest paid, net	184,727	155,508	309,097	243,377

See accompanying notes to unaudited consolidated financial statements

AIM HEALTH GROUP INC.

Consolidated Statements of Shareholders' Equity
(unaudited)

	Six months ended June 30, 2008	Six months ended June 30, 2007
Total shareholders' equity, beginning of period		
Common shares, beginning of period	\$ 2,953,339	\$ 2,953,339
Issued during the period	4,946,482	–
Common shares, end of period	7,899,821	2,953,339
Warrants, beginning of period	–	–
Transferred from liabilities	233,000	–
Warrants, end of period	233,000	–
Preference shares, beginning of period	–	1
Preference shares, beginning of period	–	1
Repurchased of preference shares	–	(1)
Preference shares, end of period	–	–
Equity component of convertible notes, beginning of period	60,051	60,051
Conversion to share capital	(60,051)	–
Equity component of convertible notes, end of period	–	60,051
Retained earnings, beginning of period	1,056,621	1,212,346
Net income (loss)	(150,417)	29,268
Redemption of preference shares	–	(34,999)
Retained earnings, end of period	906,204	1,206,615
Total shareholders' equity, end of period	\$ 9,039,025	\$ 4,220,005

See accompanying notes to unaudited consolidated financial statements

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements
Three and six months ended June 30, 2008 and 2007
(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 primarily in the province of Ontario. On May 1, 2008 the Company completed a transaction whereby it acquired all of the issued and outstanding shares of AIM Health Group Ltd. ("AIM") in exchange for 33,333,333 common shares of the Company (see note 2). The Company's shares trade on the TSX Venture Exchange under the symbol AHG.

1. Significant accounting policies:

(a) Basis of presentation:

Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed to include only the notes related to elements which have significantly changed in the interim period. As a result, these interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2007. The consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances have been eliminated on consolidation.

(b) Financial instruments:

On January 1, 2007, the Company adopted CICA Handbook Sections 1530, "Comprehensive Income", Section 3251, "Equity", Section 3855, "Financial Instruments - Recognition and Measurement", and Section 3861, "Financial Instruments - Disclosure and Presentation".

Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income ("OCI") refers to items recognized in comprehensive income that are excluded from net earnings calculated in accordance with generally accepted accounting principles. For the periods ending June 30, 2008 and June 30, 2007, there were no transactions recorded in comprehensive income.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Section 3251 describes the changes in how to report and disclose equity and changes in equity as a result of the new requirements of Section 1530, including the changes in equity for the period arising from OCI. Accumulated changes in OCI are included in the accumulated other comprehensive income ("AOCI") and are presented in the consolidated statements of shareholders equity and comprehensive income as a separate component of shareholders' equity. The Company has no AOCI as a result of the adoption of this new accounting pronouncement, accordingly there is no impact on the consolidated financial statements as a result of the adoption of this standard.

Section 3861 establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. The new standards have been applied retrospectively without restatement.

Section 3855 prescribes when a financial asset, financial liability or non-financial derivative is to be recognized on the balance sheet and at what amount, requiring fair value or cost-based measures under different circumstances. Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets and other financial liabilities. All financial instruments, including derivatives, are measured on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired, at which time the amounts would be recorded in net earnings.

Under adoption of these new standards, the Company designated its bank indebtedness and warrants as held-for-trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities, long-term debt, convertible notes, advances from shareholders, advances from an affiliated company, and debentures payable are classified as other financial liabilities, which are measured at amortized cost.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Transaction costs are costs incurred that are directly attributable to the acquisition or issuance of a financial asset or financial liability. The Company has elected to treat transaction costs for financial instruments other than those classified as held for trading as an adjustment to the carrying value of the relevant financial instrument. This change has been accounted for retrospectively without restatement and had no impact on retained earnings.

(c) Adoption of new accounting standards:

On January 1, 2008 the Company adopted CICA section 3862, "Financial Instruments – Disclosures" and section 3863, "Financial Instruments – Presentation". These sections require the disclosure of information with regards to the significance of financial instruments for the Company's financial position and performance, the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the balance sheet date, and how the company manages those risks. These standards replace CICA Handbook section 3861, "Financial Instruments". The additional disclosures required as a result of adopting these standards are included in note 12.

(d) Capital disclosures:

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for the Company for financial statements beginning on January 1, 2008 and the required disclosures have been provided in note 12.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

1. Significant accounting policies (continued):

(e) Future Accounting Standards:

(i) 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. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The new standard is effective for the Company's interim and annual financial statements commencing January 1, 2009. The Company is in the process of assessing the impact of this new standard on its consolidated financial statements.

(ii) 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.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

2. Business acquisition:

On May 1, 2008, as a result of an exchange of shares, AIM completed a reverse-takeover of the Company, whereby the controlling shareholders of AIM became the controlling shareholders of the Company. This transaction was accounted for as a reverse takeover ("RTO") of the Company by AIM. Consequently, the consolidated statements of operations and cash flows include AIM's results of operation, retained earnings 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 is that of the Company.

At a shareholder meeting on June 3, 2008 the shareholders of the Company approved a name change to AIM Health Group Inc.

In connection with the closing of the transaction, the Company issued an aggregate of 51,653,741 common shares in exchange for all of the common shares of AIM outstanding on the closing date, including:

- (i) 33,333,333 common shares to the historical shareholders of AIM;
- (ii) 13,970,878 common shares issued to Business, Engineering, Science & Technology Discovery Fund Inc and B.E.S.T. Total Return Fund Inc. (herein collectively called the "BEST Funds") which had acquired AIM common shares for an aggregate subscription price of approximately \$3 million pursuant to a subscription agreement dated February 5, 2008;
- (iii) 666,666 common shares issued to BEST Funds, which had acquired AIM common shares upon the exercise of nominal value warrants granted to BEST Funds as part of a \$2 million debenture financing completed between AIM and BEST Funds in 2007; and
- (iv) 3,682,864 common shares issued in exchange for AIM common shares issuable upon automatic conversion of outstanding AIM convertible notes in the aggregate principal amount of approximately \$0.7 million.

