

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM SB-2/A-1**  
**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

**VISUALMED CLINICAL SOLUTIONS CORPORATION**

(Name of small business issuer in its charter)

<p><b>Nevada</b>  (State or Other Jurisdiction of  Organization)</p>	<p><b>8060</b>  (Primary Standard Industrial  Classification Code)</p>	<p><b>88-0436055</b>  (IRS Employer Identification #)</p>
<p><b>VISUALMED CLINICAL SOLUTIONS CORPORATION</b>  <b>1035 Laurier Street West, Suite 200</b>  <b>Montreal, Quebec</b>  <b>Canada H2V 2L1</b>  <b>(514) 274-1115</b>  (Address and telephone of registrant's executive office)</p> <p><b>Copies to:</b>  <b>Conrad C. Lysiak, Esq.</b>  <b>601 West First Avenue, Suite 503</b>  <b>Spokane, Washington 99201</b>  <b>(509) 624-1475</b></p>	<p><b>Nevada Corporate Headquarters, Inc.</b>  <b>101 Convention Center Drive</b>  <b>Suite 700</b>  <b>Las Vegas, Nevada 89109</b>  <b>(702) 873-3488</b>    (Name, address and telephone number of agent for service)</p>	

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:

As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional common stock for an offering under Rule 462(b) of the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed under Rule 462(c) of the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed under Rule 462(d) of the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made under Rule 434, please check the following box. [ ]

**CALCULATION OF REGISTRATION FEE**

<b>Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Offering Price Per Security</b>	<b>Aggregate Offering Price</b>	<b>Registration Fee [1]</b>
Warrants exercisable at \$1.25	2,275,567	\$ 0.00	\$ 0.00	\$ 0.00
Shares underlying warrants exercisable at \$1.25	2,275,567	\$ 1.69	\$ 3,851,845	\$ 488.03
Warrants exercisable at \$0.001	166,667	\$ 0.00	\$ 0.00	\$ 0.00
Shares underlying warrants exercisable at \$0.001	166,667	\$ 2.84	\$ 473,334	\$ 59.97

Common Stock by selling shareholders	6,337,116	\$	3.00	\$	19,011,348	\$	2,408.74
Total						\$	2,956.74

[1] Estimated solely for purposes of calculating the registration fee under Rule 457(c) and (i).

REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON DATES AS THE COMMISSION, ACTING UNDER SAID SECTION 8(a), MAY DETERMINE.

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## Prospectus

**VISUALMED CLINICAL SOLUTIONS CORPORATION**  
**2,275,567 Warrants Exercisable at \$1.25 per Warrant**  
**2,275,567 Shares of Common Stock Issuable Upon the Exercise of the 2,275,567 Warrants**  
**166,667 Warrants Exercisable at \$0.001 per Warrant**  
**166,667 Shares of Common Issuable Upon the Exercise of the 166,667 Warrants**  
**6,337,116 Shares of Common Stock Owned by Existing Shareholders**

Our common stock is traded on the Bulletin Board operated by the National Association of Securities Dealers, Inc. under the symbol "VMCS." On August 3, 2005, the closing price of our common stock was \$2.86. The warrants referred to herein are not traded anywhere.

We are registering for resale by some warrant holders, 2,275,567 Warrants and 2,275,567 shares of common stock issuable upon the exercise of the 2,275,567 warrants. One Warrant and \$1.25 will entitle a Warrant holder to acquire one share of common stock. Further, we are registering the issuance of the shares issuable upon the exercise of the warrants to transferees that may purchase the warrants in this offering. We are also registering for resale by one Warrant holder, 166,667 warrants and 166,667 shares of common stock issuable upon the exercise of the 166,667 warrants. Further, we are registering the issuance of the shares issuable upon the exercise of the warrants to transferees that may purchase warrants in this offering. One Warrant and \$0.001 will entitle the Warrant holder to acquire one share of common stock. The Warrants are exercisable from the effective date of this registration statement through various dates until March 24, 2007, depending upon the Warrant.

Further, some of our shareholders are also selling shares of common stock in this offering. Our selling shareholders are selling 6,103,783 shares of common stock. We will not receive any proceeds from the shares sold by the selling shareholders.

**Investing in our common stock involves risks. See "Risk Factors" starting at page 6.**

	Price to Public	Underwriting Commission	Proceeds to Us
Price per each of the 2,275,567 Warrants	\$ 0.01	\$ 0.00	\$ 0.00
Aggregate price of 2,275,567 Warrants	\$ 22,756	\$ 0.00	\$ 0.00
Per Share on Exercise of 2,275,567 Warrants	\$ 1.25	\$ 0.00	\$ 1.25
Aggregate on Exercise of 2,275,567 Warrants	\$ 2,844,459	\$ 0.00	\$ 2,844,459
Price per each of the 166,667 Warrants	\$ 0.01	\$ 0.00	\$ 0.00
Aggregate price of 166,667 Warrants	\$ 1,666	\$ 0.00	\$ 0.00
Per Share on Exercise of 166,667 Warrants	\$ 0.001	\$ 0.00	\$ 0.001
Aggregate on Exercise of 166,667 Warrants	\$ 166	\$ 0.00	\$ 166
Approximate price per Share to Selling Shareholders	\$ market price	\$ 0.00	\$ 0.00
Aggregate price to Selling Shareholders	\$ market price	\$ 0.00	\$ 0.00

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**SUMMARY OF OUR OFFERING**

**Our business**

We are a provider of clinical management solutions that assist hospitals and healthcare authorities in reducing medical errors, increase personnel efficiency and reduce operating costs.

We were organized under the laws of the State of Nevada on September 7, 1999. In October 2004, we changed our business purpose from mining exploration to providing clinical management solutions and changed our name to VISUALMED CLINICAL SOLUTIONS CORPORATION. Our principal executive offices are located at 1035 Laurier Street West, Suite 200, Montreal, Quebec, Canada and our telephone number is (514) 274-1115. Our fiscal year end is June 30.

**The offering**

Following is a brief summary of this offering:

Securities being offered	We are registering for resale by some warrant holders, 2,275,567 Warrants and 2,275,567 shares of common stock issuable upon the exercise of the 2,275,567 warrants. One Warrant and \$1.25 will entitle a Warrant holder to acquire one share of common stock. Further, we are registering the issuance of the shares issuable upon the exercise of the warrants to transferees that may purchase the warrants in this offering. We are also registering for resale by one Warrant holder, 166,667 warrants and 166,667 shares of common stock issuable upon the exercise of the 166,667 warrants. Further, we are registering the issuance of the shares issuable upon the exercise of the exercise of the warrants to transferees that may purchase warrants in this offering. One Warrant and \$0.001 will entitle the Warrant holder to acquire one share of common stock. The Warrants are exercisable from the effective date of this registration statement through various dates until March 24, 2007, depending upon the Warrant. Further, we are registering 6,337,116 shares of common stock by certain selling shareholders.
Offering price of 2,275,567 per warrant	\$0.01
Offering price of 166,667 per warrant	\$0.01
Offering price per share common stock	The market bid.
Net proceeds to us on exercise of warrants	\$2,844,856.75
Net proceeds to us on sale of shares	None
Number of shares outstanding before the offering	44,833,634
Number of shares outstanding after the offering if all of the shares are sold and no warrants are exercised	44,833,634

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#### Selected financial data

The following financial information summarizes the more complete historical financial information at the end of this prospectus.

	<b>As of March 31, 2005 (Unaudited)</b>	<b>As of June 30, 2004 Audited</b>
<b>Balance Sheet</b>		
Total Assets	\$ 711,229	\$ 1,616
Total Liabilities	\$ 232,922	\$ 21,674
Stockholders Equity (Deficit)	\$ 478,307	\$ (20,058)
	<b>Nine Months ending March 31, 2005 (Unaudited)</b>	<b>Year ending June 30, 2005 Audited</b>
<b>Income Statement</b>		
Revenue	\$ 0	\$ 0
Total Expenses	\$ 5,793,894	\$ 9,204
Net Loss	\$ 5,795,037	\$ 9,204

#### RISK FACTORS

Please consider the following risk factors before deciding to invest in our common stock.

#### Risks associated with VisualMed Clinical Solutions Corporation:

1. *Our auditors have issued a going concern opinion. This means we may not be able to achieve our objectives and may have to suspend*

*or cease operations.*

Our auditors have issued a going concern opinion as at June 30, 2004. This means that there is substantial doubt that we can continue as an ongoing business without additional financing and/or generating profits.

2. ***Because we have historically incurred losses and these losses may increase in the future, we must begin generating a profit from our operations. If we do not begin generating a profit we may have to suspend or cease operations. As a result, you may lose your investment.***

We have never been profitable. At March 31, 2005 we had working capital of \$463,788. If we do not obtain additional financing or begin generating revenues within the next year, we will have to reduce or suspend or operations. In order to become profitable, we will need to generate significant revenues to offset our cost of revenues, sales and marketing, research and development and general and administrative expenses. We may not achieve or sustain our revenue or profit objectives and our losses may continue or increase in the future in which case you might lose your investment.

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3. ***We have experienced a history of losses and expect to incur future losses. Therefore, we must continue to raise money from investors to fund our operations. If we are unable to fund our operations, we will cease doing business.***

We have recorded no revenue from operations to date and we have incurred a cumulative loss of \$6,196,315 through March 31, 2005. Our losses have resulted principally from costs incurred in research and development activities related to our efforts to develop our technologies and from the associated administrative costs and \$402,421 from discontinued operations. We expect to incur significant operating losses and negative cash flows over the next several months due to the costs of expanded research and development of our products. We will need to generate significant revenues in order to achieve and maintain profitability. We may not be able to generate these revenues or achieve profitability in the future. Even if we do achieve profitability, we may not be able to sustain or increase profitability. We are a development stage company focused developing and implementing our clinical solutions. We have generated \$0 of revenue to date. Consequently, we must raise money from investors to maintain our operations. If we can't fund our operations through product sales and investments by third parties, we will have to cease operations.

4. ***Because we depend on a limited number of third parties to manufacture and supply critical components for our products and services, if the third party manufacturer should cease operations or refuse to sell components to us, we may have to suspend or cease operations. As a result, you may lose your investment.***

If our suppliers do not execute their obligations, or if they stop manufacturing and supplying components critical for our clinical solutions, we may be not be capable of finding other suppliers or operate our business. We rely on limited suppliers for a number of key components and do not have long-term agreements with any of our suppliers. If our agreements with these suppliers were terminated or expired, if we were unable to obtain adequate quantities of components critical for our products and services, if the quality of these components was inadequate, or if the terms for supply of these components became commercially unreasonable, our search for additional or alternate suppliers could result in significant delays, added expense and our inability to maintain or expand our business. Any of these events could require us to take unforeseen actions or devote additional resources to provide our products and services and could harm our ability to compete effectively. As a result, you could lose your investment.

5. ***If we cannot deliver the systems our customers demand, we will be unable to attract customers which will result in a loss of income and eventually a termination of our operations. As a result you could lose your investment.***

Our future success depends upon our ability to attract customers to use and acquire our clinical solutions systems. We cannot assure you that we will be able to do so. If we cannot attract customers, we will not generate revenues and may have to cease or suspend operations. As a result, you could lose your investment.

6. ***We may be exposed to liability claims if products based on our technologies are marketed and sold. We have liability insurance coverage in the amount of \$1,000,000, however if a judgment is rendered against us in excess of the amount of our coverage, we may have to cease operations.***

If we are sued for any reason, we will have to rely on our liability insurance to pay any judgment rendered against us. If a judgment is rendered against us for any amount of money over our coverage of \$1,000,000, we may have to cease operations.

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7. ***Because we do not have any patents, we rely on trade secrets, confidentiality agreements and contractual agreements which may not be adequate to protect our proprietary interests. If our proprietary interests are divulged to the public, we may lose our competitive edge and have to cease operations.***

We have not obtained patents or copyrights for our solutions. There is no assurance that third party competitors will not obtain access of our technical information and exploit it for their own benefit. In order to protect our propriety rights, we will have to obtain patents or file lawsuits and obtain injunctions. If we do that, we will have to spend large sums of money for attorney's fees in order to obtain the injunctions. Even if we obtain the injunctions, there is no assurance that the parties enjoined will comply with the injunctions. Further, we may not have adequate funds available to prosecute actions to protect or to defend our proprietary rights, in which case those using our proprietary rights may continue to do so in the future.

8. ***Our trademarks may not give us adequate protection. As a result, third parties may appropriate our trademarks which may reduce our competitive edge and cause our revenues to decrease.***

We have applied for trademarks. There is no assurance, however, that third parties may not infringe on our trademarks. In order to protect our trademark rights, we may have to file lawsuits and obtain injunctions. If we do that, we will have to spend large sums of money for attorney's fees in order to obtain the injunctions. Even if we obtain the injunctions, there is no assurance that those infringing on our trademarks will comply with the injunctions. Further, we may not have adequate funds available to prosecute actions to protect or to defend our trademarks, in which case those infringing on our trademarks could continue to do so in the future.

9. ***Claims that we infringe third-party proprietary rights could result in significant expenses or restrictions on our ability to provide our services.***

Third parties may claim that our current or future products or services infringe their proprietary rights or assert other claims against us. As the number of entrants into our market increases, the possibility of an intellectual property or other claim against us grows. Any intellectual property or other claim, with or without merit, would be time-consuming and expensive to litigate or settle and could divert management attention from focusing on our core business. As a result of such a dispute, we may have to pay damages, incur substantial legal fees, develop costly non-infringing technology, if possible, or enter into license agreements, which may not be available on terms acceptable to us, if at all.

10. ***Fluctuations in the value of foreign currencies could result in increased product costs and operating expenses.***

We have suppliers that are located outside Canada and the U.S. Our functional currency is the Canadian dollars and we report our results in U.S. dollars. Fluctuations in the value of the Canadian and U.S. dollars are difficult to predict and can cause us to incur currency exchange costs. We cannot predict the effect of exchange rate fluctuations on our future operating results.

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**Risks associated with this offering:**

11. ***Because one stockholder continues to own a majority of our stock, it may act, or prevent certain types of corporate actions, to the detriment of other stockholders.***

One corporation, Visual Healthcare Corp. owns approximately 80% of our outstanding common stock. Visual Healthcare Corp. is controlled by Gerard Dab and Arthur Gelston, who are our officers and directors. Accordingly, Visual Healthcare Corp. can exercise significant influence over all matters requiring stockholder approval, including the election of a majority of the directors and the determination of significant corporate actions.

12. ***Because the market for our common stock is limited, you may not be able to resell your shares of common stock.***

There is currently a limited trading market for our common stock. Our common stock trades on the Bulletin Board operated by the National Association of Securities Dealers, Inc. under the symbol "VMCS." As a result, you may not be able to resell your securities in open market transactions.

13. ***Because there is no market for the warrants, you may be unable to resell them.***

There is currently no trading market for our warrants. As a result, you may not be able to resell your securities in open market transactions.

14. ***Because our common stock is subject to penny stock rules, the liquidity of your investment may be restricted.***

Our common stock is now and may continue to be in the future subject to the penny stock rules under the Securities Exchange Act of 1934, as amended. These rules regulate broker/dealer practices for transactions in "penny stocks." Penny stocks generally are equity securities with a price of less than \$5.00. The penny stock rules require broker/dealers to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker/dealer must also provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker/dealer and its salesperson and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations and the broker/dealer and salesperson compensation information must be given to the customer orally or in writing prior to completing the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition,

the penny stock rules require that prior to a transaction, the broker and/or dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These additional penny stock disclosure requirements are burdensome and may reduce the trading activity in the market for our common stock. As long as the common stock is subject to the penny stock rules, holders of our common stock may find it more difficult to sell their securities.

#### USE OF PROCEEDS

We will not receive any proceeds from the sale of the warrants and shares of common stock in this offering. All proceeds from the sale of the warrants and shares of common stock will be received by the warrant holders and selling shareholders, respectively.

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#### DETERMINATION OF OFFERING PRICE

The warrant holders and selling shareholders are offering their securities for sale in this offering. The offering price for the shares of common stock being sold by the selling shareholders will either be at a negotiated price between the selling shareholder and another party in a private transaction, or at the market price through a market maker. If the shares are sold through a market maker, the price paid by the market maker will be the inside bid price as set forth on the Bulletin Board operated by the National Association of Securities Dealers, Inc. The inside bid price is the highest price market makers are willing to pay for the shares of common stock. Market makers are broker/dealers who buy and sell our shares of common stock for their own account. On August 3, 2005, the inside bid price for our common stock was \$2.86. No warrants or shares are being offered by us. Our shares are traded on the Bulletin Board operated by the National Association of Securities Dealers, Inc. under the symbol "VMCS." Our warrants are not traded anywhere.

Our fiscal year end is June 30. Summary trading by quarter for the 2004 and 2003 fiscal years and the first three quarters of 2005 are as follows:

<b>Fiscal Quarter</b>	<b>High Bid</b>	<b>Low Bid</b>
<b>2005</b>		
Third Quarter	\$3.00	\$1.53
Second Quarter	\$1.64	\$0.62
First Quarter	\$0.62	\$0.62
<b>2004</b>		
Fourth Quarter	\$0.62	\$0.62
Third Quarter	\$0.62	\$0.62
Second Quarter	\$0.62	\$0.62
First Quarter	\$0.62	\$0.60
<b>2003</b>		
Fourth Quarter	\$2.00	\$0.15
Third Quarter	\$1.50	\$0.10
Second Quarter	\$0.31	\$0.05
First Quarter	\$0.20	\$0.10

These quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions. As of August 3, 2005, we had 23 holders of record of our common stock.

We have not declared any cash dividends, nor do we intend to do so. We are not subject to any legal restrictions respecting the payment of dividends, except that they may not be paid to render us insolvent. Dividend policy will be based on our cash resources and needs and it is anticipated that all available cash will be needed for our operations in the foreseeable future.

#### DILUTION

Since all of the shares of common stock being registered are already issued and outstanding, no dilution will result from this offering.

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#### PLAN OF DISTRIBUTION

The selling securityholders, which as used herein includes donees, pledgees, transferees or other successors-in-interest selling shares of common stock or interests in shares of common stock received after the date of this prospectus from a selling stockholder as a gift, pledge, partnership distribution or other transfer, may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of common stock or interests in shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

The selling securityholders may use any one or more of the following methods when disposing of shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- short sales effected after the date the registration statement of which this Prospectus is a part is declared effective by the SEC;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling securityholders may, from time to time, pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the shares of common stock, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling securityholders to include the pledgee, transferee or other successors in interest as selling securityholders under this prospectus. The selling securityholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of our common stock or interests therein, the selling securityholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling securityholders may also sell shares of our common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling securityholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

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The aggregate proceeds to the selling securityholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling securityholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering. Upon any exercise of the warrants by payment of cash, however, we will receive the exercise price of the warrants.

The selling securityholders also may resell all or a portion of the shares in open market transactions in reliance upon Rule 144 under the Securities Act of 1933, provided that they meet the criteria and conform to the requirements of that rule.

The selling securityholders and any underwriters, broker-dealers or agents that participate in the sale of the common stock or interests therein may be "underwriters" within the meaning of Section 2(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares may be underwriting discounts and commissions under the Securities Act. Selling securityholders who are "underwriters" within the meaning of Section 2(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

To the extent required, the shares of our common stock to be sold, the names of the selling securityholders, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the common stock may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the common stock may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have advised the selling securityholders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling securityholders and their affiliates. In addition, we will make copies of this prospectus (as it may be supplemented or amended from time to time) available to the selling securityholders for the purpose of satisfying the prospectus delivery requirements of the Securities Act. The selling securityholders may indemnify any broker-dealer that participates in transactions involving the sale of the shares against certain liabilities, including liabilities arising under the Securities Act.

We have agreed to indemnify the selling securityholders against liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the shares offered by this prospectus.

We have agreed with the selling securityholders to keep the registration statement of which this prospectus constitutes a part effective until the earlier of (1) such time as all of the shares covered by this prospectus have been disposed of pursuant to and in accordance with the registration statement or (2) the date on which the shares may be sold pursuant to Rule 144(k) of the Securities Act.



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### **Section 15(g) of the Exchange Act**

Our shares are covered by section 15(g) of the Securities Exchange Act of 1934, as amended, and Rules 15g-1 through 15g-6 promulgated there under. They impose additional sales practice requirements on broker/dealers who sell our securities to persons other than established customers and accredited investors (generally institutions with assets in excess of \$8,000,000 or individuals with net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouses).

Rule 15g-1 exempts a number of specific transactions from the scope of the penny stock rules.

Rule 15g-2 declares unlawful broker/dealer transactions in penny stocks unless the broker/dealer has first provided to the customer a standardized disclosure document.

Rule 15g-3 provides that it is unlawful for a broker/dealer to engage in a penny stock transaction unless the broker/dealer first discloses and subsequently confirms to the customer current quotation prices or similar market information concerning the penny stock in question.

Rule 15g-4 prohibits broker/dealers from completing penny stock transactions for a customer unless the broker/dealer first discloses to the customer the amount of compensation or other remuneration received as a result of the penny stock transaction.

Rule 15g-5 requires that a broker/dealer executing a penny stock transaction, other than one exempt under Rule 15g-1, disclose to its customer, at the time of or prior to the transaction, information about the sales persons compensation.

Rule 15g-6 requires broker/dealers selling penny stocks to provide their customers with monthly account statements.

Rule 15g-9 requires broker/dealers to approved the transaction for the customer's account; obtain a written agreement from the customer setting forth the identity and quantity of the stock being purchased; obtain from the customer information regarding his investment experience; make a determination that the investment is suitable for the investor; deliver to the customer a written statement for the basis for the suitability determination; notify the customer of his rights and remedies in cases of fraud in penny stock transactions; and, the NASD's toll free telephone number and the central number of the North American Administrators Association, for information on the disciplinary history of broker/dealers and their associated persons.

The application of the penny stock rules may affect your ability to resell your shares.

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## **BUSINESS**

### **Overview**

We were organized under the laws of the State of Nevada on September 7, 1999. In October 2004, we changed are business purpose from mining exploration to providing clinical management solutions and changed our name to VISUALMED CLINICAL SOLUTIONS CORPORATION. Our principal executive offices are located at 1035 Laurier Street West, Suite 200, Montreal, Quebec, Canada and our telephone number is (514) 274-1115. Our fiscal year end is June 30.

### **Change of Business**

On September 23, 2004, after receiving advice that our mining properties were not deemed to be economically attractive, we entered into an agreement in principle to purchase certain assets from VisualMED Clinical Systems Corp. and we changed our business to providing clinical management solutions that assist hospitals and healthcare authorities in reducing medical errors, increase personnel efficiency and reduce operating costs. To reflect the nature of our new business activity, we changed our name to VisualMED Clinical Solutions Corp.

In conjunction with our acquisition and change of business, we paid a stock dividend of 1 additional share of common stock for each 2 shares of common stock outstanding. The record date for the stock dividend was October 25, 2004. To reflect the nature of our new business activity, we changed our name to VisualMED Clinical Solutions Corp.

### **Our Business**

We provide a series of clinical information systems. These systems help hospitals and governments reduce medication errors, increase personnel efficiency and bring down operating costs. Our system is comprised of four modules. Each module has a specialized function and is evidenced by a server. The servers are linked together to form a network. Information is imputed and retrieved from the system by remote stations operated by monitors and keyboards. The main module of our system is the Computerized Physician Order Entry (CPOE) system which promotes greater patient safety and reduces the growing death rate from medication errors.

### **The VisualMED Solution**

Our system eliminates the need for redundant, paper-based activities by doctors and nurses. All patient care is prescribed and documented in an electronic media that may include wireless devices with remote access via an Internet portal. Our computerized physician order entry or CPOE module uses a system with a knowledge base and an inference engine that validates information provided by the user according to thousands of expert-based algorithms.

Our system validates therapeutic decisions taken during the patient's hospitalization in real time while the doctor is writing his or her prescriptions, based on information available to it from multiple sources such as admissions, lab results, pharmacy, electrocardiograms, scanner and electronic imaging devices such as PACS, MRI and CAT scans.

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Our system is a tool through which the healthcare team provides the patient with an improved quality of care. The risk of adverse drug events or ADEs with their attendant morbidity and mortality, as well as the resulting prolonged length of hospitalization, is greatly reduced. Medication side-effects are reduced, prescriptions, lab tests and radiology exams are not needlessly duplicated, and important clinical information is brought to the attention of the prescriber proactively, so that complications of therapy may be avoided. Availability of charts is immediate, and can be transmitted worldwide via the internet (EMR).

The implementation of our system in a hospital setting allows decision making predicated upon all available medical information about a patient. The audit mechanism also assures that appropriate regulatory standards are being met. The use of biometric electronic signature provides a level of data security at the highest level.

Our system is an information tool that enables physicians and other health care providers to make informed diagnostic and related medical decisions admissions, pharmacy, laboratory, radiology and PACS through HL-7 interfaces. Through its interfaces, our system captures all clinical information available on every hospitalized patient at any given moment, representing essentially the totality of data required by the hospital clinical staff to perform their duties. Healthcare personnel are able to access information obtained from a variety of different sources through this single software solution.

Our technology was developed, tested, and has been in continuous use since 1994 at Montreal's Royal Victoria Hospital, one of McGill University's main teaching hospitals. Since 1999, more than US\$30,000,000 has been spent to expand functionality and turn the technology into an effective commercial platform. Further, our system has been recently installed at Physicians Hospital in El Paso, Texas.

### **Some Specifics of the VisualMED Solution**

#### **Clinical Features of Interest to Physicians:**

- \* Complete electronic expert order entry with more than 30 levels of decision support.
- \* Clinical Information System that contains a CPOE component supplying the complete, internet-accessible Electronic Medical Record.
- \* The innovative graphical user interface was designed in a hospital setting by clinicians.
- \* Laboratory and imagery results are always available.
- \* Laboratory and image test results reporting has built in graphic display.
- \* PACS images may be reviewed directly from within the VisualMED DICOM screen.
- \* All clinical information is available through the VisualMED screen - no need to access multiple computer applications for information coming from different hospital systems.
- \* Enhanced communication with nursing staff.
- \* Automatic renal failure dose modifications.
- \* Automatic drug - drug interaction notification.
- \* Automatic drug - allergy notification.
- \* Automatic clinical warnings with alternative therapy recommendation
- \* Automatic replacement of expensive IV with PO medication where appropriate, if installation hospital chooses this feature.
- \* Complete pediatric dosing modalities and safety ranges.
- \* Insulin sliding scales.
- \* Automatic dose tapers, for example prednisone.

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- \* Automatic notification of abnormal and STAT results.
  - \* Context-sensitive therapeutic order entry protocols (order sets) defined by the client.
  - \* Cosign responsibilities clearly defined.
  - \* All decision support and the client may define tabular content.
  - \* May be used in-hospital or in ambulatory setting.
  - \* Patient chart may be reviewed remotely (in clinic, doctors' office) through a secure, encrypted Citrix server technical solution.
  - \* Clinical data saved from all patient encounters are available for subsequent patient encounters.
  - \* Multiple users access patient information at the same time.

**Clinical Features of Interest to Pharmacists:**

- \* All prescriptions are legible.
- \* Seamless integration of physician orders with the Medication Administration Record (MAR).
- \* Medication Administration Record generates itself automatically.
- \* No transcription of any prescriptions to a paper record.
- \* No duplicate charting occurs.
- \* Nursing data entries feedback immediately on all new physician prescriptions.
- \* Clinical signs data entries are all validated for age, sex, weight and height of patient.
- \* Bedside data entry available, including wireless vital signs data entry.
- \* Automatic calculation of drip rates based on physician prescription.
- \* Enhanced communication with physician staff.
- \* Physicians enter their own orders.
- \* Automatic notification of specimen-obtain times.
- \* Automatic notification for administration of all medications and examinations.
- \* Multiple users can access patient information at the same time.
- \* Prescriptions are automatically transmitted to pharmacy.
- \* Tremendous time efficiencies in the area of prescription validation.

**Technical Features:**

- \* A turnkey solution.
- \* VisualMED is a mission critical application with three-tiered client server architecture. This system integrates all Oracle based clinical data involving prescriptions and care, and also allows access to all laboratory results.
- \* VisualMED interfaces with any existing hospital laboratory, ADT, pharmacy, radiology or PACS systems through bi-directional HL7 interfaces.
- \* Citrix server systems can link ambulatory sites at a distance with patient records stored at hospital sites.
- \* This critical application has hardware and software configured for 24x7 uptime. Fail-over controllers provide for operational redundancy.
- \* This fault-tolerant, scaleable architecture is very secure.
- \* This technology allows for remote site technical support and offsite performance monitoring.
- \* All advantages linked to hospital use of the system can be applied to smaller installations such as clinics and medical centers.

**Administrative Features:**

**Diagnoses and procedures:**

- \* All diagnoses and procedures coded by ICD9-CM and ICD10 nomenclature.
- \* Captures primary diagnoses entered by physician.
- \* Captures admission procedures entered by hospital staff..
- \* Automatically captures all secondary and laboratory diagnoses.

**Cost information:**

- \* All costs displayed to prescriber during order entry activity.
- \* Cost-per-case and savings-per-case can be linked to any admitting diagnosis or procedure.
- \* System can be configured to suggest equivalent cost-effective alternative medications.
- \* Avoids the generation of duplicate or unnecessary laboratory and image test orders.