In addition, the Company issued an aggregate of 1,323,018 common shares in exchange for the outstanding shares of several AIM subsidiary companies not previously 100% owned by AIM.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

2. Business acquisition (continued):

The cost of the purchase of \$945,425 is based on the fair value of the equity interest in the Company deemed to be given by the Company to the third party shareholders. The amount assigned to the total assets of Orior is \$1,052,119 being the cash on hand and loan to affiliated company, and the amount assigned to liabilities was \$106,994 being the fair value of all liabilities at the time of the transaction.

3. Property and equipment:

June 30, 2008	Cost	Accumulated depreciation	Net book value
Furniture and equipment	\$ 1,158,577	971,463	\$ 187,114
Computer equipment and software	1,027,244	677,577	349,667
Medical equipment	1,445,378	212,138	1,233,240
Leasehold improvements	3,396,652	1,644,878	1,751,774
	<u>\$ 7,027,851</u>	<u>\$ 3,506,056</u>	<u>\$ 3,521,795</u>

December 31, 2007	Cost	Accumulated depreciation	Net book value
Furniture and equipment	\$ 971,003	\$ 449,147	\$ 521,856
Computer equipment and software	914,909	639,192	275,717
Medical equipment	1,235,084	504,718	730,366
Leasehold improvements	3,318,902	1,669,591	1,649,311
	<u>\$ 6,439,898</u>	<u>\$ 3,262,648</u>	<u>\$ 3,177,250</u>

4. Goodwill:

Goodwill has arisen from the acquisitions of Accident Injury Management Clinics Inc., Waterloo Orthopaedic Research Corporation and Olympia Rehabilitation Clinic, and AIM London Region Cluster, all of which occurred prior to December 31, 2003. The Company determined that no impairment existed in the carrying value of the goodwill as at June 30, 2008.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

5. **Bank indebtedness:**

The Company has an available operating line of credit of \$3,500,000 payable on demand, which bears interest at prime plus 0.75% and is 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 at June 30, 2008 the Company is not in compliance with all financial covenants relating to trailing minimum cash flow levels. As a result, all long-term debt has been recorded as current.

6. **Advances from shareholders:**

The amounts advanced from the shareholders bear annual interest at a rate of 10%, are due on demand and are unsecured. The shareholders have formally indicated that payment of principal and interest will not be demanded prior to July 1, 2009. Interest for the six month period ended June 30, 2008 was \$1,746 (June 30, 2007 \$18,039).

7. **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 six months ended June 30, 2008 was \$36,386 (June 30, 2007: \$36,386). The affiliated company has formally indicated that repayment will not be demanded prior to July 1, 2009.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

8. Advances from an affiliated company and related party transactions (continued):

The lease for a specialty centre in Waterloo, Ontario was, until August 2007, with this affiliated company after which the lease was with an arm's length party. For the 6 months ended June 30, 2007 the Company incurred rent expenses totalling \$150,000 owing to 2031086 Ontario Inc..

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 six months ended June 30, 2008 was \$24,000 (2007 - \$24,000).

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.

9. Convertible notes:

During 2006, the Company issued a series of convertible notes, totalling \$720,000. The convertible notes are unsecured, interest bearing at 8% payable annually, and were due on April 30, 2008. The notes would convert into common shares of the Company at a conversion price equal to a 15% discount to the financing price in the event the Company went public prior to April 30, 2008. On May 1, 2008 as part of the going public transaction these convertible notes were converted into 3,682,864 common shares.

The equity element of the convertible notes was comprised of the value of the conversion option, being the difference between the face value of the convertible notes and the liability element already calculated.

Interest expense on convertible notes for the six month period ended June 30, 2008 includes accretion of \$34,213 (2007 – \$20,317).

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

10. Debentures payable:

On March 2, 2007, the Company entered into an agreement with BEST Funds. Under the terms of this agreement, 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.

As a financing incentive, Best Funds received warrants to purchase common shares of the Company. The warrants were exercisable at the holder's option into common shares of the Company. Upon the completion of the going public transaction (note 2) these warrants were exchanged for warrants in the public company. The warrants, after exchange into warrants in the public company, were issued as follows:

- (i) 666,666 warrants to purchase 666,666 common shares of the Company at a cost of \$0.0001 per share; These zero cost warrants were exercised as part of the going public transaction (note 2)
- (ii) 666,666 warrants to purchase 666,666 common shares of the Company at a cost of \$0.35 per share; and
- (iii) 1,000,000 warrants to purchase 1,000,000 common shares of the Company at a cost of \$0.45 per share.

	June 30, 2008
Proceeds from debentures	\$ 2,000,000
Less fair value of warrants	233,000
	1,767,000
Less financing costs	172,780
	1,594,220
Accumulated accretion and interest	161,451
	\$ 1,755,671

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

10. Debentures payable (continued):

Security for the Subordinated Debenture includes a fixed and floating charge on all assets of the Company and an assignment of key man life insurance in the total amount of \$1,000,000 for each of two shareholders. Under the debenture agreement the Company is subject to certain financial and non-financial covenants. As at June 30, 2008, the Company is in compliance with all financial and non-financial covenants. The Company incurred \$172,780 as costs of this financing and these costs were recorded as a reduction in the proceeds received on the financing, and amortized over the term of the debenture using the effective interest rate method.

The fair value of the warrants was calculated using the following assumptions: December 31, 2007: volatility 60%, risk-free interest rate 4.07% and expected life of option three years.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

11. Share capital:

Authorized:

- Unlimited number of common shares
- Unlimited number of preference shares

Issued and outstanding:

(i) Common shares:

	Number	Amount
Balance, December 31, 2007	7,350,000	945,425
Issued to acquire AIM	33,333,333	2,953,339
Issued to private placement investors	13,970,878	3,000,000
Issued on conversion of convertible notes	3,682,864	717,728
Issued on purchase of non-controlling shareholder interests	1,323,018	258,650
Issued on exercise of warrants	666,666	—
Transfer of equity portion of convertible notes	—	60,051
Transaction costs	—	(35,372)
Balance, June 30, 2008	60,326,759	\$ 7,899,821

During February 2008, AIM issued, on a private placement basis, AIM Common Shares for gross proceeds of approximately \$3.0 million to BEST Funds and investors arranged by BEST Funds. In connection with the private placement, BEST Funds agreed to exchange the AIM Common Shares acquired pursuant to the Private Placement for 13,043,478 Orior Common Shares at \$0.23 per Orior Common Share in order to complete the going public Transaction.

In addition, AIM agreed to issue to BEST Funds additional common shares if AIM did not complete a Qualifying Transaction prior a specific date, which it did not and accordingly 927,400 additional common shares were issued to BEST Funds as part of the go public transaction, resulting in 13,970,878 shares in aggregate being issued to BEST Funds.

(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 number of common shares equal to 10% of the issue and outstanding 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.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

11. Share capital (continued):

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 December 31, 2007	Granted	Balance June 30, 2008	Remaining contractual life (years)
September 25, 2008	\$0.20	505,000	-	505,000	0.2
September 28, 2011	\$0.20	735,000	-	735,000	3.2
April 20, 2013	\$0.23	-	2,440,000	2,440,000	4.8
		1,240,000	2,440,000	3,680,000	

The fair value of the options granted during the period was calculated using the following assumptions: December 31, 2007: volatility 60%, risk-free interest rate 4% and expected life of option three years.

(iii) Equity component of convertible notes:

	2008	2007
Equity portion of convertible notes	\$ -	\$ 60,051

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

12. Financial risk management:

The Company's financial instruments are exposed to certain financial risks, including credit risk, market risk, liquidity risk, and fair value. These risks are assessed regularly and when appropriate the Company takes steps to mitigate these risks.

(a) 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 represent 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.

Accounts receivable are non-interest bearing and are generally due within periods up to 120 days. At June 30, 2008, the allowance for doubtful accounts was \$72,350. The changes in the allowance during the period were as follows:

	Three months ended June 30, 2008
Allowance at beginning of period	\$ 42,803
Impairment of receivables	106,875
Receivables written-off as uncollectable	(77,328)
Allowance at end of period	\$ 72,350

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

12. Financial risk management (continued):

(a) Credit risk (continued)

At June 30, 2008, the trade receivables over 120 days that are past due but not impaired was:

	<u>< 120 days</u>		<u>> 120 days</u>
Gross trade accounts receivable	\$ 3,015,297	\$	1,409,799
Equity portion of convertible notes	-		(72,350)
Equity portion of convertible notes	\$ 3,015,297	\$	1,337,449

Of the 1,409,799 in receivables over 120 days, 1,026,141 relates to the Company's PIRC (Pharmaceutical Integrated Research Corporation) service type, for which the Company has historically had no collection issues. This is supported by collections subsequent to June 30, 2008.

(b) Market risk

The Company has floating rate debt for its long-term debt and current bank overdraft which is subject to risks in the changes in the effective interest rate. The Company mitigates this risk by controlling the size of its overdraft.

(c) 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 \$3.5 million, subject to standard borrowing base calculations. At June 30, 2008, the Company had a substantial 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 in Fiscal 2009 together with the availability under the revolving credit facility will be adequate to fund on-going investments in working capital and capital expenditures.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

12. Financial risk management (continued):

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.

(f) Capital Management:

The Company defines capital that it manages as the aggregate of its debt and shareholders' equity, which is comprised of share capital and retained earnings. Debt is defined as current and long-term interest-bearing debt, bank indebtedness, long term debt, advances from shareholders and affiliated Company and debenture payable. The objective of the Company's capital management is to optimize returns to shareholders and investors while supporting and fostering the future growth of the Company. As at June 30, 2008 the Company believes that its debt to equity ratio is appropriate given the history of earnings and other balance sheet considerations.

The Company's policy is to reinvest earnings to support future growth of the Company and as such the Company does not currently pay dividends. Any changes to this policy would require approval of the Board of Directors.

There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements other than those related to its bank lending agreements.

AIM HEALTH GROUP INC.

Notes to Consolidated Financial Statements (continued)
Three and six months ended June 30, 2008 and 2007
(unaudited)

13. Income (loss) per share:

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

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
Net income (loss)	\$ (118,223)	\$ (77,013)	\$ (150,417)	\$ 29,268
Weighted average number of common shares outstanding:	45,898,900	13,423	28,775,316	13,423
Diluted number of common shares outstanding	45,898,900	13,423	28,77,316	13,423
Income (loss) per share:				
Basic	(0.00)	(5.74)	(0.01)	2.18
Diluted	(0.00)	(5.74)	(0.01)	2.18

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.

Options to purchase 3,440,000 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.

14. Comparative figures:

Certain 2007 comparative figures have been reclassified to conform to the financial statement presentation adopted in 2008.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Three Months Ended June 30, 2008 Compared to the Three Months Ended June 30, 2007

This management's discussion and analysis ("MD&A") of the financial position and results of operations of AIM Health Group Inc. ("AIM Health Group" or the "Company") (formerly known as Orior Technologies Inc.) should be read in conjunction with the audited comparative consolidated financial statements of the Company for the year ended December 31, 2007 ("Fiscal 2007") and the unaudited comparative consolidated interim financial statements of the Company for the quarter ended June 30, 2008 ("Q2 Fiscal 2008"). The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com. This disclosure is effective as of August 29, 2008.