**Audit:**

- \* All charted activities related to patient care may be audited for the purposes of quality assurance.

### **Security:**

- \* Secure biometric logon and electronic signature for all activities.
- \* Unique consent module manages patient consent issues in ambulatory environment across multiple clinic and hospital sites.
- \* Conforms to HIPPA requirements for confidentiality of patient record.

### **Public Health Features:**

- \* Reduction in the annual incidence of adverse drug effects, with resultant decrease in morbidity and mortality in the population seeking medical treatment.
- \* Improved safety in the provision of complex modern therapies to sick patients.
- \* Reduction in the medical malpractice risk for healthcare providers.
- \* Decrease in the length of stay for hospitalized patients.
- \* Improvement in the delivery of health care at all installed sites (allows nurses to spend more time caring for their patients).
- \* Improved morale of health care providers at installation site.
- \* Improved access to existing health care resources and maximization of use of existing resources (especially in the emergency department).
- \* Improved quality of hospital-based as well as ambulatory practice on the basis of the inclusion of best-practice care protocols included in the system.
- \* Advance the development of a practical regional patient medical record available at whatever hospital or clinic the patient attends in his or her region.

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### **General Features:**

- \* Contributes to an ecological benefit by reducing the amount of paper used in a hospital.
- \* Allows for considerable time saving in charting and accessibility of the patient records including radiology images, as the only requirement for access is the digital imprint.
- \* Improves working conditions for the nursing staff by giving them a professional tool that saves 95% of time devoted to clerical work. Formularies and reports are automatically generated.
- \* The hospital admission process is shortened, the long waiting lists eliminated.
- \* The hospital center can realize approximately a 20% global saving in areas such as drugs, laboratory and radiology tests, administration and communication time, plus medical and nursing care.

### **Modules**

Our modules come in four classes - administrative/support, nursing, clinical, and the electronic medical record.

#### **Administrative:**

Our administrative module is called VisualADMIN. It allows users with the appropriate security rights to access screens that may be used to define and modify architectural "seed data;" define the business rules for the clinical order entry for the 6 general order entry types - drugs, labs, IV solutions, image tests, nursing orders, dressings, as well as the special order entry types - sliding scales, drug tapers, transfusions, TPN; create and modify decision support algorithms that are called at multiple levels in the order entry sequence; create and modify decision support algorithms that operate as background processes; maintain the ward/bed configuration of the institution as represented inside the system; maintain the set of diagnoses represented inside the system; maintain any sets of system requisitions as may be required by the system; maintain the set of system user groups and user group rights, and maintain the set of system parameters that are used to determine the system configuration. The functionality that may be accessed through VisualADMIN is of a clinical-administrative nature. The company supplies all of the content required for full function of the system at the time of installation. The client may modify any of the content at any time in plain language. VisualADMIN is a required module in the setting of a minimal VisualMED installation.

#### **Nursing:**

Our nursing module, called VisualNURSE, integrates all physician / nursing clinical functions at the order entry and clinical data entry levels. VisualNURSE contains the Medication Administration Record, which is automatically generated by the VisualMED system according to a rules engine, which "translates" the physician's prescription into the date-times for prescription administration. These rules are supplied by VisualMED at installation time, and may vary for each individual clinical module. VisualNURSE also contains the Care Plan and screen sets that allow for the recording and (graphic) display of clinical information including vital signs, glucometer-insulin record, input and output, and pain scale. Additional screens exist for the recording of the nursing history. The System Administrator through VisualADMIN manages the

seed content of VisualNURSE. All clinical modules (see below) access VisualNURSE. VisualNURSE is a required module in the setting of a minimal VisualMED installation.

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### **Clinical:**

The VisualMED clinical modules broadly correspond to the individual clinical specialty services of medicine and surgery. All of the patients in a particular census may all be linked to a single module - the patient is hospitalized on an Internal Medicine ward, for example - or patients in a given census may each be attached to different modules - a hematology / oncology ward, for example. Each clinical module may have its own set of available drug listings, its own table of order sets, and unique decision support algorithms. The look and feel of each clinical module is constant, though modules may contain unique screens, which may not be available elsewhere in the VisualMED Clinical System. For example, VisualER uses unique patient tracking screens; VisualICU, CCU, and ER contain unique results reporting screens. The System Administrator through VisualADMIN manages the seed content of the clinical modules. At least one clinical module is required in the setting of a minimal VisualMED installation.

The system includes, as an option, a DICOM viewer embedded in the clinical signs and results reporting screens so that PACS images may be viewed directly within the clinical context of the VisualMED clinical data display screens.

### **Electronic medical record:**

All clinical modules come with a complete electronic patient record (EMR) used by physicians, consultants, nursing staff, and paramedical staff to record their admission and progress notes in a coded, menu-driven or free-text format, depending on the preference of the individual user. Clinicians can access all data related to their patient through the EMR, and can, as well filter the content to view only those notes relevant to the query at hand. Clinical data entered into the EMR is available to review for the purposes of quality assurance by the clinical staff, administration, and, where law permits, may be consulted by the patient.

### **Components**

Available components, with a brief accompanying description, include the following:

- \* VisualADMIN - maintenance of system tables and expert content by System or Clinical Administrator
- \* VisualNURSE - contains self-generating MAR, order "pickup" screens, specimen notification screens and icons, nursing, IV solution input tally screens, automatic clinical activities scheduling, cosignature and verbal orders capability, nursing documentation
- \* Clinical CPOE modules - includes VisualMD (Internal Medicine), VisualPEDIATRICS, VisualER, VisualSURGEON, VisualNEUROLOGY, VisualCCU, VisualICU, VisualOBGYN, VisualDERMATOLOGY.
- \* VisualCHART(1) - the complete, electronic patient record for the current hospitalization
- \* VisualGUIDE - context-sensitive clinical guide linked to medical terminology and patient laboratory results
- \* VisualALERTS - contains system decision support components
- \* VisualRESULTS - complete numerical, text, and image test reporting with both tabular and graphic display
- \* VisualREPORTS - viewable/printable clinical reports appropriate to the needs of the Service Chief or Nursing Director, used for quality assurance projects

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- \* VisualINSTRUCTIONS - viewable/printable instruction sheets for patients
  - \* VisualPHARMACY - access to clinical screens from the pharmacy, with work triage and bi-directional link to inventory system
  - \* DICOM viewer - for viewing PACS images directly through VisualMED clinical screens

### **Marketing**

We intend to start selling our solution through value-added resellers such as Imtech, Engisanita, and the Ram Group. We plan to initiate discussions with some of the world's leading consulting and implementation service companies such as First Consulting, Superior Consulting, Groupe Thales, Cap Gemini, Syntegra and SNC Lavalin, and we hope to conclude an alliance with some of them in 2005.

### **Supply of Equipment**

The equipment required for our system consists of servers, PCs, touch-monitors, biometric fingerprint devices, network switches, and key boards. The equipment is readily available from most large hardware suppliers, such as HP, IBM, Compaq, NEC, Verinex, Digital Persona, etc.

### **Warranties**

We do not issue warranties in connection with our services. All of our products are offered with a warranty. Our current policy is to offer a warranty of one year on all products sold.

### **Insurance**

Currently, we have insurance coverage of \$1,000,000 for general liability and coverage for our fixed assets.

### **Government Regulation**

We are not subject to state or federal regulation or subject to regulation in the Province of Quebec.

### **Competition**

We compete with other entities that provide business solutions to the medical industry. Many of these competitors have more assets and capital than we do. We intend to compete with them based upon the quality of our service and systems as well as our personal contact with our customers.

### **Intellectual Property**

We rely on a combination of patent, trade secret, trademark and copyright laws, and nondisclosure and other contractual provisions to protect our proprietary technology. Currently, we have three patents pending and we intend to file other patent applications when there is justification to proceed in such a way. As part of our confidentiality procedures, we generally enter into nondisclosure agreements with our employees, consultants, distributors and partners and limit the dissemination and access to our technical documentation and other proprietary information.

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### **Employees**

As of August 3, 2005, we had 9 employees on our payroll and retained 5 full-time consultants and one part-time consultant. Our employees are not unionized. We believe relationships with our employees and consultants are good.

### **Legal Proceedings**

We are not a party to any material legal proceeding, nor are any of our officers, directors or affiliates' a party adverse to us in any legal proceeding.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS, RESULTS OF OPERATIONS OR PLAN OF OPERATIONS**

Our Company incurred losses of \$5,795,037 for the nine months ending March 31, 2005. This compares to \$2,614 in the prior year period. The company discontinued its operations in mineral exploration in the previous quarter. The principal components of the loss involved one-time start-up costs that were incurred with respect to our entry in a new field of business. These were essentially: leasing new premises that could accommodate our new marketing and customer support facilities; a world-wide state-of-the-art service center was established, capable of supporting client hospitals by remote support technology, most of that expenditure being made up of salaries of newly hired employees, consultants, and software licenses. Also, as part of the new marketing effort, there was a considerable amount of effort put into presentation and hospital-specific infrastructure configurations in order to respond to major tenders and requests from potential buyers. Significant expenses equally went into hiring marketing employees and consultants. Additional expenses included travels to pursue contracts and attend conferences. The Company has been making considerable progress in building a viable sales funnel that included hospitals and regional healthcare authorities in Europe, 8 hospitals in Canada and 22 in the U.S. Finally, a small amount was devoted to professional expenses, depreciation, and filing fees.

On March 23, 2005, the Company issued 2,275,567 units at \$0.75 per unit for proceeds of \$1,706,675, pursuant to a private placement offering. Each unit consisted of one split-adjusted share of common stock and one share purchase warrant. Each warrant entitles the holder to acquire one split-adjusted share of common stock at \$1.25 per share for a period of two years. The fair value of the warrants was estimated at \$3,851,845 using the Black-Scholes pricing model. The following assumptions were used: average risk-free interest rate of 3.34%; expected life of one year; dividend yield of 0%; and expected volatility of 68%.

Operating expenses for the nine months ending March 31, 2005 were \$5,793,894, which included stock-based compensation of \$4,514,285.

The main challenges that the company will have to meet over the next year will be to continue financing operations; focus on sales and marketing of our modules; and build strategic alliances to help us penetrate specific marketplaces in promising geographies. For financing, we

expect that the warrants will be exercised within a one year period. Also, the Company is planning another private placement that would raise between \$1.5 million and \$2.8 million.

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Since our acquisition of the VisualMED suite of software modules, and subsequent change of our corporate name, the company has undertaken to develop a comprehensive marketing and sales strategy for its newly acquired product lines. We intend to continue building a full-fledged marketing department that can handle market survey, develop marketing tools and support the sales channel we will be building. We will continue to hire sales and marketing executives and consultants. In the next quarter (Q4), an advisory board will be formed to help the company create better marketing strategy and to help tailor our sales approach to evolving market realities. We expect this initiative will help support our sales and marketing department, bringing together experts from the medical and international business community.

Our sales effort will continue targeting regions where current legal regulations encourage the adoption of our clinical management modules. We will aggressively pursue these markets through the creation of sales consortiums that bring together local healthcare consultants, hardware vendors and local systems integrators.

We are significantly advanced in creating one such consortium in France that will pursue opportunities offered by new French legislation that has mandated the implementation throughout the French healthcare system of a universal Electronic Patient Record. An agreement has been reached for a first pilot implementation in one of the countries largest hospitals. In Italy, we have begun to leverage some of our local relationships into creating a sales funnel of more than six hospitals. Despite typically long sales cycle, we expect concrete results before the year end. This is a market where business potential is largely driven by the need for precise medical audits as malpractice penalties increasingly result in criminal proceedings. We are continuing to build alliances in other European markets. We will make a special effort in the Canadian market, where the federal government is preparing to legalize e-Prescriptions in an effort to contain the rising cost of drugs. Finally, we will take advantage of the construction of new state of the art hospital facilities in developing countries such as Tunisia that provide elective surgery to European patients.

#### **Financial Condition, Liquidity and Capital Resources**

At March 31, 2005 all of our Company's principal capital resources have been acquired through the issuance of our common stock and advances from our investors. Cash used in operations was \$1,430,406 during the nine months ended March 31, 2005.

At March 31, 2005, we had a positive working capital of \$463,788 compared to a deficiency of \$20,982 at June 30, 2004. We had cash on hand of \$200,925 at March 31, 2005.

The Company had a net loss of \$4,969,392 and \$5,795,037 for the three month and nine month periods ended March 31, 2005. The Company incurred stock-based compensation of \$4,514,285 during the three month period ended March 31, 2005.

At March 31, 2005, our Company's total assets were \$711,229. This compares with our Company's total assets of \$1,616 at June 30, 2004.

At March 31, 2005, our Company's total liabilities increased to \$232,922 from \$21,674 at June 30, 2004.

The Company will need to raise additional equity/debt financing to sustain operations over the next twelve months. Our auditors have expressed substantial doubt about our ability to continue as a going concern in their audit report.

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#### **Critical Accounting Policies**

The Company's discussion and analysis of its financial condition and results of operations are based upon the financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements require management to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures on the date of the financial statements. On an on-going basis, the Company evaluates its estimates, including, but not limited to, those related to revenue recognition.

The Company uses authoritative pronouncements, historical experience and other assumptions as the basis for making judgments. Actual results could differ from those estimates. Critical accounting policies identified are as follows:

#### **Long-Lived Assets**

In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant

adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life.

Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

### **Foreign Currency Transactions/Balances**

The Company's functional and reporting currency is the United States dollar. The functional currency of the Company's subsidiary is the Canadian dollar. The financial statements of this subsidiary are translated to United States dollars in accordance with SFAS No. 52 "Foreign Currency Translation" using period-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues and expenses. Translation gains (losses) are recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity. Foreign currency transaction gains and losses are included in current operations.

### **Revenue Recognition**

The Company has not generated any revenues from inception to March 31, 2005. The Company will recognize revenue related to sales of medical software in accordance with Statement of Position No. 97-2, "Software Revenue Recognition" ("SOP 97-2"), as amended by Statement of Position No. 98-9, "Software Revenue Recognition with Respect to Certain Arrangements". Pursuant to SOP 97-2, revenue will only be recognized when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and collectibility is reasonably assured. Any allowance for doubtful accounts will be based on the Company's detailed assessment of the collectibility of specific customer accounts. Any significant customer accounts that are not expected to be collected are excluded from revenues.

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## **MANAGEMENT**

### **Officers and Directors**

Each of our directors serves until his or her successor is elected and qualified. Each of our officers is elected by the board of directors to a term of one (1) year and serves until his or her successor is duly elected and qualified, or until he or she is removed from office. The board of directors has no nominating or compensation committees. It does have audit and disclosure committees.

The name, age and position of our present officers and directors are set forth below:

<b>Name</b>	<b>Age</b>	<b>Position Held</b>
Gerard Dab	57	Chief Executive Officer, Secretary and Director
Arthur Gelston MD	56	President, Chief Science Officer and a Director
Philippe Panzini	40	Director
Louis J. Lombardo	61	Director
Barry Scharf	60	Chief Operating Officer and Vice President of Client Services
Philippe Rainville	44	Chief Financial Officer
Jayne H. Kirby	47	Vice President of Finance
Michael Maksud	47	Vice President of Technology

Each director serves until our next annual meeting of the stockholders or unless they resign earlier. The Board of Directors elects officers and their terms of office are at the discretion of the Board of Directors.

### **Background of officers and directors**

All our officers and directors have held their positions since October 2004.

**Gerard Dab - Chairman of the Board of Directors, CEO and Secretary** - Mr. Dab holds an Honours BA and an MA from McGill University. After an academic career and a stint as an executive with advertising company Foot, Cone & Belding of Chicago he served as president of Productions Publi-Cité Inc., of Montreal, a film and television finance company from November 1982 to June 1992. From June 1992 to April 1998 he was executive producer of 'Finance,' a weekly television program on Canada's TVA network. In 1998 he joined VisualMED Clinical Systems Inc., a clinical software company based in Montreal, Canada, first serving as the President and Secretary, then since November 1999 Chairman of the Board and then, CEO since July 2001.

**Arthur Gelston, M.D. - President and a Director** - Dr. Gelston holds an M.D. degree from Cornell University, Ithaca, New York and is a Fellow of Johns Hopkins University, Baltimore and a Fellow of the Royal College of Physicians (Canada). Dr. Gelston is also an adjunct Professor of Medicine in the Department of Internal Medicine and was formerly Senior Physician of internal medicine, at the McGill University Health Center in Montreal, Canada. From July 1988 to January 1999, Dr. Gelston served as the Director of Medical Clinics of the



Department of Medicine and was until that date a senior physician at Montreal's Royal Victoria Hospital. In July 1998 he joined VisualMED Clinical Systems in Montreal, where he has been chief architect of the VisualMED Suite of Clinical Solutions, a state of the art Computer Physician Order Entry system. Since July 2000, he has also been a Director of the company and President and Chief Science Officer.

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**Philippe Panzini - Director** - From March, 1989 through September 1991, Mr. Panzini was a marketing executive with Softimage Inc. of Montreal, Canada, a company in 3-D computer graphic technology. From September, 1991 to February 1999 he worked at Discreet Logic, a computer imaging technology company based in Montreal, Canada, and served as its Chief Technology Officer. In 1998, he received an Academy Award from the Academy of Motion Picture Arts and Sciences for his contribution to the film industry in the field of digital imaging. From February 1999 to January 2000 he worked as a software architect for Behaviour Inc. an entertainment company based in Montreal, Canada. From February 2000 to December 2002 he was a marketing executive with VisualMED Clinical Systems Inc, a clinical software company based in Montreal, Canada. Since December 2002 he has been an imaging software manager with Apple Computers of Cupertino, California.

**Louis J. Lombardo - Director** - Mr. Lombardo served as Executive Vice President, Client Service Delivery, for American Express Travel Related Services Company of New York, New York, a financial and travel service company, from 1985 to 1998. Since 1998, he has served as President of Lombardo Consulting, L.P., of New York where he is working as a management and operational consultant with American Express of New York being the main client. During his 35 years at American Express, Mr. Lombardo's responsibilities included international risk management, global fraud, customer service and cross-selling programs in the U.S.

**Barry Scharf - Chief Operating Officer** - From January 2002 to October 2004, Mr. Scharf was the Vice President of Clinical Services at VisualMED Clinical Systems Inc., a clinical software company based in Montreal, Canada. From January 2001 to December 2001, Mr. Scharf was Vice President of Client Services at Medicool Health Systems Inc. located in Montreal, Quebec. Medicool Health Systems Inc. conducts research and development in the field of healthcare information technology. From February 2000 to January 2001, Mr. Scharf was Vice President of Client Services at VisualMED Clinical Systems Inc. Since January, 1993, Mr. Scharf has been President of the Board of Directors of Terre des Hommes Canada, a registered Canadian charity.

**Philippe Rainville - Chief Financial Officer** - Mr. Philippe Rainville has over twenty years of experience in the fields of Finance, Treasury, distribution and information technology. He holds a B.Com from McGill University and is a valid member of the Canadian Institute of Chartered Accountants. From 1984 - 1988, Mr. Rainville worked for Coopers & Lybrand as a financial auditor specializing in forensic accounting. From 1989 - 1991 he worked as a financial analyst successively for Provigo Inc., and Pepsi-Cola Canada. In late 1991 he joined Molson Breweries as Director of Financial Planning. He spent 13 years with Molson, serving various functions; from Regional Finance, he became Treasurer of Molson Canada in 1994 and Director of Strategic Planning in 1997. In 1999, he was promoted Vice-President Information Technology where he spent most of his time restructuring the company's IT systems and evaluating business software applications. From 2001 - 2004, Mr. Rainville was Vice-President Finance and Planning for Molson's Quebec/Atlantic Region. Mr. Rainville has been CFO at VisualMED Clinical Solutions Corp. since November 7, 2004.

**Jayne Kirby - Vice President of Finance and Controller** - From January 1999 to September 2004, Ms. Kirby was the Controller of VisualMED Clinical Systems Inc., a clinical software company based in Montreal, Canada. Earlier in her career, Ms. Kirby was a cash flow analyst at the head office of Royal Trust in Toronto, and then an international portfolio auditor for State Street Quebec, in Montreal.

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**Michael Maksud - Vice President of Technology** - Since July 2000, Mr. Maksud has been Chief Software Architect of Medicool Health Systems Inc. Medicool Health Systems Inc. is located in Montreal, Quebec and conducts research and development in the field of healthcare information technology. From December 1990 to July 2000, Mr. Maksud was the Vice President of Research and Development and Chief Software Architect of Purkinje. Purkinje is a healthcare information technology company located in Montreal, Quebec.

#### **Audit Committee Financial Expert**

We do not have an audit committee financial expert. We do not have an audit committee financial expert because we believe the cost related to retaining a financial expert at this time is prohibitive. Further, because we are only beginning our commercial operations, at the present time, we believe the services of a financial expert are not warranted.

#### **EXECUTIVE COMPENSATION**

The following table sets forth information with respect to compensation paid by us to our officers and directors during the three most recent fiscal years and through March 31, 2005. This information includes the dollar value of base salaries, bonus awards and number of stock options granted, and certain other compensation, if any.

## Summary Compensation Table

(a)	(b)	Long Term Compensation							(i)
		Annual Compensation			Awards		Payouts		
		(c)	(d)	(e) Other Annual Compen sation	(f) Restricted Stock Award(s)	(g) Securities Underlying Options / SARs (#)	(h) LTIP Payouts	(i) All Other Compens ation (\$)	
Name and Principal Position [1]	Year	Salary (\$)	Bonus (\$)	(\$)	(\$)		(\$)		
Gerard Dab CEO & Director	2005	150,638	0	0	0	0	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Arthur Gelston President and Director	2005	0	0	0	0	0	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Philippe Panzini Director	2005	0	0	0	0	0	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Louis Lombardo Director	2005	0	0	0	0	0	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
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Barry Scharf COO	2005	130,552	0	0	0	130,000	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Philippe Rainville CFO	2005	0	0	0	0	100,000	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Jayne H. Kirby VP Finance & Secretary	2005	86,365	0	0	0	100,000	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Michael Maksud VP Technology	2005	0	0	0	0	0	0	0	0
	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Hugh Grenfal, Jr. President & Director (resigned - 2004)	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0
Sergei Stetsenko Secretary & Director (resigned - 2004)	2004	0	0	0	0	0	0	0	0
	2003	0	0	0	0	0	0	0	0
	2002	0	0	0	0	0	0	0	0

All compensation received by the officers and directors has been disclosed.

### Option/SAR Grants

There are no stock option, retirement, pension, or profit sharing plans for the benefit of our officers and directors, other than our 2003 Incentive Stock Option Plan. Under this Plan, the board of directors is vested with discretionary authority to grant options to persons furnishing services to us. There are 5,000,000 shares in the plan. Of the 3,498,906 options awarded, 683,905 shares have been issued as a result of the

exercise of options, 150,000 options were cancelled leaving 2,665,000 options outstanding for the period up to February 18, 2004.

#### Option Grants to Officers and Directors During the Last Fiscal Year

Name	Number of Securities Underlying Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Fiscal Year	Exercise of Base Price (\$/Sh)	Expiration Date
Barry Scharf	130,000	39.4%	\$0.49	October 27, 2009
Jayne H. Kirby	100,000	30.3%	\$0.49	October 27, 2009
Phillipe Rainville	100,000	30.3%	\$0.49	October 27, 2009

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#### Aggregated option/SAR Exercised by Officers and Directors in Last Fiscal Year and FY-End Option/SAR Values

No options were exercised in 2004.

#### Future Compensation of Our Officers

For the fiscal year ending June 30, 2005, we intend to pay Gerard Dab, our chief executive officer, a salary of \$150,638; our chief operating officer, Barry Scharf, a salary of \$130,552; and, our vice president of finance and secretary, Jayne H. Kirby, \$86,365.

#### Long-Term Incentive Plan Awards

We do not have any long-term incentive plans that provide compensation intended to serve as incentive for performance to occur over a period longer than one fiscal year, whether such performance is measured by reference to our financial performance, our stock price, or any other measure.

#### Compensation of Directors

We do not have any plans to pay our directors any money. We do intend to grant our directors options for serving on our board of directors. For fiscal year ending June 30, 2005, we have not determined the compensation that we may grant our directors.

#### Indemnification

Under our Articles of Incorporation and Bylaws of the corporation, we may indemnify an officer or director who is made a party to any proceeding, including a law suit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. We may advance expenses incurred in defending a proceeding. To the extent that the officer or director is successful on the merits in a proceeding as to which he is to be indemnified, we must indemnify him against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Nevada.

Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Nevada law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

#### PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth, as of the date of this prospectus, the total number of shares owned beneficially by each of our directors, officers and key employees, individually and as a group, and the present owners of 5% or more of our total outstanding shares. The stockholders listed below have direct ownership of his/her shares and possess sole voting and dispositive power with respect to the shares. The address for each person is our address at 1035 Laurier Street West, Suite 200, Montreal, Quebec, Canada H2V 2L1.

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Title of Class	Name of Beneficial Owner	Position with Company	Amount and Nature of Ownership	Percent of Class
Common Stock	Gerard Dab	Chairman, Chief Executive	0(1)	0.00%

		Officer, Secretary and Director		
Common Stock	Art Gelston MD	President, Chief Science Officer and Director	0(2)	0.00%
Common Stock	Philippe Panzini	Director	0(3)	0.00%
Common Stock	Louis J. Lombardo	Director	0(4)	0.00%
Common Stock	Philippe Rainville	Treasurer, Principal Financial Officer, Principal Accounting Officer	100,000(5)	0.22%
Common Stock	Jayne H. Kirby	VP Finance	100,000(6)	0.22%
Common Stock	Barry Scharf	VP Operations	130,000(7)	0.29%
Common Stock	Michel Maksud	VP Technology	0	0.00%
All current officers and directors as a group (8 persons)			0	0.00%

Title of Class	Beneficial Owner	Number of Shares Before the Offering	Percentage of Shares Before the Offering	Number of Shares After the Offering	Percentage of Shares After the Offering
Common Stock (1), (2), (3), (4), (5), (6), (7)	Visual Health Care Corp. ("VHCC") 391, Laurier West Montreal, Quebec, Canada H2W 2K3	31,866,000 Direct	71.09%	28,077,784	62.64%

(1) Gerard Dab owns 21,819,624 preferred exchangeable shares of VHCC which are convertible into 6,545,877 common shares of VHCC or 13.3% of its total outstanding shares. He is also chairman of its board of directors.

(2) Art Gelston, MD owns 20,138,800 preferred exchangeable shares of VHCC which are convertible into 6,041,640 shares of VHCC or 11.8% of its total outstanding shares. He is also a member of its board of directors.

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(3) Philippe Panzini owns 1,430,215 common shares of VHCC or 2.9% of its total outstanding shares.

(4) Louis J. Lombardo owns 348,579 common shares of VHCC or 0.7% of its total outstanding shares.

(5) Philippe Rainville owns options to acquire 100,000 shares of our common stock.

(6) Jayne Kirby owns options to acquire 100,000 shares of our common stock. Ms. Kirby also owns 593,615 common shares of VHCC or 1.2% of its total outstanding shares.

(7) Barry Scharf owns options to acquire 130,000 shares of common stock. Mr. Scharf also owns 737,428 common shares of VHCC or 1.5% of its total outstanding shares.

The persons named above are our parents and promoters within the meaning of such terms under the Securities Act of 1933 by virtue of their direct and indirect stock holdings.

#### Securities authorized for issuance under equity compensation plans.

We have no equity compensation plans.

#### Selling Warrant Holders

The following sets forth the name of each warrant holder, the number warrants owned by each warrant holder and the expiration date of each warrant. For the 2,275,567 warrants, one warrant and \$1.25 entitles the warrant holder to acquire one share of common stock. The warrants are exercisable as follows:

Name of beneficial owners	Number of Warrants Owned	Exercise price of Warrants	Expiration date
Capex Investments Ltd.	1,321,759	\$1.25	March 24, 2007
Aton Select Fund Ltd.	553,370	\$1.25	March 24, 2007
Asset Protection Fund Ltd.	400,438	\$1.25	March 24, 2007
<b>TOTAL</b>	<b>2,275,567</b>	<b>\$1.25</b>	

The following sets forth the name of each warrant holder, the number warrants owned by each warrant holder and the expiration date of each warrant. For the 166,667 warrants, one warrant and \$0.001 entitles the warrant holder to acquire one share of common stock. The warrants are exercisable as follows:

Name of beneficial owners	Number of Warrants Owned	Exercise price of Warrants	Expiration date
Stephane Solis	166,667	\$0.001	March 24, 2007

### Selling Shareholders

The following table sets forth the name of each selling shareholder, the total number of shares owned prior to the offering, the percentage of shares owned prior to the offering, the number of shares offered, and the percentage of shares owned after the offering, assuming the selling shareholder sells all of his shares and we sell the maximum number of shares.