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.

Qualifying Transaction Overview

The Company, formerly named Orior Technologies Inc., was incorporated by certificate and articles of incorporation issued pursuant to the provisions of the OBCA dated July 13, 2005. The certificate and articles of incorporation were amended on June 23, 2006 to remove the private company restrictions.

The Company was a CPC pursuant to the policies of the Exchange. The principal business of the Company prior to the Qualifying Transaction discussed below was to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and once identified and evaluated, to negotiate the acquisition of an interest in any such business or asset.

On May 1, 2008, the Company completed a transaction to acquire all of the AIM Health Group Ltd. ("AIM") Common Shares. In connection with the closing of the transaction, the Company issued an aggregate of 51,653,741 common shares in exchange for all of the common shares of AIM outstanding on the closing date, including:

- (i) 33,333,333 common shares to the historical shareholders of AIM;
- (ii) 13,970,878 common shares issued to Business, Engineering, Science & Technology Discovery Fund Inc and B.E.S.T. Total Return Fund Inc. (herein collectively called the "BEST Funds") which had acquired AIM common shares for an aggregate subscription price of approximately \$3 million pursuant to a subscription agreement dated February 5, 2008;
- (iii) 666,666 common shares issued to BEST Funds, which had acquired AIM common shares upon the exercise of nominal value warrants granted to BEST Funds as part of a \$2 million debenture financing completed between AIM and BEST Funds in 2007; and
- (iv) 3,682,864 common shares issued in exchange for AIM common shares issuable upon automatic conversion of outstanding AIM convertible notes in the aggregate principal amount of approximately \$0.7 million.

In addition, the Company issued an aggregate of 1,323,018 common shares in exchange for the outstanding shares of several AIM subsidiary companies not previously 100% owned by AIM.

For accounting purposes this transaction was accounted for as a reverse takeover transaction whereby AIM is considered to the acquirer for accounting purposes and accordingly, other than with respect to share capital, the financial statements for the 3 and 6 months ended June 30, 2008 and 2007 are those of AIM. The remainder of this document is focussed primarily on the business activities of AIM.

Business Overview

AIM Health Group Ltd. was incorporated as a private company on October 16, 2001 pursuant to the provisions of the Ontario Business Corporation Act. Prior to this date, the business operated under the name “Accident Injury Management Clinics Inc. (AIMC)”

AIM is a unique Canadian owned healthcare company that was founded by Dr. Lu Barbuto in 1990 under the name of “Accident Injury Management Clinics” (“AIMC”). The company name reflected a multidisciplinary approach to patient treatment and injury management. AIMC grew to 13 clinics sites, and in 1995 a transaction with Extendicare Inc. (“Extendicare”), a TSX-listed company, was completed whereby Extendicare purchased 51% of the shares of AIMC from Dr. Barbuto.

In early 2001, Dr. Barbuto commenced discussions to repurchase the AIMC shares held by Extendicare and concluded the transaction on December 7, 2001. The Extendicare shares were purchased for \$3.5 million and as a result, AIMC became a wholly owned subsidiary of AIM. The purchase price was funded as to \$0.7 million by way of an advance from an AIM shareholder, \$1.5 million term loan from a Canadian chartered bank and \$1.3 million by way of a vendor take back loan from Extendicare, which is now repaid.

The business was rebranded as AIM Health Group to better reflect its new divisional infrastructure and has since grown and changed dramatically. AIM has strategically positioned itself to deliver integrated health services funded by the public and private health care sectors through its four business units consistent and supportive of the Canada Health Act. AIM currently provides healthcare services to the Ontario provincial health care system, pharmaceutical industry, insurance industry, corporations, government agencies and directly to the health consumer. Divisional services are structured to be integrated in terms of delivery infrastructure, doctor and patient communication and business unit reporting.

Services to the pharmaceutical industry are delivered by a subsidiary company called Pharmaceutical Integrated Research Company (“PIRC”). PIRC is primarily a clinical trial site management organization (SMO), conducting pharmaceutical research on behalf of pharmaceutical companies. It is in the process of developing pharmacy services, where practical, in Company’s Health and Wellness Centres. It also provides infusion services for the pharmaceutical industry. During the last year the Company has expanded its research services into trials that are directed to the general practitioners that are in or affiliated with the Company. We expect that these general practitioner research trials will be the fastest growing part of the business in 2009.

Services are provided to corporations through Workplace Health & Cost Solutions (“WHCS”). WHCS assists employers in managing workplace health, workplace injuries and disability management issues in a cost-effective manner. WHCS’s goal is to work with the employer to maximize the health of its workforce and minimize the disability of injured employees. Assisting employers in doing this will reduce the cost of workers’ compensation claims, increase productivity and reduce the number of days lost to illness or injury.

Medical and Rehabilitation services are generally delivered through AIM’s clinics. Currently the clinic infrastructure is varied consisting of standalone family medicine clinics,

rehabilitation clinics and medical speciality clinics. Following a two year period of beta site development AIM has embarked on a plan to gradually convert its stand alone medical and rehabilitation clinics to fully integrated Health and Wellness Centres. We continue to spend substantial energy in the development of models and strategies for the Health and Wellness Centres. For example, we have formed certain regional partnerships to assist in the management of certain Health and Wellness Centres. These activities will create continuous improvement in the business model for the rollout of future Health and Wellness centres.

The Health and Wellness Centre infrastructure is consistent with the needs of Canadian healthcare and will expedite the company's growth by providing an environment that can deliver integrated health services funded by all sources. At the present time the health care system's outpatient services are limited to specific health determinants and due to its ongoing financial squeeze, the system actively seeks to move its certain services to third party payers outside the Public system. AIM seeks to capitalize on the growing market demand for healthcare services through organic growth and through acquisitions which can best fit into the AIM model.