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Name	Total number of shares owned prior to offering	Percentage of shares owned prior to offering	Number of shares being offered	Percentage of shares owned after the offering assuming all of the shares are sold in the offering
Visual Healthcare Corp.	31,866,000	71.092%	3,788,216	62.64%
Claude Pellerin	25,000	0.0558%	25,000	0.00%
HPS Inc.	15,000	0.0333%	15,000	0.00%
Capex Investments Ltd.	1,321,759	2.949%	1,321,759	0.00%
Aton Select Fund Ltd.	553,370	1.235%	553,370	0.00%
Asset Protection Fund Ltd.	400,438	0.893%	400,438	0.00%
Stephane Solis	233,333	0.52%	233,333	0.00%
<b>TOTAL</b>	<b>34,414,900</b>	<b>76.76%</b>	<b>6,337,116</b>	<b>62.64%</b>

In March 2005, a private placement was concluded with Capex Investments Ltd., Aton Select Fund Ltd., and Asset Protection Fund Ltd. whereby the securities being registered for resale herein were issued to the selling shareholders. Claude Pellerin and HPS Inc. received their shares for services rendered to the Company. Stephane Solis received 233,333 shares of common stock as a finder's fee. Visual Healthcare Corp. received its shares on Oct. 13, 2004, in exchange for the VisualMED Suite of Clinical Modules.

Other than investing money with us, the foregoing selling security holders have had no material relationship with us during the last three years.

All of the natural persons named as selling security holders exercise voting and/or dispositive

powers with respect to the securities to be offered for resale by our selling security holders. Capex Investments Ltd. is a Mauritius company controlled by Indigo Capital Limited, owned by Robert Clarke as sole shareholder. Mr. Clarke is a Canadian citizen and resident of Hong Kong. Aton Select Fund Ltd. and Asset Protection Fund Ltd. are fully registered Tortola, Virgin Islands, mutual funds, with Dr. Werner Keicher holding sole investment and voting power over the shares.

### Future Sales of Shares

A total of 44,833,634 shares of common stock are issued and outstanding. Of the 44,833,634 shares outstanding, 7,966,500 are freely tradable and 36,857,134 are restricted securities as defined in Rule 144 of the Securities Act of 1933. Under Rule 144, the restricted shares can be publicly sold, subject to volume restrictions and restrictions on the manner of sale, commencing one year after their acquisition. Of the 36,857,134 restricted shares, 6,337,116 shares are being offered for sale by the selling shareholders in this offering.

Shares purchased in this offering, which will be immediately resalable, and sales of all of our other shares after applicable restrictions expire, could have a depressive effect on the market price, if any, of our common stock and the shares we are offering.

## DESCRIPTION OF SECURITIES

### Common Stock

Our authorized capital stock consists of 100,000,000 shares of common stock, \$0.00001 par value per share. The holders of our common stock:

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- \* have equal ratable rights to dividends from funds legally available if and when declared by our board of directors;
  - \* are entitled to share ratably in all of our assets available for distribution to holders of common stock upon liquidation, dissolution or winding up of our affairs;
  - \* do not have preemptive, subscription or conversion rights and there are no redemption or sinking fund provisions or rights; and
  - \* are entitled to one non-cumulative vote per share on all matters on which stockholders may vote.

Currently, we have 44,833,634 shares of common stock outstanding.

### Non-cumulative voting

Holders of shares of our common stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in that event, the holders of the remaining shares will not be able to elect any of our directors.

### Cash dividends

As of the date of this prospectus, we have not paid any cash dividends to stockholders. The declaration of any future cash dividend will be at the discretion of our board of directors and will depend upon our earnings, if any, our capital requirements and financial position, our general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

### Warrants

Currently there are 2,442,234 warrants outstanding. The warrants are exercisable now and the warrants have various expiration dates. See "Selling Warrant Holders." For 2,275,567 Warrants, one Warrant will entitle the warrant holder to acquire one (1) shares of common stock at a price of \$1.25, for 166,667 Warrants, one Warrant will entitle the warrant holder to acquire one (1) shares of common stock at a price of \$0.001. If the warrant holders do not exercise the warrant by March 24, 2007, the warrants will expire and be of no value.

### Anti-takeover provisions

There are no Nevada anti-takeover provisions that may have the affect of delaying or preventing a change in control.

### Reports

After we complete this offering, we will not be required to furnish you with an annual report. Further, we will not voluntarily send you an annual report. We will be required to file reports with the SEC under section 15(d) of the Securities Act. The reports will be filed electronically. The reports we will be required to file are Forms 10-KSB, 10-QSB, and 8-K. You may read copies of any materials we file with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that will contain copies of the reports we file electronically. The address for the Internet site is [www.sec.gov](http://www.sec.gov).

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### Stock transfer agent

Our stock transfer agent for our securities is Pacific Stock Transfer Company, 500 East Warm Springs Road, Las Vegas, Nevada 89119 and its telephone number is (702) 361-3033.

## CERTAIN TRANSACTIONS

We are indebted to a director and an officer for \$711 representing expenses incurred on our behalf. These amounts are included in accounts payable and are unsecured, non-interest bearing and have no specific terms of repayment.

A former president is owed \$12,219 at March 31, 2005 (June 30, 2004 - \$12,219) for payment of expenses on our behalf. This amount is included in accounts payable and is unsecured, non-interest bearing and has no specific terms of repayment.

We are owed \$669 from our parent company, VisualMed Clinical Systems Corporation ("VCSC"). We are owed \$56,971 from VisualMED Clinical Systems Inc., a wholly-owned subsidiary of VCSC. These amounts represent cash advances, are unsecured, non-interest bearing and have no specific terms of repayment.

## **LITIGATION**

We are not a party to any pending litigation and none is contemplated or threatened.

## **EXPERTS**

Our financial statements included in this prospectus have been audited by Manning Elliott, Chartered Accountants, 11<sup>th</sup> Floor, 1050 West Pender Street; Vancouver, British Columbia, Canada V6E 3S7, as set forth in their report included in this prospectus.

## **LEGAL MATTERS**

Conrad C. Lysiak, Attorney at Law, 601 West First Avenue, Suite 503, Spokane, Washington 99201, telephone (509) 624-1475 has acted as our legal counsel.

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## **FINANCIAL STATEMENTS**

Our fiscal year end is June 30. We will provide audited financial statements to our stockholders on an annual basis.

Our audited financial statements for the years ending June 30, 2004 and 2003 as well for the nine month period ending March 31, 2005 (unaudited), immediately follow:

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VisualMED Clinical Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Consolidated Balance Sheets  
(expressed in U.S. dollars)

	March 31, 2005 \$ (Unaudited)	June 30, 2004 \$ (Audited)
<b>Assets</b>		
<b>Current Assets</b>		
Cash	200,925	692
Advances receivable (Note 3)	67,384	-
Prepaid expenses	403,111	-
Other assets	25,290	-
<b>Total Current Assets</b>	<b>696,710</b>	<b>692</b>
Property and Equipment (Note 4)	14,519	924
<b>Total Assets</b>	<b>711,229</b>	<b>1,616</b>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current Liabilities</b>		
Accounts payable	147,655	3,655
Accrued liabilities	18,267	5,800
Advances from related party (Note 6)	-	12,219
Deferred revenue	67,000	-
<b>Total Liabilities</b>	<b>232,922</b>	<b>21,674</b>
<b>Commitments (Notes 1 and 9)</b>		
<b>Stockholders' Equity (Deficit)</b>		
Common Stock, 100,000,000 shares authorized with a par value of \$0.00001; 42,308,067 and 45,466,500 shares issued and outstanding, respectively	423	455
Additional Paid-in Capital	6,705,757	380,765
Accumulated Other Comprehensive Loss	(31,558)	-
Deficit Accumulated During the Development Stage	(6,196,315)	(401,278)
<b>Total Stockholders' Equity (Deficit)</b>	<b>478,307</b>	<b>(20,058)</b>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b>711,229</b>	<b>1,616</b>



(The accompanying notes are an integral part of these consolidated financial statements)

VisualMED Clinical Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Consolidated Statements of Operations  
(expressed in U.S. dollars)  
(Unaudited)

	Accumulated from September 7, 1999 (Date of Inception) to March 31, 2005 \$	Three Months Ended March 31, 2005      2004 \$            \$		Nine Months Ended March 31, 2005      2004 \$            \$	
Revenue	-	-	-	-	-
Expenses					
Customer service	335,305	102,918	-	335,305	-
Depreciation	1,897	1,201	-	1,897	-
Development costs	344,562	47,766	-	344,562	-
General and administration	483,190	222,816	-	483,190	-
Interest and bank charges	32,562	16,203	-	32,562	-
Sales and marketing	82,093	64,203	-	82,093	-
Stock-based compensation (Note 7(c) and (d))	4,514,285	4,514,285	-	4,514,285	-
Total Expenses	5,793,894	4,969,392	-	5,793,894	-
Net Loss Before Discontinued Operations	(5,793,894)	(4,969,392)	-	(5,793,894)	-
Discontinued Operations	(402,421)	-	(888)	(1,143)	(2,614)
Net Loss for the Period	(6,196,315)	(4,969,392)	(888)	(5,795,037)	(2,614)
Other Comprehensive Loss					
Foreign currency translation adjustments	(31,558)	(4,590)	-	(31,558)	-
Comprehensive Loss	(6,227,873)	(4,973,982)	(888)	(5,826,595)	(2,614)
Net Loss Per Share - Basic and Diluted		(0.12)	-	(0.14)	-
Weighted Average Shares Outstanding (split-adjusted)		40,052,000	45,466,500	42,064,000	45,466,500

(The accompanying notes are an integral part of these consolidated financial statements)

VisualMED Clincial Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Consolidated Statements of Cash Flows  
(expressed in U.S. dollars)

(Unaudited)

	Nine Months Ended	
	March 31,	
	2005	2004
	\$	\$
Cash Flows From Operating Activities		
Net loss for the period	(5,795,037)	(2,614)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	1,896	370
Stock-based compensation	4,514,285	-
Common stock issued for interest	32,063	-
Common stock issued for services	100,000	-
Write off of assets	924	-
Changes in operating assets and liabilities		
(Increase) in prepaid expenses	(403,111)	-
(Increase) in other assets	(25,290)	-
Increase in deferred revenue	67,000	-
Decrease in due to related party	-	7,084
(Increase) in advances and receivables	(67,384)	-
Increase in accounts payable and accrued liabilities	144,248	(5,510)
Net Cash (Used In) Operating Activities	(1,430,406)	(670)
Cash Flows To Investing Activities		
Purchase of property and equipment	(12,424)	-
Net Cash To Investing Activities	(12,424)	-
Cash Flows From Financing Activities		
Proceeds from notes payable	1,674,612	-
Net Cash Provided By Financing Activities	1,674,612	-
Effect of Exchange Rate Changes on Cash	(31,549)	-
Increase (Decrease) in Cash	200,233	(670)
Cash - Beginning of Period	692	1,362
Cash - End of Period	200,925	692
Non-Cash Financing Activities		
Common stock issued for services	100,000	-
Common stock issued for settlement of notes payable and accrued interest	1,706,675	-
Supplemental Disclosures		
Interest paid	-	-
Income taxes paid	-	-

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(The accompanying notes are an integral part of these consolidated financial statements)

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(expressed in U.S. dollars)

(Unaudited)

## 1. Development Stage Company

The Company was incorporated in the State of Nevada on September 7, 1999. The Company changed its name to VisualMed Clinical Solutions Corporation on November 30, 2004. In September 1999 the Company purchased three mineral claims representing forty-four units, situated in the Greenwood Mining Division in the Province of British Columbia, Canada. The Company's principal business plan was to acquire, explore and develop mineral properties and to ultimately seek earnings by exploiting the mineral claims. Pursuant to an Agreement dated September 23, 2004 (the "Agreement"), which closed on October 13, 2004, the Company agreed to issue 31,866,000 split-adjusted restricted shares of common stock in exchange for certain assets of VisualMed Clinical Systems Corporation ("VCSC") consisting of commercial contracts, property and equipment and a suite of clinical software modules ("the modules") that are the key components of a Clinical Information System for healthcare facilities. VCSC is a Nevada corporation, based in Montreal, Canada, involved in developing software solutions targeting clinical medicine and related areas of the healthcare market. The Company will have the right to exploit, commercialize, install, support and upgrade the modules purchased. The rights to exploit, commercialize, install, support and upgrade are worldwide, except for that part of the U.S. market, as well as the Chinese and the Japanese language markets, into which VCSC has entered into similar agreements with other non-related companies. As a result of the transaction, VCSC now controls 80% of the Company. Refer to Note 5.

The Company's new business plan involves the distribution of medical software, therefore the Company, pursuant to the Agreement discussed above, decided to discontinue its mineral exploration efforts. These mineral interests will be allowed to lapse. The Company is primarily involved in activities related to the distribution of medical software and is considered to be a development stage company. Planned principal activities have not yet begun. At March 31, 2005, the Company had working capital of \$463,788 and has incurred losses of \$6,196,315 since inception. The ability of the Company to emerge from the development stage with respect to any planned principal business activity is dependent upon its successful efforts to raise additional equity financing and then attain profitable operations. Management has plans to seek additional capital through equity and/or debt offerings. There is no guarantee that the Company will be able to complete any of the above objectives. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

The Company will not be able to meet its funding commitments under the Agreement without acquiring substantial additional funding in the near future. The Company currently does not have sufficient financing arrangements in place to meet its funding obligations to VCSC and there is no assurance that the Company will be able to acquire the required financing on acceptable terms or at all. The Company expects to fund itself by the issue of short-term debt or the sale of common shares. Refer to Notes 7 and 10.

## 2. Summary of Significant Accounting Principles

### a) Basis of Presentation and Fiscal Year

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. The Company has not produced any revenues from its principal business and is a development stage company as defined by Statement of Financial Accounting Standard ("SFAS") No. 7 "Accounting and Reporting by Development Stage Enterprises". These financial statements include the accounts of the Company and its wholly-owned subsidiary, VisualMed Marketing Inc., a company incorporated and based in Quebec, Canada. All intercompany transactions and balances have been eliminated. The Company's fiscal year-end is June 30.

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VisualMED Clincial Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)  
(Unaudited)

## 2. Summary of Significant Accounting Principles (continued)

- b) Use of Estimates  
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- c) Cash and Cash Equivalents  
The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.
- d) Property and Equipment  
Property and equipment is stated at cost and consists of office furniture, computer hardware and software, and leasehold improvements. Amortization of office furniture is computed using the straight-line method over five years. Amortization of computer hardware and software is computed using the straight-line method over three years. Amortization of leasehold improvements will be computed on a straight-line method over five years.
- e) Long-Lived Assets  
In accordance with SFAS No. 144, "*Accounting for the Impairment or Disposal of Long-Lived Assets*", the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.
- f) Foreign Currency Transactions  
The Company's functional and reporting currency is the United States dollar. The functional currency of the Company's subsidiary is the Canadian dollar. The financial statements of the subsidiary are translated to United States dollars in accordance with SFAS No. 52 "*Foreign Currency Translation*" using period-end rates of exchange for assets and liabilities, and average rates of exchange for the period for revenues and expenses. Translation gains (losses) are recorded in accumulated other comprehensive income (loss) as a component of stockholders' equity. Foreign currency transaction gains and losses are included in current operations.
- g) Development Costs  
Costs related to the enhancement of existing medical software modules are expensed as incurred until technological feasibility in the form of a working model has been established. The time period between the establishment of technological feasibility and completion of product development is expected to be short, therefore the Company has not capitalized any product development costs during the period.

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VisualMED Clincial Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)  
(Unaudited)

## 2. Summary of Significant Accounting Principles (continued)

- h) Basic and Diluted Net Income (Loss) Per Share  
The Company computes net income (loss) per share in accordance with SFAS No. 128, "*Earnings per Share*" which requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

- i) Financial Instruments  
The carrying value of cash, accounts payable, accrued liabilities, and advances from related party approximate fair value due to the relatively short maturity of these instruments.
- j) Revenue Recognition  
The Company has not generated any revenues from inception to March 31, 2005. The Company will recognize any revenue related to sales of medical software in accordance with Statement of Position No. 97-2, "*Software Revenue Recognition*" ("SOP 97-2"), as amended by Statement of Position No. 98-9, "*Software Revenue Recognition with Respect to Certain Arrangements*". Pursuant to SOP 97-2, revenue will only be recognized when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed, and collectibility is reasonably assured. Any allowance for doubtful accounts will be based on the Company's detailed assessment of the collectibility of specific customer accounts. Any significant customer accounts that are not expected to be collected are excluded from revenues. The Company received a deposit of \$67,000 on a contract entered into to provide product and services. As the Company has not provided any product or service to March 31, 2005, this amount has been recorded as deferred revenue.
- k) Comprehensive Loss  
SFAS No. 130, "*Reporting Comprehensive Income*," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at March 31, 2005, the Company's only component of comprehensive income (loss) was foreign currency translation adjustments.

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VisualMED Clincial Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)  
(Unaudited)

2. Summary of Significant Accounting Principles (continued)

l) Recent Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board (FASB) issued SFAS No. 123R, "*Share Based Payment*". SFAS 123R is a revision of SFAS No. 123 "*Accounting for Stock-Based Compensation*", and supersedes APB Opinion No. 25, "*Accounting for Stock Issued to Employees*" and its related implementation guidance. SFAS 123R establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. SFAS 123R focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS 123R does not change the accounting guidance for share-based payment transactions with parties other than employees provided in SFAS 123 as originally issued and Emerging Issues Task Force Issue No. 96-18, "*Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services*". SFAS 123R does not address the accounting for employee share ownership plans, which are subject to AICPA Statement of Position 93-6, "*Employers' Accounting for Employee Stock Ownership Plans*". SFAS 123R requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award - the requisite service period (usually the vesting period). SFAS 123R requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The scope of SFAS 123R includes a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Public entities (other than those filing as small business issuers) will be required to apply SFAS 123R as of the first interim or annual reporting period that begins after June 15, 2005. Public entities that file as small business issuers will be required to apply SFAS 123R in the first interim or annual reporting period that begins after December 15, 2005. For nonpublic entities, SFAS 123R must be applied as of the beginning of the first annual reporting period beginning after December 15, 2005. Management is currently evaluating the impact of adoption of this standard on the Company's results of operations and financial position.

In December 2004, FASB issued SFAS No. 153, "*Exchanges of Nonmonetary Assets - An Amendment of APB Opinion No. 29*". The guidance in APB Opinion No. 29, "*Accounting for Nonmonetary Transactions*", is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. SFAS No. 153 amends Opinion No. 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. The provisions of SFAS No. 153 are effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005. Early application is permitted and companies must apply the standard prospectively. The adoption of this standard is not expected to have a material effect on the Company's results of operations or financial position.

m) Interim Financial Statements

These interim unaudited financial statements have been prepared on the same basis as the annual financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

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VisualMED Clincial Solutions Corp.  
 (formerly Ancona Mining Corporation)  
 (A Development Stage Company)  
 Notes to the Consolidated Financial Statements  
 (expressed in U.S. dollars)  
 (Unaudited)

3. Advances Receivable

	March 31, 2005	June 30, 2004
	\$	\$

	(Unaudited)	(Audited)
Advances to employees (a)	9,744	-
Due from VisualMED Clinical Systems Inc., an affiliated company (b)	56,971	-
Due from VisualMED Clinical Systems Corp., an affiliated company (b)	669	-
	<hr/>	
	67,384	-
	<hr/>	

- a) Advances to employees of \$9,744 represent amounts advanced towards travel expenses to be incurred. These amounts are non-interest bearing.
- b) The Company is owed \$669 from its parent company, VisualMed Clinical Systems Corporation ("VCSC"). The Company is owed \$56,971 from VisualMED Clinical Systems Inc., a wholly-owned subsidiary of VCSC. These amounts represent cash advances, are unsecured, non-interest bearing and have no specific terms of repayment.

#### 4. Property and Equipment

	Cost \$	Accumulated Amortization \$	March 31, 2005 Net carrying value \$ (Unaudited)	June 30, 2004 Net carrying value \$ (Audited)
Computer hardware	6,054	725	5,329	-
Computer software	8,424	1,136	7,288	-
Leasehold improvements	1,068	-	1,068	-
Office furniture	878	44	834	924
	<hr/>			
	16,424	1,905	14,519	924
	<hr/>			

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VisualMED Clincial Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)  
(Unaudited)

#### 5. Asset Acquisition

Pursuant to an Agreement dated September 23, 2004, which closed on October 13, 2004, the Company issued 31,866,000 split-adjusted restricted shares of common stock to VisualMed Clinical Systems Corporation ("VCSC") in exchange for certain assets of VCSC consisting of commercial contracts, property and equipment, a suite of clinical software modules that are the key components of a Clinical Information System for healthcare facilities, all the issued and outstanding common shares of VisualMed Marketing Inc., and other assets.

The Company completed the Agreement by:

- i) completing a private placement of a minimum of \$1,500,000 and a maximum of \$4,000,000 within 90 days following the closing of the Agreement (subsequently extended to 180 days following the closing of the Agreement). The terms of the private placement consisted of a minimum of 2,000,000 units and a maximum of 5,333,333 units at a price of \$0.75 per unit. Each unit consists of one share of common stock and one warrant. Each warrant entitles the holder to acquire an additional share at a price of \$1.25 per share for a period up to two years from the closing date of the private placement. The Company completed the private placement on March 23, 2005 by the issue of 2,275,567 units at \$0.75 per unit to settle outstanding notes payable of \$1,674,612 and accrued interest of \$32,063.
- ii) assuming and paying up to \$100,000 per month towards the ongoing operating costs of VCSC which were reimbursed to the Company from the proceeds of the private placement;
- iii) assuming up to a maximum of CDN\$304,000, amounts incurred from July 1, 2004 to closing of the Agreement, to maintain the ongoing operating costs of VCSC which was repaid on the closing of the private placement;
- iv) returning to treasury and cancelling 37,500,000 split-adjusted common shares, previously issued to two directors of the Company, for no consideration;

As a result of the above transactions VCSC controlled 80% of the outstanding common shares of the Company. The acquisition was accounted for as an asset purchase in accordance with EITF 98-3 "*Determining Whether a Nonmonetary Transaction Involves Receipt of Productive Assets or of a Business*", as all but a de minimis amount of the fair value of the transferred assets was represented by the software modules. These modules must be modified before implementation by any potential customers. There were no prior sales by VCSC related to these modules. The transferred assets were recorded at the book value of the transferor, VCSC, as this was a related party transaction. Acquisition costs of \$13,000 associated with this acquisition were expensed.

	\$
Property and equipment	4,000
Software modules	-
Common shares of VisualMed Marketing, Inc. (an inactive company)	-
<hr/>	
Paid by the issue of 31,866,000 split-adjusted common shares	4,000
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VisualMED Clincial Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)  
(Unaudited)

6. Related Party Transactions/Balances

- a) The Company is indebted to a director and an officer for \$711 representing expenses incurred on behalf of the Company. These amounts are included in accounts payable and are unsecured, non-interest bearing and have no specific terms of repayment.
- b) A former President of the Company is owed \$12,219 at March 31, 2005 (June 30, 2004 - \$12,219) for payment of expenses on behalf of the Company. This amount is included in accounts payable and is unsecured, non-interest bearing and has no specific terms of repayment.
- c) The Company is owed \$669 from its parent company, VisualMed Clinical Systems Corporation ("VCSC"). The Company is owed \$56,971 from VisualMED Clinical Systems Inc., a wholly-owned subsidiary of VCSC. These amounts represent cash advances, are unsecured, non-interest bearing and have no specific terms of repayment.

7. Common Stock



- a) On March 24, 2005, the Company issued 15,000 split-adjusted shares of common stock at a fair value of \$37,500 for professional services rendered.
- b) On March 23, 2005, the Company issued 25,000 split-adjusted shares of common stock at a fair value of \$62,500 for consulting services rendered.
- c) On March 23, 2005, the Company issued 2,275,567 units at \$0.75 per unit for proceeds of \$1,706,675, pursuant to a private placement offering. Each unit consisted of one split-adjusted share of common stock and one share purchase warrant. Each warrant entitles the holder to acquire one split-adjusted share of common stock at \$1.25 per share for a period of two years. The fair value of the warrants was estimated at \$3,851,845 using the Black-Scholes pricing model. The following assumptions were used: average risk-free interest rate of 3.34%; expected life of one year; dividend yield of 0%; and expected volatility of 68%.
- d) On March 23, 2005, the Company issued 233,333 warrants as a finder's fee pursuant to a Finder's Fee Agreement dated March 21, 2005. Each warrant entitles the holder to acquire one split-adjusted share of common stock at \$0.001 per share for a period of two years. The fair value of the warrants was estimated at \$662,440 using the Black-Scholes pricing model. The following assumptions were used: average risk-free interest rate of 3.34%; expected life of one year; dividend yield of 0%; and expected volatility of 68%.
- e) On March 23, 2005, the Company issued 160,000 split-adjusted shares of common stock by the exercise of 160,000 warrants at \$0.001 per share.
- f) On October 25, 2004, the Company declared a stock dividend of one additional share of common stock for each two shares of common stock outstanding. All per share amounts have been retroactively adjusted to reflect the stock dividend.
- g) On October 13, 2004, the Company issued 31,866,000 split-adjusted shares of common stock at a fair value of \$4,000 for the acquisition of certain assets acquired from VCSC as described in Note 5.
- h) On October 13, 2004, 37,500,000 split-adjusted shares previously issued to two directors of the Company were returned to treasury and cancelled for no consideration.

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VisualMED Clincial Solutions Corp.  
(formerly Ancona Mining Corporation)  
(A Development Stage Company)  
Notes to the Consolidated Financial Statements  
(expressed in U.S. dollars)  
(Unaudited)

## 8. Segment Disclosures

The Company operates as one operating segment which is the sale of its suite of clinical software modules. The Chief Executive Officer is the Company's Chief Operating Decision Maker (CODM) as defined by SFAS 131, "Disclosure about Segments of an Enterprise and Related Information." The CODM allocates resources and assesses the performance of the Company based on the results of operations.

## 9. Commitments

- a) In November 2004, the Company entered into a lease agreement for office premises at a rate of CDN\$59,340 per annum, for a five year term expiring on September 30, 2009, with an option to renew for an additional five years.

- b) The Company entered into a Finder's Fee agreement dated March 21, 2005, for a term of 90 days. The Company agreed to issue 233,333 warrants as a finder's fee in payment for the closing of the private placement offering of 2,275,567 units described in Note 7(c). The warrants have an exercise price of \$0.001 per share and expire on March 24, 2007. Upon the exercise of warrants by the private placement investors (the "Investors"), the Company will pay a cash fee of 5% of the proceeds to the Finder. Upon the exercise of the warrants by the Investors, the Company will issue a further 166,667 warrants to the Finder, or a pro rata amount if less than all warrants issued to the Investors are exercised. The Finder's warrants are exercisable at \$0.001 per share and expire on March 24, 2007. On March 23, 2005, the Finder exercised 160,000 warrants to acquire 160,000 shares of common stock, and on April 15, 2005, the Finder exercised an additional 73,333 warrants to acquire 73,333 shares of common stock.

10. Subsequent Events

- a) The Company received additional cash loans of \$161,080 (Cdn\$200,000) bearing interest at the rate of 10% per annum, which are repayable on demand.
- b) On April 15, 2005, the Company issued 73,333 split-adjusted shares of common stock by the exercise of 73,333 warrants at \$0.001 per share.