Specifically, AIM seeks to expand the delivery infrastructure by opening new Health and Wellness Centres and broadening the range of services in such centres. Our goal is to establish a patient centered infrastructure that brings together different health care providers to co-ordinate the highest possible quality of care regardless of the payor. These centres can then act as the delivery setting and co-ordination vehicle of health services provided by all of AIM's divisions. These Health and Wellness Centres and the continued development of profitable divisional services are critical to our business plans.

Selected Financial Data

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

Financial Position		
	As at June 30, 2008	As at December 31, 2007
Current assets	6,915,291	6,778,116
Current liabilities	3,554,440	6,732,548
Working capital	3,360,851	45,568
Property and equipment	3,521,795	3,177,250
Future income taxes	817,916	755,039
Goodwill	4,624,729	4,395,713
Long-term liabilities	(3,286,266)	(4,044,629)
Warrants	-	(233,000)
Non-controlling interest	-	(25,930)
	<u>9,039,025</u>	<u>4,070,011</u>
Share capital	8,132,821	3,013,390
Retained earnings	906,204	1,056,621
	<u>9,039,025</u>	<u>4,070,011</u>

Summary of Quarterly Results

	Q1 2007 (Three months ended March 31, 2007)	Q2 2007 (Three months ended June 30, 2007)	Q3 2007 (Three months ended September 30, 2007)	Q4 2007 (Three months ended December 31, 2007)	Q1 2008 (Three months ended March 31, 2008)	Q2 2008 (Three months ended June 30, 2008)
Revenue	6,978,691	6,886,144	7,218,296	7,976,081	7,932,798	6,986,384
Net Income	106,281	(77,013)	62,473	(212,467)	(32,194)	(118,223)
EBITDA	319,449	216,739	302,554	136,852	257,316	217,817

Working Capital Changes

The working capital position of the company increased during Q2 Fiscal 2008 by \$1,939,431 to a positive working capital position of \$3,360,851 from \$1,421,420 as at March 31, 2008.

The increase in working capital was a direct result of:

- The conversion of the \$769,047 current portion of the convertible notes to equity as part of the reverse takeover transaction (“RTO”) that took place on May 1, 2008;
- The elimination on consolidation of the \$250,000 equity advance from Orior Technologies Inc. after the closing of the RTO; and
- The consolidation of \$945,425 in net current assets of Orior Technologies Inc. after the closing of the RTO.

Results of Operations – Second Quarter Fiscal 2008

Since 2006, we have dramatically reduced our revenues from regulated DAC based independent assessments and from unprofitable managed clinic relationships and have focussed on the development of more profitable services to be delivered through our new Health and Wellness Centre infrastructure. The changes in our revenue mix to a better longer term sustainable revenue profile has been dramatic.

Revenues for the three months ended June 30, 2008 increased to \$6,986,384 compared to revenues of \$6,886,144 from the same three month period ended June 30, 2007 representing an overall increase of \$100,240 or 1.4%. Revenues for the six months ended June 30, 2008 increased to \$14,919,182 compared to revenues of \$13,864,835 from the same six month period ended June 30, 2007 representing an overall increase of \$1,054,347 or 7.6%. The increase in revenues can be primarily attributed to PIRC research services which enjoyed a significant increase in revenues for the three months ended March 31, 2008 compared to the same three month period ending March 31, 2007.

Revenues for the three months ended June 30, 2008 decreased to \$6,986,384 compared to revenues of \$7,932,798 for the three month ended March 31, 2008 representing a decrease of \$946,414 or 11.9%. This decrease can be primarily attributed to a \$658,618 Q1 to Q2 decrease in revenues in the Orthopaedic Research portion of the PIRC division, which was inactive for almost two months in April and May 2008 as it was between two significant research trials. The revenues from these services fully recovered in June and July 2008. In addition, the Company incurred some unusual one time revenue declines in two health and Wellness Centres, both of which have returned to more normal revenue and profitability results subsequent to the end of the quarter.

The following table illustrates the revenue trend that the company has experienced over the previous 6 quarters:

	Q1 2007 (Three months ended March 31, 2007)	Q2 2007 (Three months ended June 30, 2007)	Q3 2007 (Three months ended September 30, 2007)	Q4 2007 (Three months ended December 31, 2007)	Q1 2008 (Three months ended March 31, 2008)	Q2 2008 (Three months ended June 30, 2008)
Revenue	6,978,691	6,886,144	7,218,296	7,976,081	7,932,798	6,986,384
% Change (over prior quarter)	N/A	-1.33%	1.58%	2.61%	-0.54%	-11.93%

The following provides some additional detail on revenue sources by important service type:

Medical, Rehab and Complimentary Services

Medical, Rehab and Complimentary Services are provided through standalone rehab and medical clinics as well as our Health and Wellness Centres, which are currently a business development focus. The first Health and Wellness Centre was opened as a proto-type centre in early 2005 in East London. It incurred a loss during the start-up stage and is now full in terms of doctors. The implemented aspects of the Health and Wellness business plan are generating profit in accordance with the business plan. Similar sites are now up and running in North London, West London, London-Oxford, London South, Brampton and Orleans (Ottawa). New centres typically will incur losses during the ramp-up phase until a normal compliment of doctors is on site.

Revenues for the three months ended June 30, 2008 increased to \$5,555,311 compared to revenues of \$5,545,778 from the same three month period ended June 30, 2007 representing an overall increase of \$9,533. Revenues for the six months ended June 30, 2008 increased to \$11,402,489 compared to revenues of \$11,146,120 from the same six month period ended June 30, 2007 representing an overall increase of \$256,369 or 2.3%. The increase in revenues can be attributed to the maturing of the Orleans Health and Wellness Centre, offset to some extent by some unusual negative one time events in two Health and Wellness Centres, wherein such revenues has since returned to more normal volumes.