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MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

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Independent Auditors' Report

To the Stockholders and Directors  
of Ancona Mining Corporation  
(An Exploration Stage Company)

We have audited the accompanying balance sheets of Ancona Mining Corporation (An Exploration Stage Company) as of June 30, 2004 and 2003 and the related statements of operations, cash flows and stockholders' deficit for the period from September 1, 1999 (Date of Inception) to June 30, 2004 and the years ended June 30, 2004 and 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Ancona Mining Corporation (An Exploration Stage Company), as of June 30, 2004 and 2003, and the results of its operations and its cash flows for the period from September 1, 1999 (Date of Inception) to June 30, 2004, and the years ended June 30, 2004 and 2003, in conformity with generally accepted accounting principles used in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has not generated any revenue and has incurred start-up losses to date. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## CHARTERED ACCOUNTANTS

Vancouver, Canada

September 8, 2004

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Ancona Mining Corporation (An Exploration Stage Company)  
 Balance Sheets  
 (expressed in U.S. dollars)

	June 30, 2004 \$	June 30, 2003 \$
<b>ASSETS</b>		
Current Assets		
Cash	692	1,362
Deposits	-	411
<hr/>		
Total Current Assets	692	1,773
Property and Equipment (Note 3)	924	1,417
Mineral Properties (Note 4)	-	1,312
<hr/>		
Total Assets	1,616	4,502
<hr/>		
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current Liabilities		
Accounts payable	3,655	2,711
Accrued liabilities	5,800	8,110
Due to related parties (Note 5(b))	12,219	4,535
<hr/>		
Total Liabilities	21,674	15,356
<hr/>		
Contingency (Note 1)		
Stockholders' Deficit		
Common Stock, 100,000,000 shares authorized with a par value of \$0.00001; 30,311,000 shares issued and outstanding	303	303
Additional Paid-In Capital	380,917	380,917
Deficit Accumulated During the Exploration Stage	(401,278)	(392,074)
<hr/>		
Total Stockholders' Deficit	(20,058)	(10,854)
<hr/>		

Total Liabilities and Stockholders' Deficit

1,616

4,502

(The accompanying notes are an integral part of these financial statements)

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Ancona Mining Corporation  
(An Exploration Stage Company)  
Statements of Operations  
(expressed in U.S. dollars)

	Year Ended June 30,		Accumulated from September 7, 1999 (Date of Inception) to June 30,
	2004	2003	2004
	\$	\$	\$
Revenue	-	-	-
Expenses			
Consulting	-	-	271,536
Depreciation	493	493	1,541
General and administration	45	591	21,575
Investor relations	-	-	9,346
Mining exploration and claim costs	1,312	1,332	6,870
Professional fees	6,918	13,720	79,030
Rent (Note 5(a))	411	911	7,250
Transfer agent and filing fees	25	1,155	4,130
Total Expenses	9,204	18,202	401,278
Net Loss for the Period	(9,204)	(18,202)	(401,278)
Net Loss Per Share - Basic and Diluted	-	-	-
Weighted Average Shares Outstanding	30,311,000	30,311,000	-

(The accompanying notes are an integral part of these financial statements)

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Ancona Mining Corporation  
(An Exploration Stage Company)  
Statements of Cash Flows  
(expressed in U.S. dollars)

	Year Ended June 30,		For the Period from September 7, 1999 (Date of Inception) to June 30,
	2004	2003	2004
	\$	\$	\$
<b>Cash Flows To Operating Activities</b>			
Net loss	(9,204)	(18,202)	(401,278)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	493	493	1,542
Stock-based compensation	-	-	272,223
Write-off of mineral claims	1,312	1,332	2,644
Changes in operating assets and liabilities			
Deposits	411	-	-
Accounts payable and accrued liabilities	(1,366)	9,996	9,455
Due to related parties	7,684	4,435	12,352
<b>Net Cash Used In Operating Activities</b>	<b>(670)</b>	<b>(1,946)</b>	<b>(103,062)</b>
<b>Cash Flows To Investing Activities</b>			
Purchase of property and equipment	-	-	(2,466)
<b>Net Cash Used In Investing Activities</b>	<b>-</b>	<b>-</b>	<b>(2,466)</b>
<b>Cash Flows From Financing Activities</b>			
Proceeds from sale of common stock	-	-	106,220
<b>Net Cash Provided By Financing Activities</b>	<b>-</b>	<b>-</b>	<b>106,220</b>
Increase (Decrease) in Cash	(670)	(1,946)	692
Cash - Beginning of Period	1,362	3,308	-
Cash - End of Period	692	1,362	692

Non-Cash Investing and Financing Activities

Stock issued in exchange for consulting services	-	-	272,223
Stock issued in payment of advances	-	-	133
Stock issued in payment of mining claims	-	-	2,644

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Supplemental Disclosures

Interest paid	-	-	-
Income taxes paid	-	-	-

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(The accompanying notes are an integral part of these financial statements)

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Ancona Mining Corporation  
(An Exploration Stage Company)  
Statement of Stockholders' Equity (Deficit) (Note 6)  
For the period from September 7, 1999 (date of inception) to June 30, 2004  
(expressed in U.S. dollars)

	Common # of Shares	Stock Amount \$	Additional Paid-In Capital \$	Deficit Accumulated During the Exploration Stage \$	Total Stockholders' Equity (Deficit) \$
Balance - September 7, 1999 (Date of Inception)	-	-	-	-	-
Issuance of stock for services and payment of advances at \$0.011 per share	25,000,000	250	274,750	-	275,000
Net loss for period	-	-	-	(294,522)	(294,522)
Balance - June 30, 2000	25,000,000	250	274,750	(294,522)	(19,522)
Issuance of common stock at \$0.02 per share	5,311,000	53	106,167	-	106,220
Net loss for the year	-	-	-	(38,069)	(38,069)
Balance - June 30, 2001	30,311,000	303	380,917	(332,591)	48,629
Net loss for the year	-	-	-	(41,281)	(41,281)
Balance - June 30, 2002	30,311,000	303	380,917	(373,872)	7,348
Net loss for the year	-	-	-	(18,202)	(18,202)
Balance - June 30, 2003	30,311,000	303	380,917	(392,074)	(10,854)
Net loss for the year	-	-	-	(9,204)	(9,204)
Balance - June 30, 2004	30,311,000	303	380,917	(401,278)	(20,058)

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(The accompanying notes are an integral part of these financial statements)

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Ancona Mining Corporation  
(An Exploration Stage Company)  
Notes to the Financial Statements  
(expressed in U.S. dollars)

1. Exploration Stage Company

The Company was incorporated in the State of Nevada on September 7, 1999. In September 1999 the Company purchased three mineral claims representing forty-four units, situated in the Greenwood Mining Division in the Province of British Columbia, Canada. The Company's principal business plan is to acquire, explore and develop mineral properties and to ultimately seek earnings by exploiting the mineral claims.

The Company has been in the exploration stage since its formation on September 7, 1999 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition, exploration and development of mining properties. Upon location of a commercial mineable reserve, the Company will actively prepare the site for extraction and enter a development stage. At present, management devotes most of its activities to raise sufficient funds to further explore and develop its mineral properties. Planned principal activities have not yet begun. The ability of the Company to emerge from the exploration stage with respect to any planned principal business activity is dependent upon its successful efforts to raise additional equity financing and/or attain profitable mining operations. Management has plans to seek additional capital through a private placement and public offering of its common stock. There is no guarantee that the Company will be able to complete any of the above objectives. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

At June 30, 2004, the Company had a working capital deficit of \$20,982. A minimum of \$2,000 per quarter is needed to cover expenses. Thus in the next year the Company will require \$28,982 to cover both new expenses and preserve working capital. This amount would operate the Company but leave little or nothing for exploration. The Company expects to fund itself in the next twelve months by issuing common shares for cash and services.

2. Summary of Significant Accounting Principles

a) Year End

The Company's year end is June 30.

b) Basis of Accounting

These financial statements are prepared in conformity with accounting principles generally accepted in the United States and are presented in U.S. dollars.

c) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

e) Property and Equipment

Property and equipment is stated at cost. Amortization is computed using the straight-line method over five years.

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Ancona Mining Corporation  
(An Exploration Stage Company)  
Notes to the Financial Statements  
(expressed in U.S. dollars)

2. Summary of Significant Accounting Principles (continued)

f) Long-Lived Assets

In accordance with Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes an impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

g) Foreign Currency Transactions/Balances

The Company's functional and reporting currency is the United States dollar. Occasional transactions occur in Canadian currency, and management has adopted SFAS No. 52, "Foreign Currency Translation". Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at rates of exchange in effect at the balance sheet date. Non-monetary assets, liabilities and items recorded in income arising from transactions denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction.

h) Exploration and Development Costs

The Company has been in the exploration stage since its formation in September 7, 1999 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition, exploration and development of mining properties. Mineral exploration costs are charged to operations as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves, the costs incurred to develop such property, are capitalized. Such costs will be amortized using the units-of-production method over the estimated life of the probable reserve.

i) Basic and Diluted Net Income (Loss) Per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "Earnings per Share" (SFAS 128). SFAS 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

j) Financial Instruments

The carrying value of cash, accounts payable, accrued liabilities, and due to related parties approximate fair value due to the relatively short maturity of these instruments.

k) Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at June 30, 2004 and 2003, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

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Ancona Mining Corporation  
(An Exploration Stage Company)  
Notes to the Financial Statements  
(expressed in U.S. dollars)

2. Summary of Significant Accounting Principles (continued)



l) Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted SFAS No. 109 as of its inception. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. Potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

m) Recent Accounting Pronouncements

In December 2003, the United States Securities and Exchange Commission issued Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB 104"), which supersedes SAB 101, "Revenue Recognition in Financial Statements." The primary purpose of SAB 104 is to rescind accounting guidance contained in SAB 101 related to multiple element revenue arrangements, which was superseded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." While the wording of SAB 104 has changed to reflect the issuance of EITF 00-21, the revenue recognition principles of SAB 101 remain largely unchanged by the issuance of SAB 104. The adoption of SAB 104 did not have a material impact on the Company's financial statements.

3. Property and Equipment

			June 30, 2004	June 30, 2003
	Cost	Accumulated Depreciation	Net Carrying Value	Net Carrying Value
	\$	\$	\$	\$
Office furniture	2,466	1,542	924	1,417

4. Mineral Properties

In September 1999, the Company, through its President, acquired 100% of the rights, titles and interests in three mining claims (Marmot, Wombat and AMAX) representing forty-four units in the Greenwood Mining Division of British Columbia. The President conveyed title to the claims via an unrecorded deed. During 2003, the Wombat claims were allowed to lapse. The Company received Portable Assessment Credits (PAC) from an arm's length company in exchange for the AMAX mining claim. The PAC was used to extend the validity of the Marmot claim, which represents fifteen units, until May 11, 2005.

5. Related Party Transactions/Balances

a) The Company occupies office space provided by a company where the President of the Company was previously a vice president and a director. Monthly rental is determined by usage. At June 30, 2004, the Company was indebted to this company for \$911, which is non-interest bearing, unsecured and due on demand. Due to the minimal operations of the Company, \$411 has been charged for the year ended June 30, 2004 (2003 - \$911).

b) The President of the Company is owed \$12,119 at June 30, 2004 for payment of expenses on behalf of the Company. This amount is non-interest bearing, unsecured and due on demand. The remaining \$100 is owed to a director.

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Ancona Mining Corporation  
(An Exploration Stage Company)  
Notes to the Financial Statements  
(expressed in U.S. dollars)

6. Common Stock

During 2003, the Company's Board of Directors approved a four for one split of common shares. The Company issued four additional common shares for each one common share outstanding effective as of the period date of November 18, 2002. All per share amounts have been retroactively adjusted to reflect the stock split.

7. Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has incurred net operating losses of \$126,000 which commence expiring in 2019. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. Potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses

carried forward in future years.

#### 8. Income Taxes (continued)

The components of the net deferred tax asset at June 30, 2004 and 2003, and the statutory tax rate, the effective tax rate and the elected amount of the valuation allowance are indicated below:

	2004	2003
	\$	\$
Net Operating Loss	7,892	16,870
Statutory Tax Rate	34%	34%
Effective Tax Rate	-	-
Deferred Tax Asset	2,683	5,736
Valuation Allowance	(2,683)	(5,736)
<hr/>		
Net Deferred Tax Asset	-	-
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## PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

### ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The only statute, charter provision, bylaw, contract, or other arrangement under which any controlling person, director or officer of the registrant is insured or indemnified in any manner against any liability which he may incur in his capacity as such, is as follows:

1. Article XII of the Articles of Incorporation of the company, filed as Exhibit 3.1 to our Form SB-2 registration statement.
2. Article X of the Bylaws of the company, filed as Exhibit 3.2 to our Form SB-2 registration statement.
3. Nevada Revised Statutes, Chapter 78.

The general effect of the foregoing is to indemnify a control person, officer or director from liability, thereby making the company responsible for any expenses or damages incurred by such control person, officer or director in any action brought against them based on their conduct in such capacity, provided they did not engage in fraud or criminal activity.

### ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The estimated expenses of the offering (assuming all shares are sold), all of which are to be paid by the registrant, are as follows:

SEC Registration Fee	\$	100.00
Printing Expenses	\$	500.00
Accounting/administrative Fees and Expenses	\$	9,400.00
Blue Sky Fees/Expenses	\$	0.00
Legal Fees/ Expenses	\$	25,000.00
Escrow fees/Expenses	\$	0.00
Transfer Agent Fees	\$	0.00
Miscellaneous Expenses	\$	0.00

**ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.**

During the past three years, we sold the following securities without registration:

- a) On October 13, 2004, VisualMed Clinical Systems Corporation, a Nevada corporation ("VCSC") entered into an agreement with Ancona Mining Corporation, a Nevada corporation, wherein Ancona agreed issued 21,244,000 restricted shares of common stock in exchange for certain assets of VCSC. The assets consist of Commercial Contracts, Fixed Assets, other Assets and Receivables. The shares were issued pursuant to Reg. S of the Securities Act of 1933. The shares and warrants were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.
- b) On October 25, 2004, we declared a stock dividend of one additional share of common stock for each two shares of common stock outstanding. As a result, 13,277,000 shares of common stock were issued to shareholders of record which included 10,662,000 shares of common stock which were issued to VCSC bringing its total shares up to 31,866,000. Stock dividends do not require a distributee to give any value in exchange. within the meaning of section 2(a)(3) of the Securities Act of 1933, therefore, the registration provisions requirements do not apply. See *Gurvitz v. Bregman & Co.*, 379 F.Supp. 1283, 1286 (SDNY 1974); *New Am. Fund, Inc.*, SEC No-Action Letter, 1984 WL 45920 (Sept. 24, 1984), and 17 CFR 230.145(a).
- c) On March 23, 2005, we issued 1,321,759 restricted shares of common stock and warrants to acquire an additional 1,321,759 shares of common stock to Capex Investments Ltd. in consideration of \$991,319.25. Each warrant allows Capex to acquire an additional share of common stock at an exercise price of \$1.25 per share. The shares and warrants were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.
- d) On March 23, 2005, we issued 553,370 restricted shares of common stock and warrants to acquire an additional 553,370 shares of common stock to Aton Select Fund Ltd. in consideration of \$415,027.50. Each warrant allows Aton to acquire an additional share of common stock at an exercise price of \$1.25 per share. The shares and warrants were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.
- e) On March 23, 2005, we issued 400,438 restricted shares of common stock and warrants to acquire an additional 400,438 shares of common stock to Asset Protection Fund Ltd. in consideration of \$300,328.50. Each warrant allows Asset Protection acquire an additional share of common stock at an exercise price of \$1.25 per share. The shares and warrants were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.
- f) On March 23, 2005, we issued 25,000 restricted shares of common stock to Claude Pellerin in consideration of legal services rendered to us. The shares were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.
- g) On March 23, 2005, we issued 25,000 restricted shares of common stock to HPS Inc. in consideration of legal services rendered to us. The shares were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.
- h) On March 23, 2005, we issued warrants to Stephane Solis to acquire 233,333 shares of common stock at an exercise price of \$0.001 per share in consideration of services rendered to us. The warrants were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.

- i) On March 23, 2005, Stephane Solis exercised 160,000 warrants to acquire 160,000 shares of common stock, and on April 15, 2005, Stephane Solis exercised an additional 73,333 warrants to acquire 73,333 shares of common stock, bringing his total holdings to 233,333 common shares, each an exercise price of \$0.001 per warrant or a total of \$233.33.

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- j) On April 15, 2005, we issued warrants to Stephane Solis to acquire 166,667 shares of common stock at an exercise price of \$0.001 per share in consideration of services rendered to us. The warrants were issued pursuant to Reg. S of the Securities Act of 1933. The transaction was with a non-US person and the transaction was consummated outside the United States.

We issued the foregoing restricted securities pursuant to Reg. S of the Securities Act of 1933 if the sales took place outside the United States of America and pursuant to Section 4(2) of the Securities Act of 1933 for sales taking place in the United States. With respect to the sales within the United States, all purchasers acknowledged they were sophisticated investors and have been given the same information that would be found in a Form SB-2 registration statement.

#### **ITEM 27. EXHIBITS.**

The following exhibits are incorporated herein by reference from the Registrant's Form SB-2 Registration Statement filed with the Securities and Exchange Commission, SEC file #333-94835 on January 18, 2001. Such exhibits are incorporated herein by reference pursuant to Rule 12b-32:

##### **Exhibit No. Document Description**

- 3.1 Articles of Incorporation.
- 3.2 Bylaws.
- 4.1 Specimen Stock Certificate.

The following exhibits are incorporated herein by reference from the Registrant's Form 10-KSB Annual Report and amendment thereto as filed with the Securities and Exchange Commission, on September 5, 2003. Such exhibits are incorporated herein by reference pursuant to Rule 12b-32:

- 14.1 Code of Ethics
- 99.1 Audit Committee Charter
- 99.2 Disclosure Committee Charter

The following exhibit is incorporated by reference from the Registrant's form 8-K dated October 19, 2004 as filed with the Securities and Exchange Commission.

- 10.1 VisualMed Agreement

The following exhibits are filed with this registration statement:

- 5.1 \* Opinion of Conrad C. Lysiak
- 10.1 Memorandum of a Consultant Agreement
- 10.2 Memorandum of a Retainer Agreement
- 10.3 Series A Warrant - Number of Shares: 400,438
- 10.4 Series A Warrant - Number of Shares: 553,370
- 10.5 Series A Warrant - Number of Shares: 1,321,759
- 10.6 Common Stock Purchase Agreement
- 10.7 Registration Rights Agreement
- 10.8 Finder's Agreement
- 23.1 Consent of Manning Elliott, Chartered Accountants
- 23.2 Consent of Conrad C. Lysiak, Esq., Attorney at Law

\* Previously filed.

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#### **ITEM 28. UNDERTAKINGS.**

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - a. To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
  - b. Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) (Section 230.424(b) of this chapter) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.
  - c. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any change to such information in the registration statement.
2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing of this amended Form SB-2 Registration Statement and has duly caused this amended Form SB-2 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Montreal, Quebec, Canada on this 8<sup>th</sup> day of August, 2005.

### **VISUALMED CLINICAL SOLUTIONS CORPORATION**

BY: /s/ Gerard Dab  
Gerard Dab, Principal Executive Officer

BY: /s/ Philippe Rainville  
Philippe Rainville, Principal Financial Officer and  
Principal Accounting Officer

KNOW ALL MEN BY THESE PRESENT, that each person whose signature appears below constitutes and appoints Gerard Dab, as true and lawful attorney-in-fact and agent, with full power of substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendment (including post-effective amendments) to this registration statement, and to file the same, therewith, with the Securities and Exchange Commission, and to make any and all state securities law or blue sky filings, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in about the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying the confirming all that said attorney-in-fact and agent, or any substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this amended Form SB-2 Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

<b>Signature</b>	<b>Title</b>	<b>Date</b>
/s/ Gerard Dab Gerard Dab	Chairman of the Board of Directors	August 8, 2005
/s/ Dr. Arthur Gelston Dr. Arthur Gelston	Director	August 8, 2005
/s/ Philippe Panzini Philippe Panzini	Director	August 8, 2005
/s/ Louis J. Lombardo Louis J. Lombardo	Director	August 8, 2005

**MEMORANDUM OF A CONSULTANT AGREEMENT**

**THIS AGREEMENT** is made as of the March 7, 2005.

**B E T W E E N :**

**Claude Pellerin**, businessman, businessman, having a business place at 460 Saint-Gabriel, suite 21, city of Montreal, province of Québec, H2Y 2Z9

(Hereinafter referred to as the "Consultant")

- and -

**VisualMED Clinical Solutions Corp.** (formerly Ancona Mining Corp.), a corporation governed by the laws of Nevada having a business place at 1035 Laurier Street West, Outremont, H2V 2L1, herein represented by its Chairman of the Board, Gérard Dab, duly authorize as he so declares;

(Hereinafter referred to as the "Company")

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**RECITALS**

WHEREAS during the years 2004 and 2005 the Company has retained the services of the Consultant to facilitate the coordination of the legal process for the purpose to purchase some of the assets of of VisualMed Clinical System Corp. ("VSMD") by the Company.

**1. EMPLOYMENT**

The Company hereby as agreed to employ Claude Pellerin as a Consultant who was responsible for facilitating the transfer to the Company of the assets of VSMD, and the Consultant has hereby accepted such offer and has agreed to serve in such capacity.

**2. PERIOD OF EMPLOYMENT**

This Agreement has begin during the year 2004, at the first moment he was approach by the representatives of the Company, the Effective Date, and shall continue up until his services are no longer needed.

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**3. COMPENSATION**

The Company as accepted to compensate the Consultant as follow, for his services rendered during the year 2004-2005, an amount of 62,500.00USD payable in 25,000 restricted Common shares of the company.

**IN WITNESS WHEREOF** the parties have duly executed this Memorandum of an agreement as of the day and date first above written.

**SIGNED, SEALED AND DELIVERED** in the presence of:

/s/ Illegible  
Witness

/s/ Claude Pellerin  
Claude Pellerin

/s/ Gerard Dab

Gerard Dab,

VisualMed Clinical Solution Corp.



**MEMORANDUM OF A RETAINER AGREEMENT FOR LEGAL SERVICES**

**THIS AGREEMENT** is made as of the March 7, 2005.

**B E T W E E N :**

**Hovington Pellerin Simard**, general partnership, having a business place at 460 Saint-Gabriel, suite 21, city of Montreal, province of Québec, H2Y 2Z9

(Hereinafter referred to as the "Attorneys")

- and -

**VisualMED Clinical Solutions Corp.** (formerly Ancona Mining Corp.), a corporation governed by the laws of Nevada having a business place at 1035 Laurier Street West, Outremont, H2V 2L1, herein represented by its Chairman of the Board, Gérard Dab, duly authorize as he so declares;

(Hereinafter referred to as the "Company")

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**RECITALS**

**WHEREAS** during the years 2004 and 2005 the Company has retained the services of the Attorneys to facilitate the coordination of the legal process for the purchase of some assets of VisualMed Clinical System Corp. ("VSMD") by the Company, and a private placement.

**1. EMPLOYMENT**

A. The Company hereby as agreed to employ the Attorneys who were responsible to draft and prepare the documents pertaining to the purchase agreement and the documents related to the private placement.

B. The Attorneys have hereby accepted such offer and have agreed to serve in such capacity.

**2. PERIOD OF EMPLOYMENT**

This Agreement has begin in year 2004, at the first moment the Attorneys were approach by the representatives of the Company, the Effective Date, and shall continue up until their services are no longer needed.

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**3. COMPENSATION**

The Company as accepted to compensate the Attorneys as follow, for their services rendered up until now, an amount of 37,500.00SD, payable in 15,000 restricted Common shares of the company.

**4. TRANSFER**

The Attorneys have requested, for a reason of managing effectiveness, that the payment of 15,000 restricted shares be transferred to HPS Inc., their managing entity.

**IN WITNESS WHEREOF** the parties have duly executed this Memorandum of an agreement as of the day and date first above written.

**SIGNED, SEALED AND DELIVERED** in the presence of:

/s/ Illegible  
Witness

/s/ Claude Pellerin  
Claude Pellerin, Attorney at Law

Hovington Pellerin Simard, general partnership

/s/ Gerard Dab

Gerard Dab,  
VisualMed Clinical Solution Corp.

**THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VISUALMED CLINICAL SOLUTION CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.**

SERIES A WARRANT TO PURCHASE  
SHARES OF COMMON STOCK  
OF  
VISUALMED CLINICAL SOLUTION CORPORATION

Expires March 24, 2007

No.: W-A-04-03

Number of Shares: 400,438

Date of Issuance: March 24, 2005

FOR VALUE RECEIVED, subject to the provisions hereinafter set forth, the undersigned, VisualMed Clinical Solutions Corporation, a Nevada corporation (together with its successors and assigns, the "Issuer"), hereby certifies that Asset Protection Fund Ltd. or its registered assigns is entitled to subscribe for and purchase, during the Term (as hereinafter defined), up to four hundred thousand four hundred and thirty-eight (400,438) shares (subject to adjustment as hereinafter provided) of the duly authorized, validly issued, fully paid and non-assessable Common Stock of the Issuer, at an exercise price per share equal to the Warrant Price then in effect, subject, however, to the provisions and upon the terms and conditions hereinafter set forth. Capitalized terms used in this Warrant and not otherwise defined herein shall have the respective meanings specified in Section 9 hereof.

1. Term. The term of this Warrant shall commence on March 24, 2005 and shall expire at 5:00 p.m., eastern time, on March 24, 2007 (such period being the "Term").
2. Method of Exercise; Payment; Issuance of New Warrant; Transfer and Exchange.

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(a) Time of Exercise. The purchase rights represented by this Warrant may be exercised in whole or in part at any time during the Term.

(b) Method of Exercise. The Holder hereof may exercise this Warrant, in whole or in part, by the surrender of this Warrant (with the exercise form attached hereto duly executed) at the principal office of the Issuer, and by the payment to the Issuer of an amount of consideration therefor equal to the Warrant Price in effect on the date of such exercise multiplied by the number of shares of Warrant Stock with respect to which this Warrant is then being exercised, payable at such Holder's election (i) by certified or official bank check or by wire transfer to an account designated by the Issuer, (ii) by "cashless exercise" in accordance with the provisions of subsection (c) of this Section 2, but only until the date that a registration statement under the Securities Act providing for the resale of the Warrant Stock has been declared effective by the Securities and Exchange Commission, or (iii) by a combination of the foregoing methods of payment selected by the Holder of this Warrant.

(c) Cashless Exercise. Notwithstanding any provisions herein to the contrary, if (i) the Per Share Market Value of one share of Common Stock is greater than the Warrant Price (at the date of calculation as set forth below) and (ii) a registration statement under the Securities Act providing for the resale of the Warrant Stock has not been declared effective by the Securities and Exchange Commission, in lieu of exercising this Warrant by payment of cash, the Holder may exercise this Warrant by a cashless exercise and shall receive the number of shares of Common Stock equal to an amount (as determined below) by surrender of this Warrant at the principal office of the Issuer together with the properly endorsed Notice of Exercise in which event the Issuer shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = Y - (A)(Y)$$

B

- Where
- X = the number of shares of Common Stock to be issued to the Holder.
- Y = the number of shares of Common Stock purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised.
- A = the Warrant Price.
- B = the Per Share Market Value of one share of Common Stock.

(d) Issuance of Stock Certificates. In the event of any exercise of the rights represented by this Warrant in accordance with and subject to the terms and conditions hereof, (i) certificates for the shares of Warrant Stock so purchased shall be dated the date of such exercise and delivered to the Holder hereof within a reasonable time, not exceeding three (3) Trading Days after such exercise or, at the request of the Holder (provided that a registration statement under the Securities Act providing for the resale of the Warrant Stock is then in effect), issued and delivered to the Depository Trust Company ("DTC") account on the Holder's behalf via the Deposit Withdrawal Agent Commission System ("DWAC"), within a reasonable time, not exceeding three (3) Trading Days after such exercise,

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and the Holder hereof shall be deemed for all purposes to be the holder of the shares of Warrant Stock so purchased as of the date of such exercise and (ii) unless this Warrant has expired, a new Warrant representing the number of shares of Warrant Stock, if any, with respect to which this Warrant shall not then have been exercised (less any amount thereof which shall have been canceled in payment or partial payment of the Warrant Price as hereinabove provided) shall also be issued to the Holder hereof at the Issuer's expense within such time.

(e) Transferability of Warrant. Subject to Section 2(f), this Warrant may be transferred by a Holder without the consent of the Issuer. If transferred pursuant to this paragraph and subject to the provisions of Section 2(f), this Warrant may be transferred on the books of the Issuer by the Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant at the principal office of the Issuer, properly endorsed (by the Holder executing an assignment in the form attached hereto) and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. This Warrant is exchangeable at the principal office of the Issuer for Warrants to purchase the same aggregate number of shares of Warrant Stock, each new Warrant to represent the right to purchase such number of shares of Warrant Stock as the Holder hereof shall designate at the time of such exchange. All Warrants issued upon a transfer or exchange shall be dated the Original Issue Date and shall be identical with this Warrant except as to the number of shares of Warrant Stock issuable pursuant hereto.

(f) Compliance with Securities Laws.

(i) The Holder of this Warrant, by acceptance hereof, acknowledges that this Warrant or the shares of Warrant Stock to be issued upon exercise hereof, as applicable, are being acquired for the Holder's own account and not as a nominee for any other party, and for investment, and that the Holder will not offer, sell or otherwise dispose of this Warrant or any shares of Warrant Stock to be issued upon exercise hereof, except pursuant to an effective registration statement, or an exemption from registration, under the Securities Act and any applicable state securities laws.

(ii) Except as provided in Section 2(f)(iii), this Warrant and all certificates representing shares of Warrant Stock issued upon exercise hereof shall be stamped or imprinted with a legend in substantially the following form:

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VISUALMED CLINICAL SOLUTION CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

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iii) The Issuer agrees to reissue this Warrant or certificates representing any of the Warrant Stock, without the legend set forth above if at such time, prior to making any transfer of any such securities, the Holder shall give written notice to the Issuer describing the manner and terms of such transfer and removal as the Issuer may reasonably request. Such proposed transfer and

removal will not be effected until: (a) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer, to the effect that the registration of such securities under the Securities Act is not required in connection with such proposed transfer, (ii) a registration statement under the Securities Act covering such proposed disposition has been filed by the Issuer with the Securities and Exchange Commission and has become effective under the Securities Act, (iii) the Issuer has received other evidence reasonably satisfactory to the Issuer that such registration and qualification under the Securities Act and state securities laws are not required, or (iv) the Holder provides the Issuer with reasonable assurances that such security can be sold pursuant to Rule 144 under the Securities Act; and (b) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer, to the effect that registration or qualification under the securities or "blue sky" laws of any state is not required in connection with such proposed disposition, or (ii) compliance with applicable state securities or "blue sky" laws has been effected or a valid exemption exists with respect thereto. The Issuer will respond to any such notice from the Holder within five (5) business days. In the case of any proposed transfer under this Section 2(f), the Issuer will use reasonable best efforts to comply with any such applicable state securities or "blue sky" laws, but shall in no event be required, (x) to qualify to do business in any state where it is not then qualified, or (y) to take any action that would subject it to tax or to the general service of process in any state where it is not then subject. The restrictions on transfer contained in this Section 2(f) shall be in addition to, and not by way of limitation of, any other restrictions on transfer contained in any other section of this Warrant. Whenever a certificate representing the Warrant Stock is required to be issued to a the Holder without a legend, in lieu of delivering physical certificates representing the Warrant Stock, provided the Issuer's transfer agent is participating in the DTC Fast Automated Securities Transfer program, the Issuer shall use its reasonable best efforts to cause its transfer agent to electronically transmit the Warrant Stock to the Holder by crediting the account of the Holder's Prime Broker with DTC through DWAC (to the extent not inconsistent with any provisions of this Warrant or the Purchase Agreement).