Pharmaceutical Integrated Research Company (“PIRC”)

The most significant current revenue source in PIRC is to conduct drug trial research 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 over 70 in 2008 and patient randomization with new sites and trials planned. Currently PIRC has a network of over 200 physicians to select from and a patient pool - access to over 200,000 patient files.

This division also provides infusion services and is in the process of rolling out pharmacy/dispensaries in our Health and Wellness Centres where practical. In regards to the pharmacies, an agreement was signed during the quarter whereby the Company will receive, from a joint venture partner, an initial Health and Wellness Centre access fee and a regular earnings participation payment from each pharmacy location opened.

The development of the infusion business is also an important part of the business strategy as there are now many infusion opportunities with pharmaceutical companies across the country.

PIRC service revenues increased to \$1,045,383 for the three month period ended June 30, 2008 from \$986,413 for the same period ended Fiscal 2007. This revenue increase would have been dramatically greater were it not for a two month timing gap in revenues from PIRC Orthopaedic services during the quarter as the division was between two significant research trials. Orthopaedic revenues have since returned to more normal volumes in June and July. Revenues also increased to \$2,749,340 for the six month period ended June 30, 2008 from \$2,019,698 for the same period ended Fiscal 2007. These increases of \$58,970 and 729,642 or 6% and 36% is a result of the commencement of research trials that were obtained in late 2007 and early 2008.

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 and subsequent to the quarter this service type obtained new Corporate contracts that it believes will result in very strong revenue increases in this service type in future quarters. In part as a result of these contracts, the development of a national network is important.

Revenue from WHCS services increased to \$385,690 for the three months ended June 30, 2008 from \$353,953 in the same period for Fiscal 2007. This represents an increase in revenues of \$31,737 or 9%. Revenue increased to \$767,353 for the six months ended June 30, 2008 from \$699,017 in the same period for Fiscal 2007. This represents an increase in revenues of \$68,336 or 10%. This increase is as result of new services that are being added for increasing number of customers.

During the quarter, WHCS hired Dr. Mike Sehl to act as the divisional medical director and he promptly assisted in the signing of significant new corporate contract during the quarter. We expect that Dr. Sehl will play a significant role in the expansion of this division.

Gross margin percentage for the Company for the three months ended June 30, 2008 was 24% compared to 20% for the same three month period in Fiscal 2007 representing an increase in gross margin of 4%. This change in margin is primarily due to a continued shift in revenue to a higher margin non publicly funded services.

Gross margin percentage for the six months ended June 30, 2008 was 23% compared to 22% for the same six month period in Fiscal 2007 representing an increase in gross margin of 1%. This change in margin is also primarily due to a continued shift in revenue to a higher margin non publicly funded services.

The following table illustrates the gross margin trend that the company has experienced over the previous 6 quarters:

	Q1 2007 (Three months ended March 31, 2007)	Q2 2007 (Three months ended June 30, 2007)	Q3 2007 (Three months ended September 30, 2007)	Q4 2007 (Three months ended December 31, 2007)	Q1 2008 (Three months ended March 31, 2008)	Q2 2008 (Three months ended June 30, 2008)
Revenues	6,978,691	6,886,144	7,218,296	7,976,081	7,932,798	6,986,384
Operating expense	5,348,405	5,533,605	5,690,354	6,722,239	6,093,315	5,340,771
Gross margin	1,630,286	1,352,539	1,527,942	1,253,842	1,839,483	1,645,613
Gross margin %	23%	20%	21%	16%	23%	24%

G&A expense for the three months ended June 30, 2008 was \$745,578 compared to \$413,088 for the same three month period in Fiscal 2007 representing an increase of \$332,490. G&A expense for the six months ended June 30, 2008 was \$1,590,872 compared to \$894,048 for the same six month period in Fiscal 2007 representing an increase of \$696,824. The increase in G&A expense relates to the addition of the following costs which existed in the three and six months ended June 30 2008 but not in the same three and six month periods of Fiscal 2007:

- Public company costs;
- Costs that relate to the RTO and debt transactions that could not be capitalized to the balance sheet;
- System conversion costs and staff costs relating to the conversion of certain software programs during the quarter.
- Administrative support related to the development of new Health and Wellness Centres.

Location and equipment lease expense for the three months ended June 30, 2008 was \$732,885 compared to \$746,457 for the same three month period in Fiscal 2007 representing an insignificant decrease of \$13,572. Location and equipment lease expense for the six months ended June 30, 2008 was \$1,478,264 compared to \$1,521,524 for the same six month period in Fiscal 2007 representing a decrease of \$43,260. The decrease in location and equipment lease expense relates to the economies of scale generated from the consolidation of rehabilitation and medical clinics into Health and Wellness Centers where location lease expenses are shared. Also, the Company did not enter into any new equipment leases during the period as equipment was being purchased rather than leased.

Interest expense on long-term debt for the three months ended June 30, 2008 was \$164,221 compared to \$131,579 for the same three month period in Fiscal 2007 representing an increase of \$32,642. Interest expense on long term debt for the six months ended June 30, 2008 was \$280,354 compared to \$195,517 for the same six month period in Fiscal 2007 representing an increase of \$84,837. The increase in both periods primarily relates to the interest on the \$2,000,000 in debenture financing that was secured in March of 2007.

Interest expense on bank indebtedness decreased to \$20,506 and \$28,743 in the three and six month periods ending June 30, 2008 from \$23,929 and \$47,860 for the same three and six month periods end Fiscal 2007. This decrease primarily relates to lower operating line requirements as a result of cash received from the debenture financing, proceeds from issuance of shares and the qualifying transaction.

Accretion and interest expense on convertible notes, debenture and warrants for the six months ended June 30, 2008 increased \$24,636 to \$73,045 due to accretion relating to the \$2,000,000

debenture issued in March of 2007 which resulted in an increase in the three months ended March 31, 2008 as compared to the same period in Fiscal 2007. Accretion and interest expense on convertible notes, debenture and warrants remained consistent for the three month period ended June 30, 2008 as compared to the same period in Fiscal 2007.

Depreciation of property and equipment for the three and six months ended June 30, 2008 continues to increase gradually compared to the same periods in Fiscal 2007 as the Company expands its Health and Wellness Centers.

Income before taxes and non-controlling interest for the three month period ending June 30, 2008 decreased to a loss of \$168,890 from a loss of \$100,758 for the same three month period ended Fiscal 2007. Income (loss) before taxes and non-controlling interest for the six month period ending June 30, 2008 decreased to a loss of \$209,590 from an income of \$60,333 for the same three month period ended Fiscal 2007.

Income taxes for the three and six month periods ending June 30, 2008 and 2007 are estimated to be approximately 30% of income or loss for that period.

Cash Flow

The working capital position of the Company has improved since it received a \$2,000,000 debenture financing from Best Funds in March 2007 and is even stronger upon completion of the \$3,000,000 equity injection in February 2008 and the completion of the qualifying transaction. The Company currently has adequate working capital to meet its operational needs.

During the three and six month periods ended June 30, 2008 the Company incurred \$347,193 and \$587,953 in capital expenditures compared to \$122,910 and \$49,841 for the same three and six month periods in Fiscal 2007. Expenditures were primarily incurred on expansion capital items in the new London Central, Ottawa East and Hamilton Health and Wellness Centres.

Liquidity and Capital Resources

The Company's working capital ratio (defined as current assets divided by current liabilities) is 1.95 to 1 at June 30, 2008 compared to 1.01 to 1 at December 31, 2007, representing working capital of \$3,360,851 and \$45,568 respectively.

At June 30, 2008, a Canadian chartered bank provided operating credit facilities of up to \$3,500,000 for AIM. In addition, AIM has a \$1,000,000 non-revolving term loan facility and a capital lease commitment of \$500,000 to facilitate the purchase of capital assets. The operating credit facilities bear interest at the chartered bank's prime rate plus 0.75%. The operating credit facilities are margined against accounts receivables and inventory, and are secured by substantially all of the assets of AIM. As at June 30, 2008, the \$3,500,000 facility had been drawn upon by \$274,567, and the non-revolving term facility had been fully funded.

AIM is required by the terms of the credit facility agreement to maintain certain financial covenants. As at June 30, 2008, the Company is not in compliance with all financial and non-financial covenants.

AIM, through its positive working capital and access to operating credit facilities, has the ability to meet its operational working capital requirements.

The following chart summarizes the contractual obligations of AIM:

Contractual Obligation	Payment Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After five years
Long-term debt	524,983	159,310	365,673	-	-
Obligations under capital lease	194,252	174,038	20,214	-	-
Advances from affiliated company	727,718	-	727,718	-	-
Advances from shareholder	86,673	-	86,673	-	-
Debenture payable	1,755,671	-	1,755,671	-	-
Operating leases	10,711,574	1,787,087	2,870,158	2,354,276	3,700,053
Intrest	444,145	314,390	129,756	-	-
Total	14,445,017	2,434,825	5,955,863	2,354,276	3,700,053

Off Balance Sheet Arrangements

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

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 from non-domestic sources. The Company’s actual operating results may be very different from those expected as at the date of the MD&A. Readers should carefully consider all such risks, and should be particularly aware of such risks. The following risks should be considered when evaluating the business of the Company.

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 much easier. The Company’s broad base and depth of knowledge and medical community relationships make it more 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 and application of same relating to healthcare services could have an adverse impact on the scope of the company's activities.

Control by Principal Shareholder

Upon completion of the Transaction, Dr. Lu Barbuto beneficially owns approximately 40% of the outstanding shares. As a result, he may be able to exercise control or significant influence over the matters requiring shareholder approval, including the election of directors and the approval of significant corporate transactions. Such concentration of ownership may have the effect of delaying or preventing a change in control of the company.

Cash Flow Risk

The Company anticipates substantial capital expenditures, particularly as it builds new Health and Wellness Centres, to achieve its growth objectives. The company has a positive earnings and cash flow budget for the second half of 2008 however, there can be no assurance that the company will continue to have positive cash flow in the future.

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:

- The lease for a speciality centre located in Waterloo, Ontario was, until August 2007, with 2031086 Ontario Inc., a company controlled by the Chief Executive Officer and the Chief Financial Officer of AIM. Total rent paid was \$nil during the six months ended June 30, 2008 (2007 - \$150,000). Effective September 1, 2007, 2031086 Ontario Inc. sold this building to an arm's length party and the Company continued to lease this centre from this arm's length party under the same terms and conditions as the original lease.
- 2031086 Ontario Inc. has provided a short-term loan to AIM totalling \$727,718. This loan bears interest at 10% per annum. 2031086 Ontario Inc. has indicated that payment will not be demanded prior to July 1, 2009.
- 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 \$12,000 for the three month period ended June 30, 2008 (2007 - \$12,000) and \$24,000 for the six month period ending June 30, 2008 (2007 -\$24,000).
- Lu Barbuto has provided shareholder loans to AIM totalling \$86,673 as at June 30, 2008. These loans bear interest at 10% per annum. The same shareholder has indicated that payment will not be demanded prior to July 1, 2009.