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### 3. Stock Fully Paid; Reservation and Listing of Shares; Covenants.

(a) Stock Fully Paid. The Issuer represents, and warrants to the Holder, and covenants and agrees for the benefit of the Holder that all shares of Warrant Stock which may be issued upon the exercise of this Warrant or otherwise hereunder will, upon issuance, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens, charges or other encumbrances of any nature whatsoever created by or through the Issuer. The Issuer further covenants and agrees that during the period within which this Warrant may be exercised, the Issuer will at all times have authorized and reserved for the purpose of the issue upon exercise of this Warrant a sufficient number of shares of Common Stock to provide for the exercise of this Warrant.

(b) Reservation. If any shares of Common Stock required to be reserved for issuance upon exercise of this Warrant or as otherwise provided hereunder require registration or qualification with any governmental authority under any federal or state law before such shares may be so issued, the Issuer will in good faith use its best efforts at its expense to cause such shares to be duly registered or qualified. If the Issuer shall list any shares of Common Stock on any securities exchange or market it will, at its expense, list thereon, maintain and increase when necessary such listing, of, all shares of Warrant Stock from time to time issued upon exercise of this Warrant or as otherwise provided hereunder (provided that such Warrant Stock has been registered pursuant to a registration statement under the Securities Act then in effect), and, to the extent permissible under the applicable securities exchange rules, all unissued shares of Warrant Stock which are at any time issuable hereunder, so long as any shares of Common Stock shall be so listed. The Issuer will also so list on each securities exchange or market, and will maintain such listing of, any other securities which the Holder of this Warrant shall be entitled to receive upon the exercise of this Warrant if at the time any securities of the same class shall be listed on such securities exchange or market by the Issuer.

(c) Covenants. The Issuer shall not by any action including, without limitation, amending the Articles of Incorporation or the by-laws of the Issuer, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other action, avoid or seek to avoid the observance or performance of any of the terms or provisions of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder hereof against dilution (to the extent specifically provided herein) or impairment. Without limiting the generality of the foregoing, the Issuer will (i) not permit the par value, if any, of its Common Stock to exceed the then effective Warrant Price, (ii) not amend or modify any provision of the Articles of Incorporation or by-laws of the Issuer in any manner that would adversely affect the rights of the Holder of this Warrant, (iii) take all such action as may be reasonably necessary in order that the Issuer may validly and legally issue fully paid and nonassessable shares of Common Stock, free and clear of any liens, claims, encumbrances and restrictions (other than as provided herein) upon the exercise of this Warrant, and (iv) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be reasonably necessary to enable the Issuer to perform its obligations under this Warrant.

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(d) Loss, Theft, Destruction of Warrants. Upon receipt of evidence satisfactory to the Issuer of the ownership of and the loss, theft, destruction or mutilation of any Warrant and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Issuer or, in the case of any such mutilation, upon surrender and cancellation of such Warrant, the Issuer will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same number of shares of Common Stock.

4. Adjustment of Warrant Price and Warrant Share Number. The number of shares of Common Stock for which this Warrant is exercisable, and the price at which such shares may be purchased upon exercise of this Warrant, shall be subject to adjustment from time to time as set forth in this Section 4. The Issuer shall give the Holder notice of any event described below which requires an adjustment pursuant to this Section 4 in accordance with Section 5.

(a) Recapitalization, Reorganization, Reclassification, Consolidation, Merger or Sale.

(i) In case the Issuer after the Original Issue Date shall do any of the following (each, a "Triggering Event"): (a) consolidate with or merge into any other Person and the Issuer shall not be the continuing or surviving corporation of such consolidation or merger, or (b) permit any other Person to consolidate with or merge into the Issuer and the Issuer shall be the continuing or surviving Person but, in connection with such consolidation or merger, any Capital Stock of the Issuer shall be changed into or exchanged for Securities of any other Person or cash or any other property, or (c) transfer all or substantially all of its properties or assets to any other Person, or (d) effect a capital reorganization or reclassification of its Capital Stock, then, and in the case of each such Triggering Event, proper provision shall be made so that, upon the basis and the terms and in the manner provided in this Warrant, the Holder of this Warrant shall be entitled upon the exercise hereof at any time after the consummation of such Triggering Event, to the extent this Warrant is not exercised prior to such Triggering Event, to receive at the Warrant Price in effect at the time immediately prior to the consummation of such Triggering Event in lieu of the Common Stock issuable upon such exercise of this Warrant prior to such Triggering Event, the Securities, cash and property to which such Holder would have been entitled upon the consummation of such Triggering Event if such Holder had exercised the rights represented by this Warrant immediately prior thereto, subject to adjustments (subsequent to such corporate action) as nearly equivalent as possible to the adjustments provided for elsewhere in this Section 4.

(ii) Notwithstanding anything contained in this Warrant to the contrary, a Triggering Event shall not be deemed to have occurred if, prior to the consummation thereof, each Person (other than the Issuer) which may be required to deliver any Securities, cash or property upon the exercise of this Warrant as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the Holder of this Warrant, (A) the obligations of the Issuer under this Warrant (and if the Issuer shall survive the consummation of such Triggering Event, such assumption shall be in addition to, and shall not release the Issuer from, any continuing obligations of the Issuer under this Warrant) and (B) the obligation to deliver to such Holder such Securities, cash or property as, in accordance with the foregoing provisions of this subsection (a), such Holder shall be

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entitled to receive, and such Person shall have similarly delivered to such Holder an opinion of counsel for such Person, which counsel shall be reasonably satisfactory to such Holder, or in the alternative, a written acknowledgement executed by the President or Chief Financial Officer of the Issuer, stating that this Warrant shall thereafter continue in full force and effect and the terms hereof (including, without limitation, all of the provisions of this subsection (a)) shall be applicable to the Securities, cash or property which such Person may be required to deliver upon any exercise of this Warrant or the exercise of any rights pursuant hereto.

(b) Stock Dividends, Subdivisions and Combinations. If at any time the Issuer shall:

(i) take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend payable in, or other distribution of, shares of Common Stock,

(ii) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, or

(iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock,

then (1) the number of shares of Common Stock for which this Warrant is exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of shares of Common Stock which a record holder of the same number of shares of Common Stock for which this Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment.

(c) Certain Other Distributions. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive any dividend or other distribution of:

(i) cash (other than a cash dividend payable out of earnings or earned surplus legally available for the payment of dividends under the laws of the jurisdiction of incorporation of the Issuer),

(ii) any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Stock Equivalents or Additional Shares of Common Stock), or

(iii) any warrants or other rights to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Stock Equivalents or Additional Shares of Common Stock),

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then (1) the number of shares of Common Stock for which this Warrant is exercisable shall be adjusted to equal the product of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such adjustment multiplied by a fraction (A) the numerator of which shall be the Per Share Market Value of Common Stock at the date of taking such record and (B) the denominator of which shall be such Per Share Market Value minus the amount allocable to one share of Common Stock of any such cash so distributable and of the fair value (as determined in good faith by the Board of Directors of the Issuer and supported by an opinion from an investment banking firm of recognized national standing acceptable to (but not affiliated with) the Holder) of any and all such evidences of indebtedness, shares of stock, other securities or property or warrants or other subscription or purchase rights so distributable, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment. A reclassification of the Common Stock (other than a change in par value, or from par value to no par value or from no par value to par value) into shares of Common Stock and shares of any other class of stock shall be deemed a distribution by the Issuer to the holders of its Common Stock of such shares of such other class of stock within the meaning of this Section 4(c) and, if the outstanding shares of Common Stock shall be changed into a larger or smaller number of shares of Common Stock as a part of such reclassification, such change shall be deemed a subdivision or combination, as the case may be, of the outstanding shares of Common Stock within the meaning of Section 4(b).

(d) Issuance of Additional Shares of Common Stock.

(i) In the event the Issuer shall at any time issue any Additional Shares of Common Stock (otherwise than as provided in the foregoing subsections (b) through (c) of this Section 4), at a price per share less than the Per Share Market Value on the date of such issuance or without consideration, then the Warrant Price upon each such issuance shall be adjusted to that price determined by multiplying the Warrant Price then in effect by a fraction:

(A) the numerator of which shall be equal to the sum of (x) the number of shares of Outstanding Common Stock immediately prior to the issuance of such Additional Shares of Common Stock plus (y) the number of shares of Common Stock which the aggregate consideration for the total number of such Additional Shares of Common Stock so issued would purchase at a price per share equal to the Warrant Price then in effect, and

(B) the denominator of which shall be equal to the number of shares of Outstanding Common Stock immediately after the issuance of such Additional Shares of Common Stock.

(ii) The provisions of paragraph (i) of Section 4(d) shall not apply to any issuance of Additional Shares of Common Stock for which an adjustment is provided under Section 4(b) or 4(c). No adjustment of the number of shares of Common Stock for which this Warrant shall be exercisable shall be made under paragraph (i) of Section 4(d) upon the issuance of any Additional Shares of Common Stock which are issued pursuant to the

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exercise of any Common Stock Equivalents, if any such adjustment shall previously have been made upon the issuance of such Common Stock Equivalents (or upon the issuance of any warrant or other rights therefor) pursuant to Section 4(e) or Section 4(f).

(e) Issuance of Warrants or Other Rights. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a distribution of, or shall in any manner (whether directly or by assumption in a merger in which the Issuer is the surviving corporation) issue or sell, any Common Stock Equivalents (or issue any warrant or other rights therefor), whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Common Stock Equivalents (or any warrant or other rights therefor) shall be less than the Warrant Price in effect immediately prior to the time of such issue or sale, then the number of shares for which this Warrant is exercisable and the Warrant Price then in effect shall be adjusted as provided in Section 4(d) on the basis that the maximum number of Additional Shares of Common Stock issuable pursuant to all such Common Stock Equivalents (or upon the issuance of any warrant or other rights therefor) shall be deemed to have been issued and outstanding and the Issuer shall have received all of the consideration payable therefor, if any, as of the date of the actual issuance of such warrants or other rights. No adjustments of the Warrant Price then in effect or the number of Warrant Shares for which this Warrant is exercisable shall be made upon the actual issue of such Common Stock or of such Common Stock Equivalents upon exercise of such warrants or other rights or upon the actual issue of such Common Stock upon such conversion or exchange of such Common Stock Equivalents.

(f) Issuance of Common Stock Equivalents. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a distribution of, or shall in any manner (whether directly or by assumption in a merger in which the Issuer is the surviving corporation) issue or sell, any Common Stock Equivalents, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange shall be less than the Warrant Price in effect immediately prior to the time of such issue or sale, then the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be adjusted as provided in Section 4(d) on the basis that the maximum number of Additional Shares of Common Stock necessary to effect the conversion or exchange of all such Common Stock Equivalents shall be deemed to have been issued and outstanding and the Issuer shall have received all of the consideration payable therefor, if any, as of the date of actual issuance of such Common Stock Equivalents. No further adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made under this Section 4(f) upon the issuance of any Common Stock Equivalents which are issued pursuant to the exercise of any warrants or other subscription or purchase rights therefor, if any such adjustment shall previously have been made upon the issuance of such warrants or other rights pursuant to Section 4(e). No further adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made upon the actual issue of such Common Stock upon conversion or exchange of such Common Stock Equivalents.

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(g) Superseding Adjustment. If, at any time after any adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall have been made pursuant to Section 4(e) or Section 4(f) as the result of any issuance of warrants, other rights or Common Stock Equivalents, and (i) such warrants or other rights, or the right of conversion or exchange in such other Common Stock Equivalents, shall expire, and all or a portion of such warrants or other rights, or the right of conversion or exchange with respect to all or a portion of such other Common Stock Equivalents, as the case may be shall not have been exercised, or (ii) the consideration per share for which shares of Common Stock are issuable pursuant to such Common Stock Equivalents, shall be increased solely by virtue of provisions therein contained for an automatic increase in such consideration per share upon the occurrence of a specified date or event, then for each outstanding Warrant such previous adjustment shall be rescinded and annulled and the Additional Shares of Common Stock which were deemed to have been issued by virtue of the computation made in connection with the adjustment so rescinded and annulled shall no longer be deemed to have been issued by virtue of such computation. Upon the occurrence of an event set forth in this Section 4(g) above, there shall be a recomputation made of the effect of such Common Stock Equivalents on the basis of: (i) treating the number of Additional Shares of Common Stock or other property, if any, theretofore actually issued or issuable pursuant to the previous exercise of any such warrants or other rights or any such right of conversion or exchange, as having been issued on the date or dates of any such exercise and for the consideration actually received and receivable therefor, and (ii) treating any such Common Stock Equivalents which then remain outstanding as having been granted or issued immediately after the time of such increase of the consideration per share for which shares of Common Stock or other property are issuable under such Common Stock Equivalents; whereupon a new adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made, which new adjustment shall supersede the previous adjustment so rescinded and annulled.

(h) Purchase of Common Stock by the Issuer. If the Issuer at any time while this Warrant is outstanding shall, directly or indirectly through a Subsidiary or otherwise, purchase, redeem or otherwise acquire any shares of Common Stock at a price per share greater than the Per Share Market Value, then the Warrant Price upon each such purchase, redemption or acquisition shall be adjusted to that price determined by multiplying such Warrant Price by a fraction (i) the numerator of which shall be the number of shares of Outstanding Common Stock immediately prior to such purchase, redemption or acquisition minus the number of shares of Common Stock which the aggregate consideration for the total number of such shares of Common Stock so purchased, redeemed or acquired would purchase at the Per Share Market Value; and (ii) the denominator of which shall be the number of shares of Outstanding Common Stock immediately after such purchase, redemption or acquisition. For the purposes of this subsection (h), the date as of which the Per Share Market Price shall be computed shall be the earlier of (x) the date on which the Issuer shall enter into a firm contract for the purchase, redemption or acquisition of such Common Stock, or (y) the date of actual purchase, redemption or acquisition of such Common Stock. For the purposes of this subsection (h), a purchase, redemption or acquisition of a Common Stock Equivalent shall be deemed to be a purchase of the underlying Common Stock, and the computation herein required shall be made on the basis of the full exercise, conversion or exchange of such Common Stock Equivalent on the date as of which such computation is required hereby to be made, whether or not such Common Stock Equivalent is actually exercisable, convertible or exchangeable on such date.

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(i) Other Provisions applicable to Adjustments under this Section. The following provisions shall be applicable to the making of adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect provided for in this Section 4:

(i) Computation of Consideration. To the extent that any Additional Shares of Common Stock or any Common Stock Equivalents (or any warrants or other rights therefor) shall be issued for cash consideration, the consideration received by the Issuer therefor shall be the amount of the cash received by the Issuer therefor, or, if such Additional Shares of Common Stock or



Common Stock Equivalents are offered by the Issuer for subscription, the subscription price, or, if such Additional Shares of Common Stock or Common Stock Equivalents are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price (in any such case subtracting any amounts paid or receivable for accrued interest or accrued dividends and without taking into account any compensation, discounts or expenses paid or incurred by the Issuer for and in the underwriting of, or otherwise in connection with, the issuance thereof). To the extent that such issuance shall be for a consideration other than cash, then, except as herein otherwise expressly provided, the amount of such consideration shall be deemed to be the fair value of such consideration at the time of such issuance as determined in good faith by the Board of Directors of the Issuer. In case any Additional Shares of Common Stock or any Common Stock Equivalents (or any warrants or other rights therefor) shall be issued in connection with any merger in which the Issuer issues any securities, the amount of consideration therefor shall be deemed to be the fair value, as determined in good faith by the Board of Directors of the Issuer, of such portion of the assets and business of the nonsurviving corporation as such Board in good faith shall determine to be attributable to such Additional Shares of Common Stock, Common Stock Equivalents, or any warrants or other rights therefor, as the case may be. The consideration for any Additional Shares of Common Stock issuable pursuant to any warrants or other rights to subscribe for or purchase the same shall be the consideration received by the Issuer for issuing such warrants or other rights plus the additional consideration payable to the Issuer upon exercise of such warrants or other rights. The consideration for any Additional Shares of Common Stock issuable pursuant to the terms of any Common Stock Equivalents shall be the consideration received by the Issuer for issuing warrants or other rights to subscribe for or purchase such Common Stock Equivalents, plus the consideration paid or payable to the Issuer in respect of the subscription for or purchase of such Common Stock Equivalents, plus the additional consideration, if any, payable to the Issuer upon the exercise of the right of conversion or exchange in such Common Stock Equivalents. In case of the issuance at any time of any Additional Shares of Common Stock or Common Stock Equivalents in payment or satisfaction of any dividends upon any class of stock other than Common Stock, the Issuer shall be deemed to have received for such Additional Shares of Common Stock or Common Stock Equivalents a consideration equal to the amount of such dividend so paid or satisfied.

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(ii) When Adjustments to Be Made. The adjustments required by this Section 4 shall be made whenever and as often as any specified event requiring an adjustment shall occur, except that any adjustment of the number of shares of Common Stock for which this Warrant is exercisable that would otherwise be required may be postponed (except in the case of a subdivision or combination of shares of the Common Stock, as provided for in Section 4(b)) up to, but not beyond the date of exercise if such adjustment either by itself or with other adjustments not previously made adds or subtracts less than one percent (1%) of the shares of Common Stock for which this Warrant is exercisable immediately prior to the making of such adjustment. Any adjustment representing a change of less than such minimum amount (except as aforesaid) which is postponed shall be carried forward and made as soon as such adjustment, together with other adjustments required by this Section 4 and not previously made, would result in a minimum adjustment or on the date of exercise. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(iii) Fractional Interests. In computing adjustments under this Section 4, fractional interests in Common Stock shall be taken into account to the nearest one one-hundredth (1/100<sup>th</sup>) of a share.

(iv) When Adjustment Not Required. If the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(j) Form of Warrant after Adjustments. The form of this Warrant need not be changed because of any adjustments in the Warrant Price or the number and kind of Securities purchasable upon the exercise of this Warrant.

(k) Escrow of Warrant Stock. If after any property becomes distributable pursuant to this Section 4 by reason of the taking of any record of the holders of Common Stock, but prior to the occurrence of the event for which such record is taken, and the Holder exercises this Warrant, any shares of Common Stock issuable upon exercise by reason of such adjustment shall be deemed the last shares of Common Stock for which this Warrant is exercised (notwithstanding any other provision to the contrary herein) and such shares or other property shall be held in escrow for the Holder by the Issuer to be issued to the Holder upon and to the extent that the event actually takes place, upon payment of the current Warrant Price. Notwithstanding any other provision to the contrary herein, if the event for which such record was taken fails to occur or is rescinded, then such escrowed shares shall be cancelled by the Issuer and escrowed property returned.

5. Notice of Adjustments. Whenever the Warrant Price or Warrant Share Number shall be adjusted pursuant to Section 4 hereof (for purposes of this Section 5, each an "adjustment"), the Issuer shall cause its Chief Financial Officer to prepare and execute a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such

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Board made any determination hereunder), and the Warrant Price and Warrant Share Number after giving effect to such adjustment, and shall cause copies of such certificate to be delivered to the Holder of this Warrant promptly after each adjustment. Any dispute between the Issuer and the Holder of this Warrant with respect to the matters set forth in such certificate may at the option of the Holder of this Warrant be submitted to one of the national accounting firms currently known as the "big four" selected by the Holder; provided that the Issuer shall have ten (10) days after receipt of notice from such Holder of its selection of such firm to object thereto, in which case such Holder shall select another such firm and the Issuer shall have no such right of objection. The firm selected by the Holder of this Warrant as provided in the preceding sentence shall be instructed to deliver a written opinion as to such matters to the Issuer and such Holder within thirty (30) days after submission to it of such dispute. Such opinion shall be final and binding on the parties hereto.

6. Fractional Shares. No fractional shares of Warrant Stock will be issued in connection with any exercise hereof, but in lieu of such fractional shares, the Issuer shall make a cash payment therefor equal in amount to the product of the applicable fraction multiplied by the Per Share Market Value then in effect.
7. Ownership Cap and Certain Exercise Restrictions. (a) Notwithstanding anything to the contrary set forth in this Warrant, at no time may a Holder of this Warrant exercise this Warrant if the number of shares of Common Stock to be issued pursuant to such exercise would exceed, when aggregated with all other shares of Common Stock owned by such Holder at such time, the number of shares of Common Stock which would result in such Holder owning more than 4.999% of all of the Common Stock outstanding at such time; provided, however, that upon the Holder of this Warrant providing the Issuer with sixty-one (61) days notice (pursuant to Section 12 hereof) (the "Waiver Notice") that such Holder would like to waive this Section 7(a) with regard to any or all shares of Common Stock issuable upon exercise of this Warrant, this Section 7(a) will be of no force or effect with regard to all or a portion of the Warrant referenced in the Waiver Notice; provided, further, that this provision shall be of no further force or effect during the sixty-one (61) days immediately preceding the expiration of the term of this Warrant.
- (b) The Holder may not exercise the Warrant hereunder to the extent such exercise would result in the Holder beneficially owning (as determined in accordance with Section 13(d) of the Exchange Act and the rules thereunder) in excess of 9.999% of the then issued and outstanding shares of Common Stock, including shares issuable upon exercise of this Warrant held by the Holder; provided, however, that upon a holder of this Warrant providing the Issuer with a Waiver Notice that such holder would like to waive this Section 7(b) with regard to any or all shares of Common Stock issuable upon exercise of this Warrant, this Section 7(b) shall be of no force or effect with regard to those shares of Warrant Stock referenced in the Waiver Notice; provided, further, that this provision shall be of no further force or effect during the sixty-one (61) days immediately preceding the expiration of the term of this Warrant.
8. Call. Notwithstanding anything herein to the contrary, the Issuer, at its option, may call up to one hundred percent (100%) of this Warrant by providing the Holder of this Warrant written notice pursuant to Section 13 (the "Call Notice") if the Per Share Market Value of the Common Stock has been equal to or greater than \$2.25 for a period of thirty (30) consecutive Trading Days immediately prior to the date of delivery of the Call Notice; provided, that

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(i) a registration statement under the Securities Act providing for the resale of the Warrant Stock and the Common Stock issued pursuant to the Purchase Agreement is then in effect and has been effective, without lapse or suspension of any kind, for a period of thirty (30) consecutive Trading Days, (ii) trading in the Common Stock shall not have been suspended by the Securities and Exchange Commission or the OTC Bulletin Board and (iii) the Issuer is in material compliance with the terms and conditions of this Warrant and the other Transaction Documents (as defined in the Purchase Agreement); provided, further, that a registration statement under the Securities Act providing for the resale of the Warrant Stock and the Common Stock issued pursuant to the Purchase Agreement is in effect from the date of delivery of the Call Notice until the date which is the later of (A) the date the Holder exercises the Warrant pursuant to the Call Notice and (B) the 20<sup>th</sup> Trading Day after the Holder receives the Call Notice (the "Early Termination Date"). The rights and privileges granted pursuant to this Warrant with respect to the shares of Warrant Stock subject to the Call Notice (the "Called Warrant Shares") shall expire on the Early Termination Date if this Warrant is not exercised with respect to such Called Warrant Shares prior to such Early Termination Date. In the event this Warrant is not exercised with respect to the Called Warrant Shares, the Issuer shall remit to the Holder of this Warrant a new Warrant representing the number of shares of Warrant Stock, if any, which shall not have been subject to the Call Notice upon the Holder tendering to the Issuer the applicable Warrant certificate.

9. Definitions. For the purposes of this Warrant, the following terms have the following meanings:

"Additional Shares of Common Stock" means all shares of Common Stock issued by the Issuer after the Original Issue Date, and all shares of Other Common, if any, issued by the Issuer after the Original Issue Date, except: (i) the Issuer's issuance of Common Stock and warrants therefore in connection with a merger, acquisition, or consolidation; provided that the Warrant Price shall be adjusted in accordance with Section 4(a)(i), (ii) the issuance of shares of Common Stock or warrants therefore in connection with strategic license agreements so long as such issuances are not for the purpose of raising capital, (iii) the Issuer's issuance of Common Stock or the issuance or grants of options to purchase Common Stock pursuant to the Issuer's stock option plans and employee stock purchase plans

as they now exist, and (iv) the issuance of Common Stock upon the exercise or conversion of any securities outstanding on the date hereof.

"Articles of Incorporation" means the Articles of Incorporation of the Issuer as in effect on the Original Issue Date, and as hereafter from time to time amended, modified, supplemented or restated in accordance with the terms hereof and thereof and pursuant to applicable law.

"Board" shall mean the Board of Directors of the Issuer.

"Capital Stock" means and includes (i) any and all shares, interests, participations or other equivalents of or interests in (however designated) corporate stock, including, without limitation, shares of preferred or preference stock, (ii) all partnership interests (whether general or limited) in any Person which is a partnership, (iii) all membership interests or

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limited liability company interests in any limited liability company, and (iv) all equity or ownership interests in any Person of any other type.

"Common Stock" means the Common Stock, par value \$0.00001 per share, of the Issuer and any other Capital Stock into which such stock may hereafter be changed.

"Common Stock Equivalent" means any Convertible Security or warrant, option or other right to subscribe for or purchase any Additional Shares of Common Stock or any Convertible Security.

"Convertible Securities" means evidences of Indebtedness, shares of Capital Stock or other Securities which are or may be at any time convertible into or exchangeable for Additional Shares of Common Stock. The term "Convertible Security" means one of the Convertible Securities.

"Governmental Authority" means any governmental, regulatory or self-regulatory entity, department, body, official, authority, commission, board, agency or instrumentality, whether federal, state or local, and whether domestic or foreign.

"Holder" means the Person who holds this Warrant. The term "Holders" means one of the Persons who shall from time to time hold this Warrant.

"Independent Appraiser" means a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Issuer) that is regularly engaged in the business of appraising the Capital Stock or assets of corporations or other entities as going concerns, and which is not affiliated with either the Issuer or the Holder of any Warrant.

"Issuer" means VisualMED Clinical Solutions Corporation, a Nevada corporation, and its successors and assigns.

"Majority Holders" means at any time the Holders of Warrants exercisable for a majority of the shares of Warrant Stock issuable under the Warrants at the time outstanding.

"Original Issue Date" means March 23, 2005.

"OTC Bulletin Board" means the over-the-counter electronic bulletin board.

"Other Common" means any other Capital Stock of the Issuer of any class which shall be authorized at any time after the date of this Warrant (other than Common Stock) and which shall have the right to participate in the distribution of earnings and assets of the Issuer without limitation as to amount.

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"Outstanding Common Stock" means, at any given time, the aggregate amount of outstanding shares of Common Stock, assuming full exercise, conversion or exchange (as applicable) of all options, warrants and other Securities which are convertible into or exercisable or exchangeable for, and any right to subscribe for, shares of Common Stock that are outstanding at such time.

"Person" means an individual, corporation, limited liability company, partnership, joint stock company, trust, unincorporated organization, joint venture, Governmental Authority or other entity of whatever nature.

"Per Share Market Value" means on any particular date (a) the closing bid price for a share of Common Stock in the over-the-counter market, as reported by the OTC Bulletin Board or in the National Quotation Bureau Incorporated or similar organization or agency succeeding to its functions of reporting prices) at the close of business on such date, or (b) if the Common Stock is not then reported by

the OTC Bulletin Board or the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), then the average of the "Pink Sheet" quotes for the relevant conversion period, as determined in good faith by the holder, or (c) if the Common Stock is not then publicly traded the fair market value of a share of Common Stock as determined by the Board in good faith; provided, however, that the Majority Holders, after receipt of the determination by the Board, shall have the right to select, jointly with the Issuer, an Independent Appraiser, in which case, the fair market value shall be the determination by such Independent Appraiser; and provided, further that all determinations of the Per Share Market Value shall be appropriately adjusted for any stock dividends, stock splits or other similar transactions during such period. The determination of fair market value shall be based upon the fair market value of the Issuer determined on a going concern basis as between a willing buyer and a willing seller and taking into account all relevant factors determinative of value, and shall be final and binding on all parties. In determining the fair market value of any shares of Common Stock, no consideration shall be given to any restrictions on transfer of the Common Stock imposed by agreement or by federal or state securities laws, or to the existence or absence of, or any limitations on, voting rights.

"Purchase Agreement" means the Common Stock Purchase Agreement dated as of March 23, 2005 among the Issuer and the Purchasers.

"Purchasers" means the purchasers of Common Stock and Warrants issued by the Issuer pursuant to the Purchase Agreement.

"Securities" means any debt or equity securities of the Issuer, whether now or hereafter authorized, any instrument convertible into or exchangeable for Securities or a Security, and any option, warrant or other right to purchase or acquire any Security. "Security" means one of the Securities.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute then in effect.

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"Subsidiary" means any corporation at least 50% of whose outstanding Voting Stock shall at the time be owned directly or indirectly by the Issuer or by one or more of its Subsidiaries, or by the Issuer and one or more of its Subsidiaries.

"Term" has the meaning specified in Section 1 hereof.

"Trading Day" means (a) a day on which the Common Stock is traded on the OTC Bulletin Board, or (b) if the Common Stock is not traded on the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding its functions of reporting prices); provided, however, that in the event that the Common Stock is not listed or quoted as set forth in (a) or (b) hereof, then Trading Day shall mean any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

"Voting Stock" means, as applied to the Capital Stock of any corporation, Capital Stock of any class or classes (however designated) having ordinary voting power for the election of a majority of the members of the Board of Directors (or other governing body) of such corporation, other than Capital Stock having such power only by reason of the happening of a contingency.

"Warrants" means the Warrants issued and sold pursuant to the Purchase Agreement, including, without limitation, this Warrant, and any other warrants of like tenor issued in substitution or exchange for any thereof pursuant to the provisions of Section 2(c), 2(d) or 2(e) hereof or of any of such other Warrants.

"Warrant Price" initially means US\$1.25, as such price may be adjusted from time to time as shall result from the adjustments specified in this Warrant, including Section 4 hereto.

"Warrant Share Number" means at any time the aggregate number of shares of Warrant Stock which may at such time be purchased upon exercise of this Warrant, after giving effect to all prior adjustments and increases to such number made or required to be made under the terms hereof.

"Warrant Stock" means Common Stock issuable upon exercise of any Warrant or Warrants or otherwise issuable pursuant to any Warrant or Warrants.

10. Other Notices. In case at any time:

(A) the Issuer shall make any distributions to the holders of Common Stock; or

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(B) the Issuer shall authorize the granting to all holders of its Common Stock of rights to subscribe for or purchase any shares of Capital Stock of any class or other rights; or

- (C) there shall be any reclassification of the Capital Stock of the Issuer; or
- (D) there shall be any capital reorganization by the Issuer; or
- (E) there shall be any (i) consolidation or merger involving the Issuer or (ii) sale, transfer or other disposition of all or substantially all of the Issuer's property, assets or business (except a merger or other reorganization in which the Issuer shall be the surviving corporation and its shares of Capital Stock shall continue to be outstanding and unchanged and except a consolidation, merger, sale, transfer or other disposition involving a wholly-owned Subsidiary); or
- (F) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Issuer or any partial liquidation of the Issuer or distribution to holders of Common Stock;

then, in each of such cases, the Issuer shall give written notice to the Holder of the date on which (i) the books of the Issuer shall close or a record shall be taken for such dividend, distribution or subscription rights or (ii) such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be, shall take place. Such notice also shall specify the date as of which the holders of Common Stock of record shall participate in such dividend, distribution or subscription rights, or shall be entitled to exchange their certificates for Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Issuer's transfer books are closed in respect thereto. This Warrant entitles the Holder to receive copies of all financial and other information distributed or required to be distributed to the holders of the Common Stock.

11. Amendment and Waiver. Any term, covenant, agreement or condition in this Warrant may be amended, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), by a written instrument or written instruments executed by the Issuer and the Majority Holders; provided, however, that no such amendment or waiver shall reduce the Warrant Share Number, increase the Warrant Price, shorten the period during which this Warrant may be exercised or modify any provision of this Section 11 without the consent of the Holder of this Warrant.

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12. Governing Law. THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA, WITHOUT GIVING EFFECT TO ANY OF ITS PRINCIPLES OF CONFLICTS OF LAW WHICH WOULD RESULT IN THE APPLICATION OF THE SUBSTANTIVE LAW OF ANOTHER JURISDICTION.

13. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earlier of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice prior to 5:00 p.m., eastern time, on a Trading Day, (ii) the Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice later than 5:00 p.m., eastern time, on any date and earlier than 11:59 p.m., eastern time, on such date, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service or (iv) actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be with respect to the Holder of this Warrant or of Warrant Stock issued pursuant hereto, addressed to such Holder at its last known address or facsimile number appearing on the books of the Issuer maintained for such purposes, or with respect to the Issuer, addressed to:

1035 LAURIER STREET WEST  
Suite 200  
MONTREAL, QUEBEC, CANADA H2V 2L1  
Attention: Gerard Dab, Chairman and CEO  
Tel. No.: 1-514-274-1115  
Fax No.: 1-514-274-8364

with copies (which copies shall not constitute notice to the Issuer) to:

Conrad C. Lysiak, Esq.  
Attorney at Law  
601 West First Avenue, Suite 503  
Spokane, Washington 99201  
Tel. No.: (509) 624-1475  
Fax No.: (509) 747-1770

Copies of notices to the Holder shall be sent to Hovington Pellerin Simard, General Partnership 460, Saint-Gabriel, Suite 21 Montreal, Quebec, Canada, H2Y 2Z9, Attention: Claude Pellerin, Facsimile No.: (514) 397-0480. Any party hereto may from time to time change its

address for notices by giving at least ten (10) days written notice of such changed address to the other party hereto.

14. Warrant Agent. The Issuer may, by written notice to each Holder of this Warrant, appoint an agent having an office in New York, New York for the purpose of issuing shares of Warrant Stock on the exercise of this Warrant pursuant to subsection (b) of Section 2 hereof, exchanging this Warrant pursuant to subsection (d) of Section 2 hereof or

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replacing this Warrant pursuant to subsection (d) of Section 3 hereof, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such agent.

15. Remedies. The Issuer stipulates that the remedies at law of the Holder of this Warrant in the event of any breach or threatened breach by the Issuer in the performance of or compliance with any of the terms or provisions of this Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms or provisions may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms or provisions hereof or otherwise.
16. Successors and Assigns. This Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors and assigns of the Issuer, the Holder hereof and (to the extent provided herein) the Holders of Warrant Stock issued pursuant hereto, and shall be enforceable by any such Holder or Holders of Warrant Stock.
17. Severability. If, in any action before any court or agency legally empowered to enforce any provision contained herein, any provision hereof is found to be unenforceable, then such provision shall be deemed modified to the extent necessary to make it enforceable by such court or agency. If any such provision is not enforceable as set forth in the preceding sentence, the unenforceability of such provision shall not affect the other provisions of this Warrant, but this Warrant shall be construed as if such unenforceable provision had never been contained herein.
18. Headings. The headings of the Sections of this Warrant are for convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant and shall not influence the construction or interpretation of this Warrant.

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IN WITNESS WHEREOF, the Issuer has executed this Series A Warrant as of the day and year first above written.

**VISUALMED CLINICAL SOLUTION CORPORATION**

By: /s/ Gérard Dab  
Name: Gérard Dab  
Title: Chairman & CEO

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EXERCISE FORM  
SERIES A WARRANT

**VISUALMED CLINICAL SOLUTIONS CORPORATION**

The undersigned \_\_\_\_\_, pursuant to the provisions of the within Warrant, hereby elects to purchase \_\_\_\_\_ shares of Common Stock of \_\_\_\_\_ covered by the within Warrant.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Warrant and all rights evidenced thereby and does irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Warrant on the books of the within named corporation.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

PARTIAL ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the right to purchase \_\_\_\_\_ shares of Warrant Stock evidenced by the within Warrant together with all rights therein, and does irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer that part of the said Warrant on the books of the within named corporation.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

FOR USE BY THE ISSUER ONLY:

This Warrant No. W-\_\_\_\_ canceled (or transferred or exchanged) this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, shares of Common Stock issued therefor in the name of \_\_\_\_\_, Warrant No. W-\_\_\_\_ issued for \_\_\_\_\_ shares of Common Stock in the name of \_\_\_\_\_.





**THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VISUALMED CLINICAL SOLUTION CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.**

SERIES A WARRANT TO PURCHASE  
SHARES OF COMMON STOCK  
OF  
VISUALMED CLINICAL SOLUTION CORPORATION

Expires March 23, 2007

No.: W-A-04-02

Number of Shares: 553,370

Date of Issuance: March 23, 2005

FOR VALUE RECEIVED, subject to the provisions hereinafter set forth, the undersigned, VisualMed Clinical Solutions Corporation, a Nevada corporation (together with its successors and assigns, the "Issuer"), hereby certifies that Aton Select Fund Ltd. or its registered assigns is entitled to subscribe for and purchase, during the Term (as hereinafter defined), up to five hundred and fifty-three thousand three hundred and seventy (553,370) shares (subject to adjustment as hereinafter provided) of the duly authorized, validly issued, fully paid and non-assessable Common Stock of the Issuer, at an exercise price per share equal to the Warrant Price then in effect, subject, however, to the provisions and upon the terms and conditions hereinafter set forth. Capitalized terms used in this Warrant and not otherwise defined herein shall have the respective meanings specified in Section 9 hereof.

1. Term. The term of this Warrant shall commence on March 23, 2005 and shall expire at 5:00 p.m., eastern time, on March 23, 2007 (such period being the "Term").

2. Method of Exercise; Payment; Issuance of New Warrant; Transfer and Exchange.

(a) Time of Exercise. The purchase rights represented by this Warrant may be exercised in whole or in part at any time during the Term.

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(b) Method of Exercise. The Holder hereof may exercise this Warrant, in whole or in part, by the surrender of this Warrant (with the exercise form attached hereto duly executed) at the principal office of the Issuer, and by the payment to the Issuer of an amount of consideration therefor equal to the Warrant Price in effect on the date of such exercise multiplied by the number of shares of Warrant Stock with respect to which this Warrant is then being exercised, payable at such Holder's election (i) by certified or official bank check or by wire transfer to an account designated by the Issuer, (ii) by "cashless exercise" in accordance with the provisions of subsection (c) of this Section 2, but only until the date that a registration statement under the Securities Act providing for the resale of the Warrant Stock has been declared effective by the Securities and Exchange Commission, or (iii) by a combination of the foregoing methods of payment selected by the Holder of this Warrant.

(c) Cashless Exercise. Notwithstanding any provisions herein to the contrary, if (i) the Per Share Market Value of one share of Common Stock is greater than the Warrant Price (at the date of calculation as set forth below) and (ii) a registration statement under the Securities Act providing for the resale of the Warrant Stock has not been declared effective by the Securities and Exchange Commission, in lieu of exercising this Warrant by payment of cash, the Holder may exercise this Warrant by a cashless exercise and shall receive the number of shares of Common Stock equal to an amount (as determined below) by surrender of this Warrant at the principal office of the Issuer together with the properly endorsed Notice of Exercise in which event the Issuer shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = Y - \frac{(A)(Y)}{B}$$

Where X = the number of shares of Common Stock to be issued to the Holder.

Y = the number of shares of Common Stock purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised.

A = the Warrant Price.

B = the Per Share Market Value of one share of Common Stock.

(d) Issuance of Stock Certificates. In the event of any exercise of the rights represented by this Warrant in accordance with and subject to the terms and conditions hereof, (i) certificates for the shares of Warrant Stock so purchased shall be dated the date of such exercise and delivered to the Holder hereof within a reasonable time, not exceeding three (3) Trading Days after such exercise or, at the request of the Holder (provided that a registration statement under the Securities Act providing for the resale of the Warrant Stock is then in effect), issued and delivered to the Depository Trust Company ("DTC") account on the Holder's behalf via the Deposit Withdrawal Agent Commission System ("DWAC"), within a reasonable time, not exceeding three (3) Trading Days after such exercise, and the Holder hereof shall be deemed for all purposes to be the holder of the shares of Warrant Stock so purchased

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as of the date of such exercise and (ii) unless this Warrant has expired, a new Warrant representing the number of shares of Warrant Stock, if any, with respect to which this Warrant shall not then have been exercised (less any amount thereof which shall have been canceled in payment or partial payment of the Warrant Price as hereinabove provided) shall also be issued to the Holder hereof at the Issuer's expense within such time.

(e) Transferability of Warrant. Subject to Section 2(f), this Warrant may be transferred by a Holder without the consent of the Issuer. If transferred pursuant to this paragraph and subject to the provisions of Section 2(f), this Warrant may be transferred on the books of the Issuer by the Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant at the principal office of the Issuer, properly endorsed (by the Holder executing an assignment in the form attached hereto) and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. This Warrant is exchangeable at the principal office of the Issuer for Warrants to purchase the same aggregate number of shares of Warrant Stock, each new Warrant to represent the right to purchase such number of shares of Warrant Stock as the Holder hereof shall designate at the time of such exchange. All Warrants issued upon a transfer or exchange shall be dated the Original Issue Date and shall be identical with this Warrant except as to the number of shares of Warrant Stock issuable pursuant hereto.

(f) Compliance with Securities Laws.

(i) The Holder of this Warrant, by acceptance hereof, acknowledges that this Warrant or the shares of Warrant Stock to be issued upon exercise hereof, as applicable, are being acquired for the Holder's own account and not as a nominee for any other party, and for investment, and that the Holder will not offer, sell or otherwise dispose of this Warrant or any shares of Warrant Stock to be issued upon exercise hereof, except pursuant to an effective registration statement, or an exemption from registration, under the Securities Act and any applicable state securities laws.

(ii) Except as provided in Section 2(f)(iii), this Warrant and all certificates representing shares of Warrant Stock issued upon exercise hereof shall be stamped or imprinted with a legend in substantially the following form:

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VISUALMED CLINICAL SOLUTION CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

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(iii) The Issuer agrees to reissue this Warrant or certificates representing any of the Warrant Stock, without the legend set forth above if at such time, prior to making any transfer of any such securities, the Holder shall give written notice to the Issuer describing the manner and terms of such transfer and removal as the Issuer may reasonably request. Such proposed transfer and removal will not be effected until: (a) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer,

to the effect that the registration of such securities under the Securities Act is not required in connection with such proposed transfer, (ii) a registration statement under the Securities Act covering such proposed disposition has been filed by the Issuer with the Securities and Exchange Commission and has become effective under the Securities Act, (iii) the Issuer has received other evidence reasonably satisfactory to the Issuer that such registration and qualification under the Securities Act and state securities laws are not required, or (iv) the Holder provides the Issuer with reasonable assurances that such security can be sold pursuant to Rule 144 under the Securities Act; and (b) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer, to the effect that registration or qualification under the securities or "blue sky" laws of any state is not required in connection with such proposed disposition, or (ii) compliance with applicable state securities or "blue sky" laws has been effected or a valid exemption exists with respect thereto. The Issuer will respond to any such notice from the Holder within five (5) business days. In the case of any proposed transfer under this Section 2(f), the Issuer will use reasonable best efforts to comply with any such applicable state securities or "blue sky" laws, but shall in no event be required, (x) to qualify to do business in any state where it is not then qualified, or (y) to take any action that would subject it to tax or to the general service of process in any state where it is not then subject. The restrictions on transfer contained in this Section 2(f) shall be in addition to, and not by way of limitation of, any other restrictions on transfer contained in any other section of this Warrant. Whenever a certificate representing the Warrant Stock is required to be issued to a the Holder without a legend, in lieu of delivering physical certificates representing the Warrant Stock, provided the Issuer's transfer agent is participating in the DTC Fast Automated Securities Transfer program, the Issuer shall use its reasonable best efforts to cause its transfer agent to electronically transmit the Warrant Stock to the Holder by crediting the account of the Holder's Prime Broker with DTC through DWAC (to the extent not inconsistent with any provisions of this Warrant or the Purchase Agreement).

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### 3. Stock Fully Paid; Reservation and Listing of Shares; Covenants.

(a) Stock Fully Paid. The Issuer represents, and warrants to the Holder, and covenants and agrees for the benefit of the Holder that all shares of Warrant Stock which may be issued upon the exercise of this Warrant or otherwise hereunder will, upon issuance, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens, charges or other encumbrances of any nature whatsoever created by or through the Issuer. The Issuer further covenants and agrees that during the period within which this Warrant may be exercised, the Issuer will at all times have authorized and reserved for the purpose of the issue upon exercise of this Warrant a sufficient number of shares of Common Stock to provide for the exercise of this Warrant.

(b) Reservation. If any shares of Common Stock required to be reserved for issuance upon exercise of this Warrant or as otherwise provided hereunder require registration or qualification with any governmental authority under any federal or state law before such shares may be so issued, the Issuer will in good faith use its best efforts at its expense to cause such shares to be duly registered or qualified. If the Issuer shall list any shares of Common Stock on any securities exchange or market it will, at its expense, list thereon, maintain and increase when necessary such listing, of, all shares of Warrant Stock from time to time issued upon exercise of this Warrant or as otherwise provided hereunder (provided that such Warrant Stock has been registered pursuant to a registration statement under the Securities Act then in effect), and, to the extent permissible under the applicable securities exchange rules, all unissued shares of Warrant Stock which are at any time issuable hereunder, so long as any shares of Common Stock shall be so listed. The Issuer will also so list on each securities exchange or market, and will maintain such listing of, any other securities which the Holder of this Warrant shall be entitled to receive upon the exercise of this Warrant if at the time any securities of the same class shall be listed on such securities exchange or market by the Issuer.

(c) Covenants. The Issuer shall not by any action including, without limitation, amending the Articles of Incorporation or the by-laws of the Issuer, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other action, avoid or seek to avoid the observance or performance of any of the terms or provisions of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder hereof against dilution (to the extent specifically provided herein) or impairment. Without limiting the generality of the foregoing, the Issuer will (i) not permit the par value, if any, of its Common Stock to exceed the then effective Warrant Price, (ii) not amend or modify any provision of the Articles of Incorporation or by-laws of the Issuer in any manner that would adversely affect the rights of the Holder of this Warrant, (iii) take all such action as may be reasonably necessary in order that the Issuer may validly and legally issue fully paid and nonassessable shares of Common Stock, free and clear of any liens, claims, encumbrances and restrictions (other than as provided herein) upon the exercise of this Warrant, and (iv) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be reasonably necessary to enable the Issuer to perform its obligations under this Warrant.

(d) Loss, Theft, Destruction of Warrants. Upon receipt of evidence satisfactory to the Issuer of the ownership of and the loss, theft, destruction or mutilation of any Warrant and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Issuer or, in the case of any such mutilation, upon surrender and cancellation of such Warrant, the Issuer will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same number of shares of Common Stock.

4. Adjustment of Warrant Price and Warrant Share Number. The number of shares of Common Stock for which this Warrant is exercisable, and the price at which such shares may be purchased upon exercise of this Warrant, shall be subject to adjustment from time to time as set forth in this Section 4. The Issuer shall give the Holder notice of any event described below which requires an adjustment pursuant to this Section 4 in accordance with Section 5.

(a) Recapitalization, Reorganization, Reclassification, Consolidation, Merger or Sale.

(i) In case the Issuer after the Original Issue Date shall do any of the following (each, a "Triggering Event"): (a) consolidate with or merge into any other Person and the Issuer shall not be the continuing or surviving corporation of such consolidation or merger, or (b) permit any other Person to consolidate with or merge into the Issuer and the Issuer shall be the continuing or surviving Person but, in connection with such consolidation or merger, any Capital Stock of the Issuer shall be changed into or exchanged for Securities of any other Person or cash or any other property, or (c) transfer all or substantially all of its properties or assets to any other Person, or (d) effect a capital reorganization or reclassification of its Capital Stock, then, and in the case of each such Triggering Event, proper provision shall be made so that, upon the basis and the terms and in the manner provided in this Warrant, the Holder of this Warrant shall be entitled upon the exercise hereof at any time after the consummation of such Triggering Event, to the extent this Warrant is not exercised prior to such Triggering Event, to receive at the Warrant Price in effect at the time immediately prior to the consummation of such Triggering Event in lieu of the Common Stock issuable upon such exercise of this Warrant prior to such Triggering Event, the Securities, cash and property to which such Holder would have been entitled upon the consummation of such Triggering Event if such Holder had exercised the rights represented by this Warrant immediately prior thereto, subject to adjustments (subsequent to such corporate action) as nearly equivalent as possible to the adjustments provided for elsewhere in this Section 4.

(ii) Notwithstanding anything contained in this Warrant to the contrary, a Triggering Event shall not be deemed to have occurred if, prior to the consummation thereof, each Person (other than the Issuer) which may be required to deliver any Securities, cash or property upon the exercise of this Warrant as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the Holder of this Warrant, (A) the obligations of the Issuer under this Warrant (and if the Issuer shall survive the consummation of such Triggering Event, such assumption shall be in addition to, and shall not release the Issuer from, any continuing obligations of the Issuer under this Warrant) and (B) the obligation to deliver to such Holder such Securities, cash or property as, in accordance with the foregoing provisions of this subsection (a), such Holder shall be

entitled to receive, and such Person shall have similarly delivered to such Holder an opinion of counsel for such Person, which counsel shall be reasonably satisfactory to such Holder, or in the alternative, a written acknowledgement executed by the President or Chief Financial Officer of the Issuer, stating that this Warrant shall thereafter continue in full force and effect and the terms hereof (including, without limitation, all of the provisions of this subsection (a)) shall be applicable to the Securities, cash or property which such Person may be required to deliver upon any exercise of this Warrant or the exercise of any rights pursuant hereto.

(b) Stock Dividends, Subdivisions and Combinations. If at any time the Issuer shall:

(i) take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend payable in, or other distribution of, shares of Common Stock,

(ii) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, or

(iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock,

then (1) the number of shares of Common Stock for which this Warrant is exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of shares of Common Stock which a record holder of the same number of shares of Common Stock for which this Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment.

(c) Certain Other Distributions. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive any dividend or other distribution of:

- (i) cash (other than a cash dividend payable out of earnings or earned surplus legally available for the payment of dividends under the laws of the jurisdiction of incorporation of the Issuer),
- (ii) any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Stock Equivalents or Additional Shares of Common Stock), or
- (iii) any warrants or other rights to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Stock Equivalents or Additional Shares of Common Stock),

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then (1) the number of shares of Common Stock for which this Warrant is exercisable shall be adjusted to equal the product of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such adjustment multiplied by a fraction (A) the numerator of which shall be the Per Share Market Value of Common Stock at the date of taking such record and (B) the denominator of which shall be such Per Share Market Value minus the amount allocable to one share of Common Stock of any such cash so distributable and of the fair value (as determined in good faith by the Board of Directors of the Issuer and supported by an opinion from an investment banking firm of recognized national standing acceptable to (but not affiliated with) the Holder) of any and all such evidences of indebtedness, shares of stock, other securities or property or warrants or other subscription or purchase rights so distributable, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment. A reclassification of the Common Stock (other than a change in par value, or from par value to no par value or from no par value to par value) into shares of Common Stock and shares of any other class of stock shall be deemed a distribution by the Issuer to the holders of its Common Stock of such shares of such other class of stock within the meaning of this Section 4(c) and, if the outstanding shares of Common Stock shall be changed into a larger or smaller number of shares of Common Stock as a part of such reclassification, such change shall be deemed a subdivision or combination, as the case may be, of the outstanding shares of Common Stock within the meaning of Section 4(b).

(d) Issuance of Additional Shares of Common Stock.

(i) In the event the Issuer shall at any time issue any Additional Shares of Common Stock (otherwise than as provided in the foregoing subsections (b) through (c) of this Section 4), at a price per share less than the Per Share Market Value on the date of such issuance or without consideration, then the Warrant Price upon each such issuance shall be adjusted to that price determined by multiplying the Warrant Price then in effect by a fraction:

(A) the numerator of which shall be equal to the sum of (x) the number of shares of Outstanding Common Stock immediately prior to the issuance of such Additional Shares of Common Stock plus (y) the number of shares of Common Stock which the aggregate consideration for the total number of such Additional Shares of Common Stock so issued would purchase at a price per share equal to the Warrant Price then in effect, and

(B) the denominator of which shall be equal to the number of shares of Outstanding Common Stock immediately after the issuance of such Additional Shares of Common Stock.

(ii) The provisions of paragraph (i) of Section 4(d) shall not apply to any issuance of Additional Shares of Common Stock for which an adjustment is provided under Section 4(b) or 4(c). No adjustment of the number of shares of Common Stock for which this Warrant shall be exercisable shall be made under paragraph (i) of Section 4(d) upon the issuance of any Additional Shares of Common Stock which are issued pursuant to the

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exercise of any Common Stock Equivalents, if any such adjustment shall previously have been made upon the issuance of such Common Stock Equivalents (or upon the issuance of any warrant or other rights therefor) pursuant to Section 4(e) or Section 4(f).

(e) Issuance of Warrants or Other Rights. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a distribution of, or shall in any manner (whether directly or by assumption in a merger in which the Issuer is the surviving corporation) issue or sell, any Common Stock Equivalents (or issue any warrant or other rights therefor), whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Common Stock Equivalents (or any warrant or other rights therefor) shall be less than the Warrant Price in effect immediately prior to the time of such issue or sale, then the number of shares for which this Warrant is exercisable and the Warrant Price then in effect shall be adjusted as provided in Section 4(d) on the basis that the maximum number of Additional Shares of Common Stock issuable pursuant to all such Common Stock Equivalents (or upon the issuance of any warrant or other rights therefor) shall be deemed to have been issued and outstanding and the Issuer shall have received all of the consideration payable therefor, if any, as of the date of the actual issuance of such warrants or other rights. No adjustments of the Warrant Price then in effect or the number of

Warrant Shares for which this Warrant is exercisable shall be made upon the actual issue of such Common Stock or of such Common Stock Equivalents upon exercise of such warrants or other rights or upon the actual issue of such Common Stock upon such conversion or exchange of such Common Stock Equivalents.

(f) Issuance of Common Stock Equivalents. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a distribution of, or shall in any manner (whether directly or by assumption in a merger in which the Issuer is the surviving corporation) issue or sell, any Common Stock Equivalents, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange shall be less than the Warrant Price in effect immediately prior to the time of such issue or sale, then the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be adjusted as provided in Section 4(d) on the basis that the maximum number of Additional Shares of Common Stock necessary to effect the conversion or exchange of all such Common Stock Equivalents shall be deemed to have been issued and outstanding and the Issuer shall have received all of the consideration payable therefor, if any, as of the date of actual issuance of such Common Stock Equivalents. No further adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made under this Section 4(f) upon the issuance of any Common Stock Equivalents which are issued pursuant to the exercise of any warrants or other subscription or purchase rights therefor, if any such adjustment shall previously have been made upon the issuance of such warrants or other rights pursuant to Section 4(e). No further adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made upon the actual issue of such Common Stock upon conversion or exchange of such Common Stock Equivalents.

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(g) Superseding Adjustment. If, at any time after any adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall have been made pursuant to Section 4(e) or Section 4(f) as the result of any issuance of warrants, other rights or Common Stock Equivalents, and (i) such warrants or other rights, or the right of conversion or exchange in such other Common Stock Equivalents, shall expire, and all or a portion of such warrants or other rights, or the right of conversion or exchange with respect to all or a portion of such other Common Stock Equivalents, as the case may be shall not have been exercised, or (ii) the consideration per share for which shares of Common Stock are issuable pursuant to such Common Stock Equivalents, shall be increased solely by virtue of provisions therein contained for an automatic increase in such consideration per share upon the occurrence of a specified date or event, then for each outstanding Warrant such previous adjustment shall be rescinded and annulled and the Additional Shares of Common Stock which were deemed to have been issued by virtue of the computation made in connection with the adjustment so rescinded and annulled shall no longer be deemed to have been issued by virtue of such computation. Upon the occurrence of an event set forth in this Section 4(g) above, there shall be a recomputation made of the effect of such Common Stock Equivalents on the basis of: (i) treating the number of Additional Shares of Common Stock or other property, if any, theretofore actually issued or issuable pursuant to the previous exercise of any such warrants or other rights or any such right of conversion or exchange, as having been issued on the date or dates of any such exercise and for the consideration actually received and receivable therefor, and (ii) treating any such Common Stock Equivalents which then remain outstanding as having been granted or issued immediately after the time of such increase of the consideration per share for which shares of Common Stock or other property are issuable under such Common Stock Equivalents; whereupon a new adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made, which new adjustment shall supersede the previous adjustment so rescinded and annulled.

(h) Purchase of Common Stock by the Issuer. If the Issuer at any time while this Warrant is outstanding shall, directly or indirectly through a Subsidiary or otherwise, purchase, redeem or otherwise acquire any shares of Common Stock at a price per share greater than the Per Share Market Value, then the Warrant Price upon each such purchase, redemption or acquisition shall be adjusted to that price determined by multiplying such Warrant Price by a fraction (i) the numerator of which shall be the number of shares of Outstanding Common Stock immediately prior to such purchase, redemption or acquisition minus the number of shares of Common Stock which the aggregate consideration for the total number of such shares of Common Stock so purchased, redeemed or acquired would purchase at the Per Share Market Value; and (ii) the denominator of which shall be the number of shares of Outstanding Common Stock immediately after such purchase, redemption or acquisition. For the purposes of this subsection (h), the date as of which the Per Share Market Price shall be computed shall be the earlier of (x) the date on which the Issuer shall enter into a firm contract for the purchase, redemption or acquisition of such Common Stock, or (y) the date of actual purchase, redemption or acquisition of such Common Stock. For the purposes of this subsection (h), a purchase, redemption or acquisition of a Common Stock Equivalent shall be deemed to be a purchase of the underlying Common Stock, and the computation herein required shall be made on the basis of the full exercise, conversion or exchange of such Common Stock Equivalent on the date as of which such computation is required hereby to be made, whether or not such Common Stock Equivalent is actually exercisable, convertible or exchangeable on such date.