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 June 30, 2008 the Company had the following securities issued and outstanding:

60,326,759	Common shares
1,240,000	Stock options with an exercise price of \$0.20
2,440,000	Stock options with an exercise price of \$0.23
666,666	Warrants with an exercise price of \$0.35
1,000,000	Warrants with an exercise price of \$0.45
<u>5,346,666</u>	Total stock options and warrants
<u>65,673,425</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 Company 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.

Future Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future income tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax laws and rates is recognized in income in the period that includes the enactment date. A change in future tax rates could have a material impact on reported financial results for the Company.

Stock-Based Compensation

The Black-Scholes option pricing model was used by the Company to determine the fair value of options granted during the year and in previous years. The Black-Scholes model was developed for use in estimating the fair value of freely traded options, which are fully transferable and have no vesting restrictions. The Company's stock options are not transferable, cannot be traded and are subject to vesting restrictions and exercise restrictions under the Company's black-out period policy which would tend to reduce the fair value of the Company's stock options. Changes to subjective input assumptions used in the model can cause a significant variation in the estimate of the fair value of the options. During the quarter ended June 30, 2008, the Company used the following assumptions to determine the fair value of options granted under the Black-Scholes option pricing model: risk free interest rate – 4%, expected life – 3 years and expected volatility – 60%.

Impairment of Goodwill and Long-lived Assets

Goodwill and indefinite life intangibles are 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.

Management evaluates plant and equipment and definite life intangibles assets and other long-lived assets for impairment whenever indicators of impairment exist. Indicators of impairment include prolonged operating losses or a decision to dispose of, or otherwise change the use of, an existing long-lived asset. If the sum of the future cash flows expected to result from an asset, undiscounted and without interest charges, is less than the carrying value of the asset, asset impairment must be recognized in the financial statements. The amount of impairment to be recognized is calculated by subtracting the fair value of the asset from the carrying value of the asset.

Allowance for Doubtful Accounts

The Company expects that a certain portion of required customer payments will not be made, and we maintain an allowance for these doubtful accounts based on our estimate of the likelihood of recovering accounts receivable, incorporating current and expected collection trends. In the event that economic conditions change, our accounts receivable insurance situation changes, or actual results or specific industry trends differ from our expectations, the Company will adjust its allowance for doubtful accounts and bad debt expense accordingly.

Changes in Accounting Policies

No changes in accounting policies affecting the Company in Q2 Fiscal 2008 have occurred, except as documented below:

Financial Instruments Disclosures

CICA Handbook Section 3862, Financial Instruments – Disclosures, increases the disclosures currently required for financial instruments and its objective is to enable financial statements users to evaluate the significance of financial instruments for an entity's financial position and performance, including disclosures about fair value. In addition, disclosure is required of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about liquidity risk and market risk. The Company has adopted this new standard in its financial statements beginning with the first quarter of Fiscal 2008.

Financial Instruments Presentation

CICA Handbook Section 3863, Financial Instruments – Presentation, replaces the existing requirements on presentation of financial instruments which have been carried forward unchanged to this new standard. This standard is effective for the Company for interim and annual financial statements beginning on April 1, 2008. The implementation of this standard has not had a material impact on presentation of financial instruments in its consolidated financial statements.

Capital Disclosures

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. This standard is effective for the Company for interim and annual financial statements beginning on April 1, 2008. The Company has adopted this new standard in its financial statements beginning with the first quarter of Fiscal 2008.

General Standards on Financial Statement Presentation

CICA Handbook Section 1400, General Standards on Financial Statement Presentation, has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. The changes are effective for AIM for interim and financial statements beginning on April 1, 2008. AIM does not expect the adoption of these changes to have an impact on its financial statements.

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. With the current level of the Company debt load, and at current interest rates, there is no abnormal interest rate risk for the Company.

Recently Issued Pronouncements

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 establishes 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 section is effective for years beginning on or after October 1, 2008. The Company has not yet determined the impact that the adoption of this change will have on its consolidated financial statements.

International Financial Reporting Standards

The CICA plans to converge Canadian GAAP with International Financial Reporting Standards (IFRS) over a transition period expected to end in 2011. The impact of the transition to IFRS on the Company’s financial statements is not yet determinable.

Non-GAAP Measures

The Company uses EBITDA as a performance measurement both internally and externally. These measurements are not recognized under generally accepted accounting principles. Earnings from Operations and EBITDA is defined by the Company as earnings before interest, accretion, taxes, depreciation, and amortization, and is a widely accepted measure of profitability that the Company believes may be used to measure its ability to service debt. Earnings from Operations are the same calculation as EBITDA, and are used interchangeably by the Company.

The following table reconciles EBITDA to Net Income and Comprehensive Income in the quarter ended June 30, 2008:

EBITDA:	\$167,150
Deduct:	
Interest expense	184,727
Accretion and interest expense relating to convertible notes, debenture and warrants	27,968
Depreciation	123,345
Income tax expense (recovery)	(50,667)
Net loss and Comprehensive loss	(118,223)

Outlook

The Company seeks to capitalize on the growing market demand for healthcare services, both through organic growth but also through acquisitions.

The Company expects to continue to:

- (i) expand its delivery infrastructure by opening new Health and Wellness Centers and broadening the range of services in such centers;
- (ii) grow the various services provided
- (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 continue to be rolled out. An ambitious expansion plan is in place for 2008 and 2009. The newest Health and Wellness Centre in Orleans, a suburb of Ottawa, Ontario commenced operations in late December 2007.

AIM is continuing the development of services to be delivered in its Health and Wellness Centres. In 2008, services to be rolled out will be focused on wellness services and in specialty areas such as cancer and cardiac programs.

The PIRC division is expanding new sites and the number of participating doctors each month and continued growth is expected throughout 2008.

During the remaining six months of 2008, the Company expects to complete transactions to purchase some of its managed clinic operations. It also expects to continue to actively develop partnerships with new network clinics across the country.

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.

Additional Information

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

Toronto, Ontario
August 29, 2008