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(i) Other Provisions applicable to Adjustments under this Section. The following provisions shall be applicable to the making of

adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect provided for in this Section 4:

( i ) Computation of Consideration. To the extent that any Additional Shares of Common Stock or any Common Stock Equivalents (or any warrants or other rights therefor) shall be issued for cash consideration, the consideration received by the Issuer therefor shall be the amount of the cash received by the Issuer therefor, or, if such Additional Shares of Common Stock or Common Stock Equivalents are offered by the Issuer for subscription, the subscription price, or, if such Additional Shares of Common Stock or Common Stock Equivalents are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price (in any such case subtracting any amounts paid or receivable for accrued interest or accrued dividends and without taking into account any compensation, discounts or expenses paid or incurred by the Issuer for and in the underwriting of, or otherwise in connection with, the issuance thereof). To the extent that such issuance shall be for a consideration other than cash, then, except as herein otherwise expressly provided, the amount of such consideration shall be deemed to be the fair value of such consideration at the time of such issuance as determined in good faith by the Board of Directors of the Issuer. In case any Additional Shares of Common Stock or any Common Stock Equivalents (or any warrants or other rights therefor) shall be issued in connection with any merger in which the Issuer issues any securities, the amount of consideration therefor shall be deemed to be the fair value, as determined in good faith by the Board of Directors of the Issuer, of such portion of the assets and business of the nonsurviving corporation as such Board in good faith shall determine to be attributable to such Additional Shares of Common Stock, Common Stock Equivalents, or any warrants or other rights therefor, as the case may be. The consideration for any Additional Shares of Common Stock issuable pursuant to any warrants or other rights to subscribe for or purchase the same shall be the consideration received by the Issuer for issuing such warrants or other rights plus the additional consideration payable to the Issuer upon exercise of such warrants or other rights. The consideration for any Additional Shares of Common Stock issuable pursuant to the terms of any Common Stock Equivalents shall be the consideration received by the Issuer for issuing warrants or other rights to subscribe for or purchase such Common Stock Equivalents, plus the consideration paid or payable to the Issuer in respect of the subscription for or purchase of such Common Stock Equivalents, plus the additional consideration, if any, payable to the Issuer upon the exercise of the right of conversion or exchange in such Common Stock Equivalents. In case of the issuance at any time of any Additional Shares of Common Stock or Common Stock Equivalents in payment or satisfaction of any dividends upon any class of stock other than Common Stock, the Issuer shall be deemed to have received for such Additional Shares of Common Stock or Common Stock Equivalents a consideration equal to the amount of such dividend so paid or satisfied.

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(ii) When Adjustments to Be Made. The adjustments required by this Section 4 shall be made whenever and as often as any specified event requiring an adjustment shall occur, except that any adjustment of the number of shares of Common Stock for which this Warrant is exercisable that would otherwise be required may be postponed (except in the case of a subdivision or combination of shares of the Common Stock, as provided for in Section 4(b)) up to, but not beyond the date of exercise if such adjustment either by itself or with other adjustments not previously made adds or subtracts less than one percent (1%) of the shares of Common Stock for which this Warrant is exercisable immediately prior to the making of such adjustment. Any adjustment representing a change of less than such minimum amount (except as aforesaid) which is postponed shall be carried forward and made as soon as such adjustment, together with other adjustments required by this Section 4 and not previously made, would result in a minimum adjustment or on the date of exercise. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(iii) Fractional Interests. In computing adjustments under this Section 4, fractional interests in Common Stock shall be taken into account to the nearest one one-hundredth (1/100<sup>th</sup>) of a share.

(iv) When Adjustment Not Required. If the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(j) Form of Warrant after Adjustments. The form of this Warrant need not be changed because of any adjustments in the Warrant Price or the number and kind of Securities purchasable upon the exercise of this Warrant.

(k) Escrow of Warrant Stock. If after any property becomes distributable pursuant to this Section 4 by reason of the taking of any record of the holders of Common Stock, but prior to the occurrence of the event for which such record is taken, and the Holder exercises this Warrant, any shares of Common Stock issuable upon exercise by reason of such adjustment shall be deemed the last shares of Common Stock for which this Warrant is exercised (notwithstanding any other provision to the contrary herein) and such shares or other property shall be held in escrow for the Holder by the Issuer to be issued to the Holder upon and to the extent that the event actually takes place, upon payment of the current Warrant Price. Notwithstanding any other provision to the contrary herein, if the event for

which such record was taken fails to occur or is rescinded, then such escrowed shares shall be cancelled by the Issuer and escrowed property returned.

5. Notice of Adjustments. Whenever the Warrant Price or Warrant Share Number shall be adjusted pursuant to Section 4 hereof (for purposes of this Section 5, each an "adjustment"), the Issuer shall cause its Chief Financial Officer to prepare and execute a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated (including a description of the basis on which the

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Board made any determination hereunder), and the Warrant Price and Warrant Share Number after giving effect to such adjustment, and shall cause copies of such certificate to be delivered to the Holder of this Warrant promptly after each adjustment. Any dispute between the Issuer and the Holder of this Warrant with respect to the matters set forth in such certificate may at the option of the Holder of this Warrant be submitted to one of the national accounting firms currently known as the "big four" selected by the Holder; provided that the Issuer shall have ten (10) days after receipt of notice from such Holder of its selection of such firm to object thereto, in which case such Holder shall select another such firm and the Issuer shall have no such right of objection. The firm selected by the Holder of this Warrant as provided in the preceding sentence shall be instructed to deliver a written opinion as to such matters to the Issuer and such Holder within thirty (30) days after submission to it of such dispute. Such opinion shall be final and binding on the parties hereto.

6. Fractional Shares. No fractional shares of Warrant Stock will be issued in connection with any exercise hereof, but in lieu of such fractional shares, the Issuer shall make a cash payment therefor equal in amount to the product of the applicable fraction multiplied by the Per Share Market Value then in effect.
7. Ownership Cap and Certain Exercise Restrictions. (a) Notwithstanding anything to the contrary set forth in this Warrant, at no time may a Holder of this Warrant exercise this Warrant if the number of shares of Common Stock to be issued pursuant to such exercise would exceed, when aggregated with all other shares of Common Stock owned by such Holder at such time, the number of shares of Common Stock which would result in such Holder owning more than 4.999% of all of the Common Stock outstanding at such time; provided, however, that upon the Holder of this Warrant providing the Issuer with sixty-one (61) days notice (pursuant to Section 12 hereof) (the "Waiver Notice") that such Holder would like to waive this Section 7(a) with regard to any or all shares of Common Stock issuable upon exercise of this Warrant, this Section 7(a) will be of no force or effect with regard to all or a portion of the Warrant referenced in the Waiver Notice; provided, further, that this provision shall be of no further force or effect during the sixty-one (61) days immediately preceding the expiration of the term of this Warrant.
- (b) The Holder may not exercise the Warrant hereunder to the extent such exercise would result in the Holder beneficially owning (as determined in accordance with Section 13(d) of the Exchange Act and the rules thereunder) in excess of 9.999% of the then issued and outstanding shares of Common Stock, including shares issuable upon exercise of this Warrant held by the Holder; provided, however, that upon a holder of this Warrant providing the Issuer with a Waiver Notice that such holder would like to waive this Section 7(b) with regard to any or all shares of Common Stock issuable upon exercise of this Warrant, this Section 7(b) shall be of no force or effect with regard to those shares of Warrant Stock referenced in the Waiver Notice; provided, further, that this provision shall be of no further force or effect during the sixty-one (61) days immediately preceding the expiration of the term of this Warrant.
8. Call. Notwithstanding anything herein to the contrary, the Issuer, at its option, may call up to one hundred percent (100%) of this Warrant by providing the Holder of this Warrant written notice pursuant to Section 13 (the "Call Notice") if the Per Share Market Value of the Common Stock has been equal to or greater than \$2.25 for a period of thirty (30) consecutive Trading Days immediately prior to the date of delivery of the Call Notice; provided,

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that (i) a registration statement under the Securities Act providing for the resale of the Warrant Stock and the Common Stock issued pursuant to the Purchase Agreement is then in effect and has been effective, without lapse or suspension of any kind, for a period of thirty (30) consecutive Trading Days, (ii) trading in the Common Stock shall not have been suspended by the Securities and Exchange Commission or the OTC Bulletin Board and (iii) the Issuer is in material compliance with the terms and conditions of this Warrant and the other Transaction Documents (as defined in the Purchase Agreement); provided, further, that a registration statement under the Securities Act providing for the resale of the Warrant Stock and the Common Stock issued pursuant to the Purchase Agreement is in effect from the date of delivery of the Call Notice until the date which is the later of (A) the date the Holder exercises the Warrant pursuant to the Call Notice and (B) the 20<sup>th</sup> Trading Day after the Holder receives the Call Notice (the "Early Termination Date"). The rights and privileges granted pursuant to this Warrant with respect to the shares of Warrant Stock subject to the Call Notice (the "Called Warrant Shares") shall expire on the Early Termination Date if this Warrant is not exercised with respect to such Called Warrant Shares prior to such Early Termination Date. In the event this Warrant is not exercised with respect to the Called Warrant Shares, the Issuer shall remit to the Holder of this Warrant a new Warrant representing the number of shares of Warrant Stock, if any, which shall not have been subject to the Call Notice upon the Holder tendering to the Issuer the applicable Warrant certificate.

9. Definitions. For the purposes of this Warrant, the following terms have the following meanings:

"Additional Shares of Common Stock" means all shares of Common Stock issued by the Issuer after the Original Issue Date, and all shares of Other Common, if any, issued by the Issuer after the Original Issue Date, except: (i) the Issuer's issuance of Common Stock



and warrants therefore in connection with a merger, acquisition, or consolidation; provided that the Warrant Price shall be adjusted in accordance with Section 4(a)(i), (ii) the issuance of shares of Common Stock or warrants therefore in connection with strategic license agreements so long as such issuances are not for the purpose of raising capital, (iii) the Issuer's issuance of Common Stock or the issuance or grants of options to purchase Common Stock pursuant to the Issuer's stock option plans and employee stock purchase plans as they now exist, and (iv) the issuance of Common Stock upon the exercise or conversion of any securities outstanding on the date hereof.

"Articles of Incorporation" means the Articles of Incorporation of the Issuer as in effect on the Original Issue Date, and as hereafter from time to time amended, modified, supplemented or restated in accordance with the terms hereof and thereof and pursuant to applicable law.

"Board" shall mean the Board of Directors of the Issuer.

"Capital Stock" means and includes (i) any and all shares, interests, participations or other equivalents of or interests in (however designated) corporate stock, including, without limitation, shares of preferred or preference stock, (ii) all

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partnership interests (whether general or limited) in any Person which is a partnership, (iii) all membership interests or limited liability company interests in any limited liability company, and (iv) all equity or ownership interests in any Person of any other type.

"Common Stock" means the Common Stock, par value \$0.00001 per share, of the Issuer and any other Capital Stock into which such stock may hereafter be changed.

"Common Stock Equivalent" means any Convertible Security or warrant, option or other right to subscribe for or purchase any Additional Shares of Common Stock or any Convertible Security.

"Convertible Securities" means evidences of Indebtedness, shares of Capital Stock or other Securities which are or may be at any time convertible into or exchangeable for Additional Shares of Common Stock. The term "Convertible Security" means one of the Convertible Securities.

"Governmental Authority" means any governmental, regulatory or self-regulatory entity, department, body, official, authority, commission, board, agency or instrumentality, whether federal, state or local, and whether domestic or foreign.

"Holder" means the Person who holds this Warrant. The term "Holders" means one of the Persons who shall from time to time hold this Warrant.

"Independent Appraiser" means a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Issuer) that is regularly engaged in the business of appraising the Capital Stock or assets of corporations or other entities as going concerns, and which is not affiliated with either the Issuer or the Holder of any Warrant.

"Issuer" means VisualMED Clinical Solutions Corporation, a Nevada corporation, and its successors and assigns.

"Majority Holders" means at any time the Holders of Warrants exercisable for a majority of the shares of Warrant Stock issuable under the Warrants at the time outstanding.

"Original Issue Date" means March 23, 2005.

"OTC Bulletin Board" means the over-the-counter electronic bulletin board.

"Other Common" means any other Capital Stock of the Issuer of any class which shall be authorized at any time after the date of this Warrant (other than Common Stock) and which shall have the right to participate in the distribution of earnings and assets of the Issuer without limitation as to amount.

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"Outstanding Common Stock" means, at any given time, the aggregate amount of outstanding shares of Common Stock, assuming full exercise, conversion or exchange (as applicable) of all options, warrants and other Securities which are convertible into or exercisable or exchangeable for, and any right to subscribe for, shares of Common Stock that are outstanding at such time.

"Person" means an individual, corporation, limited liability company, partnership, joint stock company, trust, unincorporated organization, joint venture, Governmental Authority or other entity of whatever nature.

"Per Share Market Value" means on any particular date (a) the closing bid price for a share of Common Stock in the over-the-counter market, as reported by the OTC Bulletin Board or in the National Quotation Bureau Incorporated or similar organization or agency succeeding to its functions of reporting prices) at the close of business on such date, or (b) if the Common Stock is not then reported by the OTC Bulletin Board or the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), then the average of the "Pink Sheet" quotes for the relevant conversion period, as determined in good faith by the holder, or (c) if the Common Stock is not then publicly traded the fair market value of a share of Common Stock as determined by the Board in good faith; provided, however, that the Majority Holders, after receipt of the determination by the Board, shall have the right to select, jointly with the Issuer, an Independent Appraiser, in which case, the fair market value shall be the determination by such Independent Appraiser; and provided, further that all determinations of the Per Share Market Value shall be appropriately adjusted for any stock dividends, stock splits or other similar transactions during such period. The determination of fair market value shall be based upon the fair market value of the Issuer determined on a going concern basis as between a willing buyer and a willing seller and taking into account all relevant factors determinative of value, and shall be final and binding on all parties. In determining the fair market value of any shares of Common Stock, no consideration shall be given to any restrictions on transfer of the Common Stock imposed by agreement or by federal or state securities laws, or to the existence or absence of, or any limitations on, voting rights.

"Purchase Agreement" means the Common Stock Purchase Agreement dated as of March 23, 2005 among the Issuer and the Purchasers.

"Purchasers" means the purchasers of Common Stock and Warrants issued by the Issuer pursuant to the Purchase Agreement.

"Securities" means any debt or equity securities of the Issuer, whether now or hereafter authorized, any instrument convertible into or exchangeable for Securities or a Security, and any option, warrant or other right to purchase or acquire any Security. "Security" means one of the Securities.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute then in effect.

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"Subsidiary" means any corporation at least 50% of whose outstanding Voting Stock shall at the time be owned directly or indirectly by the Issuer or by one or more of its Subsidiaries, or by the Issuer and one or more of its Subsidiaries.

"Term" has the meaning specified in Section 1 hereof.

"Trading Day" means (a) a day on which the Common Stock is traded on the OTC Bulletin Board, or (b) if the Common Stock is not traded on the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding to its functions of reporting prices); provided, however, that in the event that the Common Stock is not listed or quoted as set forth in (a) or (b) hereof, then Trading Day shall mean any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

"Voting Stock" means, as applied to the Capital Stock of any corporation, Capital Stock of any class or classes (however designated) having ordinary voting power for the election of a majority of the members of the Board of Directors (or other governing body) of such corporation, other than Capital Stock having such power only by reason of the happening of a contingency.

"Warrants" means the Warrants issued and sold pursuant to the Purchase Agreement, including, without limitation, this Warrant, and any other warrants of like tenor issued in substitution or exchange for any thereof pursuant to the provisions of Section 2(c), 2(d) or 2(e) hereof or of any of such other Warrants.

"Warrant Price" initially means US\$1.25, as such price may be adjusted from time to time as shall result from the adjustments specified in this Warrant, including Section 4 hereto.

"Warrant Share Number" means at any time the aggregate number of shares of Warrant Stock which may at such time be purchased upon exercise of this Warrant, after giving effect to all prior adjustments and increases to such number made or required to be made under the terms hereof.

"Warrant Stock" means Common Stock issuable upon exercise of any Warrant or Warrants or otherwise issuable pursuant to any Warrant or Warrants.

10. Other Notices. In case at any time:

- (A) the Issuer shall make any distributions to the holders of Common Stock; or

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- (B) the Issuer shall authorize the granting to all holders of its Common Stock of rights to subscribe for or purchase any shares of Capital Stock of any class or other rights; or
- (C) there shall be any reclassification of the Capital Stock of the Issuer; or
- (D) there shall be any capital reorganization by the Issuer; or
- (E) there shall be any (i) consolidation or merger involving the Issuer or (ii) sale, transfer or other disposition of all or substantially all of the Issuer's property, assets or business (except a merger or other reorganization in which the Issuer shall be the surviving corporation and its shares of Capital Stock shall continue to be outstanding and unchanged and except a consolidation, merger, sale, transfer or other disposition involving a wholly-owned Subsidiary); or
- (F) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Issuer or any partial liquidation of the Issuer or distribution to holders of Common Stock;

then, in each of such cases, the Issuer shall give written notice to the Holder of the date on which (i) the books of the Issuer shall close or a record shall be taken for such dividend, distribution or subscription rights or (ii) such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be, shall take place. Such notice also shall specify the date as of which the holders of Common Stock of record shall participate in such dividend, distribution or subscription rights, or shall be entitled to exchange their certificates for Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Issuer's transfer books are closed in respect thereto. This Warrant entitles the Holder to receive copies of all financial and other information distributed or required to be distributed to the holders of the Common Stock.

- 11. Amendment and Waiver. Any term, covenant, agreement or condition in this Warrant may be amended, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), by a written instrument or written instruments executed by the Issuer and the Majority Holders; provided, however, that no such amendment or waiver shall reduce the Warrant Share Number, increase the Warrant Price, shorten the period during which this Warrant may be exercised or modify any provision of this Section 11 without the consent of the Holder of this Warrant.

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- 12. Governing Law. THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA, WITHOUT GIVING EFFECT TO ANY OF ITS PRINCIPLES OF CONFLICTS OF LAW WHICH WOULD RESULT IN THE APPLICATION OF THE SUBSTANTIVE LAW OF ANOTHER JURISDICTION.

- 13. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earlier of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice prior to 5:00 p.m., eastern time, on a Trading Day, (ii) the Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice later than 5:00 p.m., eastern time, on any date and earlier than 11:59 p.m., eastern time, on such date, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service or (iv) actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be with respect to the Holder of this Warrant or of Warrant Stock issued pursuant hereto, addressed to such Holder at its last known address or facsimile number appearing on the books of the Issuer maintained for such purposes, or with respect to the Issuer, addressed to:

1035 LAURIER STREET WEST  
Suite 200  
MONTREAL, QUEBEC, CANADA H2V 2L1  
Attention: Gerard Dab, Chairman and CEO  
Tel. No.: 1-514-274-1115  
Fax No.: 1-514-274-8364

with copies (which copies shall not constitute notice to the Issuer) to:

Conrad C. Lysiak, Esq.  
Attorney at Law  
601 West First Avenue, Suite 503  
Spokane, Washington 99201  
Tel. No.: (509) 624-1475

Copies of notices to the Holder shall be sent to Hovington Pellerin Simard, <sup>General Partnership</sup> 460, Saint-Gabriel, Suite 21 Montreal, Quebec, Canada, H2Y 2Z9, Attention: Claude Pellerin, Facsimile No.: (514) 397-0480. Any party hereto may from time to time change its address for notices by giving at least ten (10) days written notice of such changed address to the other party hereto.

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14. Warrant Agent. The Issuer may, by written notice to each Holder of this Warrant, appoint an agent having an office in New York, New York for the purpose of issuing shares of Warrant Stock on the exercise of this Warrant pursuant to subsection (b) of Section 2 hereof, exchanging this Warrant pursuant to subsection (d) of Section 2 hereof or replacing this Warrant pursuant to subsection (d) of Section 3 hereof, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such agent.
15. Remedies. The Issuer stipulates that the remedies at law of the Holder of this Warrant in the event of any breach or threatened breach by the Issuer in the performance of or compliance with any of the terms or provisions of this Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms or provisions may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms or provisions hereof or otherwise.
16. Successors and Assigns. This Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors and assigns of the Issuer, the Holder hereof and (to the extent provided herein) the Holders of Warrant Stock issued pursuant hereto, and shall be enforceable by any such Holder or Holders of Warrant Stock.
17. Severability. If, in any action before any court or agency legally empowered to enforce any provision contained herein, any provision hereof is found to be unenforceable, then such provision shall be deemed modified to the extent necessary to make it enforceable by such court or agency. If any such provision is not enforceable as set forth in the preceding sentence, the unenforceability of such provision shall not affect the other provisions of this Warrant, but this Warrant shall be construed as if such unenforceable provision had never been contained herein.
18. Headings. The headings of the Sections of this Warrant are for convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant and shall not influence the construction or interpretation of this Warrant.

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IN WITNESS WHEREOF, the Issuer has executed this Series A Warrant as of the day and year first above written.

**VISUALMED CLINICAL SOLUTION CORPORATION**

By: /s/ Gerard Dab  
Name: Gerard Dab

EXERCISE FORM  
SERIES A WARRANT

**VISUALMED CLINICAL SOLUTIONS CORPORATION**

The undersigned \_\_\_\_\_, pursuant to the provisions of the within Warrant, hereby elects to purchase \_\_\_\_ shares of Common Stock of \_\_\_\_\_ covered by the within Warrant.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Warrant and all rights evidenced thereby and does irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Warrant on the books of the within named corporation.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

PARTIAL ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the right to purchase \_\_\_\_\_ shares of Warrant Stock evidenced by the within Warrant together with all rights therein, and does irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer that part of the said Warrant on the books of the within named corporation.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

FOR USE BY THE ISSUER ONLY:

This Warrant No. W-\_\_\_\_ canceled (or transferred or exchanged) this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, shares of Common Stock issued therefor in the name of \_\_\_\_\_, Warrant No. W-\_\_\_\_ issued for \_\_\_\_ shares of Common Stock in the name of \_\_\_\_\_.



**THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VISUALMED CLINICAL SOLUTION CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.**

SERIES A WARRANT TO PURCHASE  
SHARES OF COMMON STOCK  
OF  
VISUALMED CLINICAL SOLUTION CORPORATION

Expires March 23, 2007

No.: W-A-04-01

Number of Shares: 1,321,759

Date of Issuance: March 23, 2005

FOR VALUE RECEIVED, subject to the provisions hereinafter set forth, the undersigned, VisualMed Clinical Solutions Corporation, a Nevada corporation (together with its successors and assigns, the "Issuer"), hereby certifies that Capex Investments Ltd. or its registered assigns is entitled to subscribe for and purchase, during the Term (as hereinafter defined), up to one million three hundred and twenty-one thousand seven hundred and fifty-nine (1,321,759) shares (subject to adjustment as hereinafter provided) of the duly authorized, validly issued, fully paid and non-assessable Common Stock of the Issuer, at an exercise price per share equal to the Warrant Price then in effect, subject, however, to the provisions and upon the terms and conditions hereinafter set forth. Capitalized terms used in this Warrant and not otherwise defined herein shall have the respective meanings specified in Section 9 hereof.

1. Term. The term of this Warrant shall commence on March 23, 2005 and shall expire at 5:00 p.m., eastern time, on March 23, 2007 (such period being the "Term").
2. Method of Exercise; Payment; Issuance of New Warrant; Transfer and Exchange.
  - (a) Time of Exercise. The purchase rights represented by this Warrant may be exercised in whole or in part at any time during the Term.

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(b) Method of Exercise. The Holder hereof may exercise this Warrant, in whole or in part, by the surrender of this Warrant (with the exercise form attached hereto duly executed) at the principal office of the Issuer, and by the payment to the Issuer of an amount of consideration therefor equal to the Warrant Price in effect on the date of such exercise multiplied by the number of shares of Warrant Stock with respect to which this Warrant is then being exercised, payable at such Holder's election (i) by certified or official bank check or by wire transfer to an account designated by the Issuer, (ii) by "cashless exercise" in accordance with the provisions of subsection (c) of this Section 2, but only until the date that a registration statement under the Securities Act providing for the resale of the Warrant Stock has been declared effective by the Securities and Exchange Commission, or (iii) by a combination of the foregoing methods of payment selected by the Holder of this Warrant.

(c) Cashless Exercise. Notwithstanding any provisions herein to the contrary, if (i) the Per Share Market Value of one share of Common Stock is greater than the Warrant Price (at the date of calculation as set forth below) and (ii) a registration statement under the Securities Act providing for the resale of the Warrant Stock has not been declared effective by the Securities and Exchange Commission, in lieu of exercising this Warrant by payment of cash, the Holder may exercise this Warrant by a cashless exercise and shall receive the number of shares of Common Stock equal to an amount (as determined below) by surrender of this Warrant at the principal office of the Issuer together with the properly endorsed Notice of Exercise in which event the Issuer shall issue to the Holder a number of shares of Common Stock computed using the following formula:

$$X = Y - \frac{(A)(Y)}{B}$$

Where X = the number of shares of Common Stock to be issued to the Holder.

- Y = the number of shares of Common Stock purchasable upon exercise of all of the Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being exercised.
- A = the Warrant Price.
- B = the Per Share Market Value of one share of Common Stock.

(d) Issuance of Stock Certificates. In the event of any exercise of the rights represented by this Warrant in accordance with and subject to the terms and conditions hereof, (i) certificates for the shares of Warrant Stock so purchased shall be dated the date of such exercise and delivered to the Holder hereof within a reasonable time, not exceeding three (3) Trading Days after such exercise or, at the request of the Holder (provided that a registration statement under the Securities Act providing for the resale of the Warrant Stock is then in effect), issued and delivered to the Depository Trust Company ("DTC") account on the Holder's behalf via the Deposit Withdrawal Agent Commission System ("DWAC"), within a reasonable time, not exceeding three (3) Trading Days after such exercise, and the Holder hereof shall be deemed for all purposes to be the holder of the shares of Warrant Stock so purchased

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as of the date of such exercise and (ii) unless this Warrant has expired, a new Warrant representing the number of shares of Warrant Stock, if any, with respect to which this Warrant shall not then have been exercised (less any amount thereof which shall have been canceled in payment or partial payment of the Warrant Price as hereinabove provided) shall also be issued to the Holder hereof at the Issuer's expense within such time.

(e) Transferability of Warrant. Subject to Section 2(f), this Warrant may be transferred by a Holder without the consent of the Issuer. If transferred pursuant to this paragraph and subject to the provisions of Section 2(f), this Warrant may be transferred on the books of the Issuer by the Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant at the principal office of the Issuer, properly endorsed (by the Holder executing an assignment in the form attached hereto) and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. This Warrant is exchangeable at the principal office of the Issuer for Warrants to purchase the same aggregate number of shares of Warrant Stock, each new Warrant to represent the right to purchase such number of shares of Warrant Stock as the Holder hereof shall designate at the time of such exchange. All Warrants issued upon a transfer or exchange shall be dated the Original Issue Date and shall be identical with this Warrant except as to the number of shares of Warrant Stock issuable pursuant hereto.

(f) Compliance with Securities Laws.

(i) The Holder of this Warrant, by acceptance hereof, acknowledges that this Warrant or the shares of Warrant Stock to be issued upon exercise hereof, as applicable, are being acquired for the Holder's own account and not as a nominee for any other party, and for investment, and that the Holder will not offer, sell or otherwise dispose of this Warrant or any shares of Warrant Stock to be issued upon exercise hereof, except pursuant to an effective registration statement, or an exemption from registration, under the Securities Act and any applicable state securities laws.

(ii) Except as provided in Section 2(f)(iii), this Warrant and all certificates representing shares of Warrant Stock issued upon exercise hereof shall be stamped or imprinted with a legend in substantially the following form:

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR VISUALMED CLINICAL SOLUTION CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

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(iii) The Issuer agrees to reissue this Warrant or certificates representing any of the Warrant Stock, without the legend set forth above if at such time, prior to making any transfer of any such securities, the Holder shall give written notice to the Issuer describing the manner and terms of such transfer and removal as the Issuer may reasonably request. Such proposed transfer and removal will not be effected until: (a) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer, to the effect that the registration of such securities under the Securities Act is not required in connection with such proposed



transfer, (ii) a registration statement under the Securities Act covering such proposed disposition has been filed by the Issuer with the Securities and Exchange Commission and has become effective under the Securities Act, (iii) the Issuer has received other evidence reasonably satisfactory to the Issuer that such registration and qualification under the Securities Act and state securities laws are not required, or (iv) the Holder provides the Issuer with reasonable assurances that such security can be sold pursuant to Rule 144 under the Securities Act; and (b) either (i) the Issuer has received an opinion of counsel reasonably satisfactory to the Issuer, to the effect that registration or qualification under the securities or "blue sky" laws of any state is not required in connection with such proposed disposition, or (ii) compliance with applicable state securities or "blue sky" laws has been effected or a valid exemption exists with respect thereto. The Issuer will respond to any such notice from the Holder within five (5) business days. In the case of any proposed transfer under this Section 2(f), the Issuer will use reasonable best efforts to comply with any such applicable state securities or "blue sky" laws, but shall in no event be required, (x) to qualify to do business in any state where it is not then qualified, or (y) to take any action that would subject it to tax or to the general service of process in any state where it is not then subject. The restrictions on transfer contained in this Section 2(f) shall be in addition to, and not by way of limitation of, any other restrictions on transfer contained in any other section of this Warrant. Whenever a certificate representing the Warrant Stock is required to be issued to a the Holder without a legend, in lieu of delivering physical certificates representing the Warrant Stock, provided the Issuer's transfer agent is participating in the DTC Fast Automated Securities Transfer program, the Issuer shall use its reasonable best efforts to cause its transfer agent to electronically transmit the Warrant Stock to the Holder by crediting the account of the Holder's Prime Broker with DTC through DWAC (to the extent not inconsistent with any provisions of this Warrant or the Purchase Agreement).

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### 3. Stock Fully Paid; Reservation and Listing of Shares; Covenants.

(a) Stock Fully Paid. The Issuer represents, and warrants to the Holder, and covenants and agrees for the benefit of the Holder that all shares of Warrant Stock which may be issued upon the exercise of this Warrant or otherwise hereunder will, upon issuance, be duly authorized, validly issued, fully paid and non-assessable and free from all taxes, liens, charges or other encumbrances of any nature whatsoever created by or through the Issuer. The Issuer further covenants and agrees that during the period within which this Warrant may be exercised, the Issuer will at all times have authorized and reserved for the purpose of the issue upon exercise of this Warrant a sufficient number of shares of Common Stock to provide for the exercise of this Warrant.

(b) Reservation. If any shares of Common Stock required to be reserved for issuance upon exercise of this Warrant or as otherwise provided hereunder require registration or qualification with any governmental authority under any federal or state law before such shares may be so issued, the Issuer will in good faith use its best efforts at its expense to cause such shares to be duly registered or qualified. If the Issuer shall list any shares of Common Stock on any securities exchange or market it will, at its expense, list thereon, maintain and increase when necessary such listing, of, all shares of Warrant Stock from time to time issued upon exercise of this Warrant or as otherwise provided hereunder (provided that such Warrant Stock has been registered pursuant to a registration statement under the Securities Act then in effect), and, to the extent permissible under the applicable securities exchange rules, all unissued shares of Warrant Stock which are at any time issuable hereunder, so long as any shares of Common Stock shall be so listed. The Issuer will also so list on each securities exchange or market, and will maintain such listing of, any other securities which the Holder of this Warrant shall be entitled to receive upon the exercise of this Warrant if at the time any securities of the same class shall be listed on such securities exchange or market by the Issuer.

(c) Covenants. The Issuer shall not by any action including, without limitation, amending the Articles of Incorporation or the by-laws of the Issuer, or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other action, avoid or seek to avoid the observance or performance of any of the terms or provisions of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Holder hereof against dilution (to the extent specifically provided herein) or impairment. Without limiting the generality of the foregoing, the Issuer will (i) not permit the par value, if any, of its Common Stock to exceed the then effective Warrant Price, (ii) not amend or modify any provision of the Articles of Incorporation or by-laws of the Issuer in any manner that would adversely affect the rights of the Holder of this Warrant, (iii) take all such action as may be reasonably necessary in order that the Issuer may validly and legally issue fully paid and nonassessable shares of Common Stock, free and clear of any liens, claims, encumbrances and restrictions (other than as provided herein) upon the exercise of this Warrant, and (iv) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof as may be reasonably necessary to enable the Issuer to perform its obligations under this Warrant.

(d) Loss, Theft, Destruction of Warrants. Upon receipt of evidence satisfactory to the Issuer of the ownership of and the loss, theft, destruction or mutilation of any Warrant and, in the case of any such loss, theft or destruction, upon receipt of indemnity or security reasonably satisfactory to the Issuer or, in the case of any such mutilation, upon surrender and cancellation of such Warrant, the Issuer will make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same number of shares of Common Stock.

4. Adjustment of Warrant Price and Warrant Share Number. The number of shares of Common Stock for which this Warrant is exercisable, and the price at which such shares may be purchased upon exercise of this Warrant, shall be subject to adjustment from time to time as set forth in this Section 4. The Issuer shall give the Holder notice of any event described below which requires an adjustment pursuant to this Section 4 in accordance with Section 5.

(a) Recapitalization, Reorganization, Reclassification, Consolidation, Merger or Sale.

(i) In case the Issuer after the Original Issue Date shall do any of the following (each, a "Triggering Event"): (a) consolidate with or merge into any other Person and the Issuer shall not be the continuing or surviving corporation of such consolidation or merger, or (b) permit any other Person to consolidate with or merge into the Issuer and the Issuer shall be the continuing or surviving Person but, in connection with such consolidation or merger, any Capital Stock of the Issuer shall be changed into or exchanged for Securities of any other Person or cash or any other property, or (c) transfer all or substantially all of its properties or assets to any other Person, or (d) effect a capital reorganization or reclassification of its Capital Stock, then, and in the case of each such Triggering Event, proper provision shall be made so that, upon the basis and the terms and in the manner provided in this Warrant, the Holder of this Warrant shall be entitled upon the exercise hereof at any time after the consummation of such Triggering Event, to the extent this Warrant is not exercised prior to such Triggering Event, to receive at the Warrant Price in effect at the time immediately prior to the consummation of such Triggering Event in lieu of the Common Stock issuable upon such exercise of this Warrant prior to such Triggering Event, the Securities, cash and property to which such Holder would have been entitled upon the consummation of such Triggering Event if such Holder had exercised the rights represented by this Warrant immediately prior thereto, subject to adjustments (subsequent to such corporate action) as nearly equivalent as possible to the adjustments provided for elsewhere in this Section 4.

(ii) Notwithstanding anything contained in this Warrant to the contrary, a Triggering Event shall not be deemed to have occurred if, prior to the consummation thereof, each Person (other than the Issuer) which may be required to deliver any Securities, cash or property upon the exercise of this Warrant as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the Holder of this Warrant, (A) the obligations of the Issuer under this Warrant (and if the Issuer shall survive the consummation of such Triggering Event, such assumption shall be in addition to, and shall not release the Issuer from, any continuing obligations of the Issuer under this Warrant) and (B) the obligation to deliver to such Holder such Securities, cash or property as, in accordance with the foregoing provisions of this subsection (a), such Holder shall be

entitled to receive, and such Person shall have similarly delivered to such Holder an opinion of counsel for such Person, which counsel shall be reasonably satisfactory to such Holder, or in the alternative, a written acknowledgement executed by the President or Chief Financial Officer of the Issuer, stating that this Warrant shall thereafter continue in full force and effect and the terms hereof (including, without limitation, all of the provisions of this subsection (a)) shall be applicable to the Securities, cash or property which such Person may be required to deliver upon any exercise of this Warrant or the exercise of any rights pursuant hereto.

(b) Stock Dividends, Subdivisions and Combinations. If at any time the Issuer shall:

(i) take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend payable in, or other distribution of, shares of Common Stock,

(ii) subdivide its outstanding shares of Common Stock into a larger number of shares of Common Stock, or

(iii) combine its outstanding shares of Common Stock into a smaller number of shares of Common Stock,

then (1) the number of shares of Common Stock for which this Warrant is exercisable immediately after the occurrence of any such event shall be adjusted to equal the number of shares of Common Stock which a record holder of the same number of shares of Common Stock for which this Warrant is exercisable immediately prior to the occurrence of such event would own or be entitled to receive after the happening of such event, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment.

(c) Certain Other Distributions. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive any dividend or other distribution of:

- (i) cash (other than a cash dividend payable out of earnings or earned surplus legally available for the payment of dividends under the laws of the jurisdiction of incorporation of the Issuer),
- (ii) any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Stock Equivalents or Additional Shares of Common Stock), or
- (iii) any warrants or other rights to subscribe for or purchase any evidences of its indebtedness, any shares of stock of any class or any other securities or property of any nature whatsoever (other than cash, Common Stock Equivalents or Additional Shares of Common Stock),

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then (1) the number of shares of Common Stock for which this Warrant is exercisable shall be adjusted to equal the product of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such adjustment multiplied by a fraction (A) the numerator of which shall be the Per Share Market Value of Common Stock at the date of taking such record and (B) the denominator of which shall be such Per Share Market Value minus the amount allocable to one share of Common Stock of any such cash so distributable and of the fair value (as determined in good faith by the Board of Directors of the Issuer and supported by an opinion from an investment banking firm of recognized national standing acceptable to (but not affiliated with) the Holder) of any and all such evidences of indebtedness, shares of stock, other securities or property or warrants or other subscription or purchase rights so distributable, and (2) the Warrant Price then in effect shall be adjusted to equal (A) the Warrant Price then in effect multiplied by the number of shares of Common Stock for which this Warrant is exercisable immediately prior to the adjustment divided by (B) the number of shares of Common Stock for which this Warrant is exercisable immediately after such adjustment. A reclassification of the Common Stock (other than a change in par value, or from par value to no par value or from no par value to par value) into shares of Common Stock and shares of any other class of stock shall be deemed a distribution by the Issuer to the holders of its Common Stock of such shares of such other class of stock within the meaning of this Section 4(c) and, if the outstanding shares of Common Stock shall be changed into a larger or smaller number of shares of Common Stock as a part of such reclassification, such change shall be deemed a subdivision or combination, as the case may be, of the outstanding shares of Common Stock within the meaning of Section 4(b).

(d) Issuance of Additional Shares of Common Stock.

(i) In the event the Issuer shall at any time issue any Additional Shares of Common Stock (otherwise than as provided in the foregoing subsections (b) through (c) of this Section 4), at a price per share less than the Per Share Market Value on the date of such issuance or without consideration, then the Warrant Price upon each such issuance shall be adjusted to that price determined by multiplying the Warrant Price then in effect by a fraction:

(A) the numerator of which shall be equal to the sum of (x) the number of shares of Outstanding Common Stock immediately prior to the issuance of such Additional Shares of Common Stock plus (y) the number of shares of Common Stock which the aggregate consideration for the total number of such Additional Shares of Common Stock so issued would purchase at a price per share equal to the Warrant Price then in effect, and

(B) the denominator of which shall be equal to the number of shares of Outstanding Common Stock immediately after the issuance of such Additional Shares of Common Stock.

(ii) The provisions of paragraph (i) of Section 4(d) shall not apply to any issuance of Additional Shares of Common Stock for which an adjustment is provided under Section 4(b) or 4(c). No adjustment of the number of shares of Common Stock for which this Warrant shall be exercisable shall be made under paragraph (i) of Section 4(d) upon the issuance of any Additional Shares of Common Stock which are issued pursuant to the

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exercise of any Common Stock Equivalents, if any such adjustment shall previously have been made upon the issuance of such Common Stock Equivalents (or upon the issuance of any warrant or other rights therefor) pursuant to Section 4(e) or Section 4(f).

(e) Issuance of Warrants or Other Rights. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a distribution of, or shall in any manner (whether directly or by assumption in a merger in which the Issuer is the surviving corporation) issue or sell, any Common Stock Equivalents (or issue any warrant or other rights therefor), whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon the exercise of such Common Stock Equivalents (or any warrant or other rights therefor) shall be less than the Warrant Price in effect immediately prior to the time of such issue or sale, then the number of shares for which this Warrant is exercisable and the Warrant Price then in effect shall be adjusted as provided in Section 4(d) on the basis that the maximum number of Additional Shares of Common Stock issuable pursuant to all such Common Stock Equivalents (or upon the issuance of any warrant or other rights therefor) shall be deemed to have been issued and outstanding and the Issuer shall have received all of the consideration payable therefor, if any, as of the date of the actual issuance of such warrants or other rights. No adjustments of the Warrant Price then in effect or the number of Warrant Shares for which this Warrant is exercisable shall be made upon the actual issue of such Common Stock or of such Common Stock Equivalents upon exercise of such warrants or other rights or upon the actual issue of such Common Stock upon such conversion or

exchange of such Common Stock Equivalents.

(f) Issuance of Common Stock Equivalents. If at any time the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a distribution of, or shall in any manner (whether directly or by assumption in a merger in which the Issuer is the surviving corporation) issue or sell, any Common Stock Equivalents, whether or not the rights to exchange or convert thereunder are immediately exercisable, and the price per share for which Common Stock is issuable upon such conversion or exchange shall be less than the Warrant Price in effect immediately prior to the time of such issue or sale, then the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be adjusted as provided in Section 4(d) on the basis that the maximum number of Additional Shares of Common Stock necessary to effect the conversion or exchange of all such Common Stock Equivalents shall be deemed to have been issued and outstanding and the Issuer shall have received all of the consideration payable therefor, if any, as of the date of actual issuance of such Common Stock Equivalents. No further adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made under this Section 4(f) upon the issuance of any Common Stock Equivalents which are issued pursuant to the exercise of any warrants or other subscription or purchase rights therefor, if any such adjustment shall previously have been made upon the issuance of such warrants or other rights pursuant to Section 4(e). No further adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made upon the actual issue of such Common Stock upon conversion or exchange of such Common Stock Equivalents.

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(g) Superseding Adjustment. If, at any time after any adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall have been made pursuant to Section 4(e) or Section 4(f) as the result of any issuance of warrants, other rights or Common Stock Equivalents, and (i) such warrants or other rights, or the right of conversion or exchange in such other Common Stock Equivalents, shall expire, and all or a portion of such warrants or other rights, or the right of conversion or exchange with respect to all or a portion of such other Common Stock Equivalents, as the case may be shall not have been exercised, or (ii) the consideration per share for which shares of Common Stock are issuable pursuant to such Common Stock Equivalents, shall be increased solely by virtue of provisions therein contained for an automatic increase in such consideration per share upon the occurrence of a specified date or event, then for each outstanding Warrant such previous adjustment shall be rescinded and annulled and the Additional Shares of Common Stock which were deemed to have been issued by virtue of the computation made in connection with the adjustment so rescinded and annulled shall no longer be deemed to have been issued by virtue of such computation. Upon the occurrence of an event set forth in this Section 4(g) above, there shall be a recomputation made of the effect of such Common Stock Equivalents on the basis of: (i) treating the number of Additional Shares of Common Stock or other property, if any, theretofore actually issued or issuable pursuant to the previous exercise of any such warrants or other rights or any such right of conversion or exchange, as having been issued on the date or dates of any such exercise and for the consideration actually received and receivable therefor, and (ii) treating any such Common Stock Equivalents which then remain outstanding as having been granted or issued immediately after the time of such increase of the consideration per share for which shares of Common Stock or other property are issuable under such Common Stock Equivalents; whereupon a new adjustment of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect shall be made, which new adjustment shall supersede the previous adjustment so rescinded and annulled.

(h) Purchase of Common Stock by the Issuer. If the Issuer at any time while this Warrant is outstanding shall, directly or indirectly through a Subsidiary or otherwise, purchase, redeem or otherwise acquire any shares of Common Stock at a price per share greater than the Per Share Market Value, then the Warrant Price upon each such purchase, redemption or acquisition shall be adjusted to that price determined by multiplying such Warrant Price by a fraction (i) the numerator of which shall be the number of shares of Outstanding Common Stock immediately prior to such purchase, redemption or acquisition minus the number of shares of Common Stock which the aggregate consideration for the total number of such shares of Common Stock so purchased, redeemed or acquired would purchase at the Per Share Market Value; and (ii) the denominator of which shall be the number of shares of Outstanding Common Stock immediately after such purchase, redemption or acquisition. For the purposes of this subsection (h), the date as of which the Per Share Market Price shall be computed shall be the earlier of (x) the date on which the Issuer shall enter into a firm contract for the purchase, redemption or acquisition of such Common Stock, or (y) the date of actual purchase, redemption or acquisition of such Common Stock. For the purposes of this subsection (h), a purchase, redemption or acquisition of a Common Stock Equivalent shall be deemed to be a purchase of the underlying Common Stock, and the computation herein required shall be made on the basis of the full exercise, conversion or exchange of such Common Stock Equivalent on the date as of which such computation is required hereby to be made, whether or not such Common Stock Equivalent is actually exercisable, convertible or exchangeable on such date.

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(i) Other Provisions applicable to Adjustments under this Section. The following provisions shall be applicable to the making of adjustments of the number of shares of Common Stock for which this Warrant is exercisable and the Warrant Price then in effect provided for in this Section 4:

( i ) Computation of Consideration. To the extent that any Additional Shares of Common Stock or any Common Stock

Equivalents (or any warrants or other rights therefor) shall be issued for cash consideration, the consideration received by the Issuer therefor shall be the amount of the cash received by the Issuer therefor, or, if such Additional Shares of Common Stock or Common Stock Equivalents are offered by the Issuer for subscription, the subscription price, or, if such Additional Shares of Common Stock or Common Stock Equivalents are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price (in any such case subtracting any amounts paid or receivable for accrued interest or accrued dividends and without taking into account any compensation, discounts or expenses paid or incurred by the Issuer for and in the underwriting of, or otherwise in connection with, the issuance thereof). To the extent that such issuance shall be for a consideration other than cash, then, except as herein otherwise expressly provided, the amount of such consideration shall be deemed to be the fair value of such consideration at the time of such issuance as determined in good faith by the Board of Directors of the Issuer. In case any Additional Shares of Common Stock or any Common Stock Equivalents (or any warrants or other rights therefor) shall be issued in connection with any merger in which the Issuer issues any securities, the amount of consideration therefor shall be deemed to be the fair value, as determined in good faith by the Board of Directors of the Issuer, of such portion of the assets and business of the nonsurviving corporation as such Board in good faith shall determine to be attributable to such Additional Shares of Common Stock, Common Stock Equivalents, or any warrants or other rights therefor, as the case may be. The consideration for any Additional Shares of Common Stock issuable pursuant to any warrants or other rights to subscribe for or purchase the same shall be the consideration received by the Issuer for issuing such warrants or other rights plus the additional consideration payable to the Issuer upon exercise of such warrants or other rights. The consideration for any Additional Shares of Common Stock issuable pursuant to the terms of any Common Stock Equivalents shall be the consideration received by the Issuer for issuing warrants or other rights to subscribe for or purchase such Common Stock Equivalents, plus the consideration paid or payable to the Issuer in respect of the subscription for or purchase of such Common Stock Equivalents, plus the additional consideration, if any, payable to the Issuer upon the exercise of the right of conversion or exchange in such Common Stock Equivalents. In case of the issuance at any time of any Additional Shares of Common Stock or Common Stock Equivalents in payment or satisfaction of any dividends upon any class of stock other than Common Stock, the Issuer shall be deemed to have received for such Additional Shares of Common Stock or Common Stock Equivalents a consideration equal to the amount of such dividend so paid or satisfied.

(ii) When Adjustments to Be Made. The adjustments required by this Section 4 shall be made whenever and as often as any specified event requiring an adjustment shall occur, except that any adjustment of the number of shares of Common Stock for which this Warrant is exercisable that would otherwise be required may be postponed (except in the case of a subdivision or combination of shares of the Common Stock, as provided for

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in Section 4(b)) up to, but not beyond the date of exercise if such adjustment either by itself or with other adjustments not previously made adds or subtracts less than one percent (1%) of the shares of Common Stock for which this Warrant is exercisable immediately prior to the making of such adjustment. Any adjustment representing a change of less than such minimum amount (except as aforesaid) which is postponed shall be carried forward and made as soon as such adjustment, together with other adjustments required by this Section 4 and not previously made, would result in a minimum adjustment or on the date of exercise. For the purpose of any adjustment, any specified event shall be deemed to have occurred at the close of business on the date of its occurrence.

(iii) Fractional Interests. In computing adjustments under this Section 4, fractional interests in Common Stock shall be taken into account to the nearest one one-hundredth (1/100<sup>th</sup>) of a share.

(iv) When Adjustment Not Required. If the Issuer shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or distribution or subscription or purchase rights and shall, thereafter and before the distribution to stockholders thereof, legally abandon its plan to pay or deliver such dividend, distribution, subscription or purchase rights, then thereafter no adjustment shall be required by reason of the taking of such record and any such adjustment previously made in respect thereof shall be rescinded and annulled.

(j) Form of Warrant after Adjustments. The form of this Warrant need not be changed because of any adjustments in the Warrant Price or the number and kind of Securities purchasable upon the exercise of this Warrant.

(k) Escrow of Warrant Stock. If after any property becomes distributable pursuant to this Section 4 by reason of the taking of any record of the holders of Common Stock, but prior to the occurrence of the event for which such record is taken, and the Holder exercises this Warrant, any shares of Common Stock issuable upon exercise by reason of such adjustment shall be deemed the last shares of Common Stock for which this Warrant is exercised (notwithstanding any other provision to the contrary herein) and such shares or other property shall be held in escrow for the Holder by the Issuer to be issued to the Holder upon and to the extent that the event actually takes place, upon payment of the current Warrant Price. Notwithstanding any other provision to the contrary herein, if the event for which such record was taken fails to occur or is rescinded, then such escrowed shares shall be cancelled by the Issuer and escrowed property returned.

5. Notice of Adjustments. Whenever the Warrant Price or Warrant Share Number shall be adjusted pursuant to Section 4 hereof (for purposes of this Section 5, each an "adjustment"), the Issuer shall cause its Chief Financial Officer to prepare and execute a certificate setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated (including a description of the basis on which the Board made any determination hereunder), and the Warrant Price and Warrant Share Number after giving effect to such adjustment, and shall cause copies of such certificate to be delivered to the

each adjustment. Any dispute between the Issuer and the Holder of this Warrant with respect to the matters set forth in such certificate may at the option of the Holder of this Warrant be submitted to one of the national accounting firms currently known as the "big four" selected by the Holder; provided that the Issuer shall have ten (10) days after receipt of notice from such Holder of its selection of such firm to object thereto, in which case such Holder shall select another such firm and the Issuer shall have no such right of objection. The firm selected by the Holder of this Warrant as provided in the preceding sentence shall be instructed to deliver a written opinion as to such matters to the Issuer and such Holder within thirty (30) days after submission to it of such dispute. Such opinion shall be final and binding on the parties hereto.

6. Fractional Shares. No fractional shares of Warrant Stock will be issued in connection with any exercise hereof, but in lieu of such fractional shares, the Issuer shall make a cash payment therefor equal in amount to the product of the applicable fraction multiplied by the Per Share Market Value then in effect.
7. Ownership Cap and Certain Exercise Restrictions. (a) Notwithstanding anything to the contrary set forth in this Warrant, at no time may a Holder of this Warrant exercise this Warrant if the number of shares of Common Stock to be issued pursuant to such exercise would exceed, when aggregated with all other shares of Common Stock owned by such Holder at such time, the number of shares of Common Stock which would result in such Holder owning more than 4.999% of all of the Common Stock outstanding at such time; provided, however, that upon the Holder of this Warrant providing the Issuer with sixty-one (61) days notice (pursuant to Section 12 hereof) (the "Waiver Notice") that such Holder would like to waive this Section 7(a) with regard to any or all shares of Common Stock issuable upon exercise of this Warrant, this Section 7(a) will be of no force or effect with regard to all or a portion of the Warrant referenced in the Waiver Notice; provided, further, that this provision shall be of no further force or effect during the sixty-one (61) days immediately preceding the expiration of the term of this Warrant.  
  
(b) The Holder may not exercise the Warrant hereunder to the extent such exercise would result in the Holder beneficially owning (as determined in accordance with Section 13(d) of the Exchange Act and the rules thereunder) in excess of 9.999% of the then issued and outstanding shares of Common Stock, including shares issuable upon exercise of this Warrant held by the Holder; provided, however, that upon a holder of this Warrant providing the Issuer with a Waiver Notice that such holder would like to waive this Section 7(b) with regard to any or all shares of Common Stock issuable upon exercise of this Warrant, this Section 7(b) shall be of no force or effect with regard to those shares of Warrant Stock referenced in the Waiver Notice; provided, further, that this provision shall be of no further force or effect during the sixty-one (61) days immediately preceding the expiration of the term of this Warrant.
8. Call. Notwithstanding anything herein to the contrary, the Issuer, at its option, may call up to one hundred percent (100%) of this Warrant by providing the Holder of this Warrant written notice pursuant to Section 13 (the "Call Notice") if the Per Share Market Value of the Common Stock has been equal to or greater than \$2.25 for a period of thirty (30) consecutive Trading Days immediately prior to the date of delivery of the Call Notice; provided, that (i) a registration statement under the Securities Act providing for the resale of the Warrant Stock and the Common Stock

issued pursuant to the Purchase Agreement is then in effect and has been effective, without lapse or suspension of any kind, for a period of thirty (30) consecutive Trading Days, (ii) trading in the Common Stock shall not have been suspended by the Securities and Exchange Commission or the OTC Bulletin Board and (iii) the Issuer is in material compliance with the terms and conditions of this Warrant and the other Transaction Documents (as defined in the Purchase Agreement); provided, further, that a registration statement under the Securities Act providing for the resale of the Warrant Stock and the Common Stock issued pursuant to the Purchase Agreement is in effect from the date of delivery of the Call Notice until the date which is the later of (A) the date the Holder exercises the Warrant pursuant to the Call Notice and (B) the 20<sup>th</sup> Trading Day after the Holder receives the Call Notice (the "Early Termination Date"). The rights and privileges granted pursuant to this Warrant with respect to the shares of Warrant Stock subject to the Call Notice (the "Called Warrant Shares") shall expire on the Early Termination Date if this Warrant is not exercised with respect to such Called Warrant Shares prior to such Early Termination Date. In the event this Warrant is not exercised with respect to the Called Warrant Shares, the Issuer shall remit to the Holder of this Warrant a new Warrant representing the number of shares of Warrant Stock, if any, which shall not have been subject to the Call Notice upon the Holder tendering to the Issuer the applicable Warrant certificate.

9. Definitions. For the purposes of this Warrant, the following terms have the following meanings:

Additional Shares of Common Stock" means all shares of Common Stock issued by the Issuer after the Original Issue Date, and all shares of Other Common, if any, issued by the Issuer after the Original Issue Date, except: (i) the Issuer's issuance of Common Stock and warrants therefore in connection with a merger, acquisition, or consolidation; provided that the Warrant Price shall be adjusted in accordance with Section 4(a)(i), (ii) the issuance of shares of Common Stock or warrants therefore in connection with strategic license agreements so long as such issuances are not for the purpose of raising capital, (iii) the Issuer's issuance of Common Stock or the issuance or grants of options to purchase Common Stock pursuant to the Issuer's stock option plans and employee stock purchase plans

as they now exist, and (iv) the issuance of Common Stock upon the exercise or conversion of any securities outstanding on the date hereof.

"Articles of Incorporation" means the Articles of Incorporation of the Issuer as in effect on the Original Issue Date, and as hereafter from time to time amended, modified, supplemented or restated in accordance with the terms hereof and thereof and pursuant to applicable law.

"Board" shall mean the Board of Directors of the Issuer.

"Capital Stock" means and includes (i) any and all shares, interests, participations or other equivalents of or interests in (however designated) corporate stock, including, without limitation, shares of preferred or preference stock, (ii) all partnership interests (whether general or limited) in any Person which is a partnership, (iii) all membership interests or limited liability company interests in any limited liability company, and (iv) all equity or ownership interests in any Person of any other type.

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"Common Stock" means the Common Stock, par value \$0.00001 per share, of the Issuer and any other Capital Stock into which such stock may hereafter be changed.

"Common Stock Equivalent" means any Convertible Security or warrant, option or other right to subscribe for or purchase any Additional Shares of Common Stock or any Convertible Security.

"Convertible Securities" means evidences of Indebtedness, shares of Capital Stock or other Securities which are or may be at any time convertible into or exchangeable for Additional Shares of Common Stock. The term "Convertible Security" means one of the Convertible Securities.

"Governmental Authority" means any governmental, regulatory or self-regulatory entity, department, body, official, authority, commission, board, agency or instrumentality, whether federal, state or local, and whether domestic or foreign.

"Holder" means the Person who holds this Warrant. The term "Holders" means one of the Persons who shall from time to time hold this Warrant.

"Independent Appraiser" means a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Issuer) that is regularly engaged in the business of appraising the Capital Stock or assets of corporations or other entities as going concerns, and which is not affiliated with either the Issuer or the Holder of any Warrant.

"Issuer" means VisualMED Clinical Solutions Corporation, a Nevada corporation, and its successors and assigns.

"Majority Holders" means at any time the Holders of Warrants exercisable for a majority of the shares of Warrant Stock issuable under the Warrants at the time outstanding.

"Original Issue Date" means March 23, 2005.

"OTC Bulletin Board" means the over-the-counter electronic bulletin board.

"Other Common" means any other Capital Stock of the Issuer of any class which shall be authorized at any time after the date of this Warrant (other than Common Stock) and which shall have the right to participate in the distribution of earnings and assets of the Issuer without limitation as to amount.

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"Outstanding Common Stock" means, at any given time, the aggregate amount of outstanding shares of Common Stock, assuming full exercise, conversion or exchange (as applicable) of all options, warrants and other Securities which are convertible into or exercisable or exchangeable for, and any right to subscribe for, shares of Common Stock that are outstanding at such time.

"Person" means an individual, corporation, limited liability company, partnership, joint stock company, trust, unincorporated organization, joint venture, Governmental Authority or other entity of whatever nature.

"Per Share Market Value" means on any particular date (a) the closing bid price for a share of Common Stock in the over-the-counter market, as reported by the OTC Bulletin Board or in the National Quotation Bureau Incorporated or similar organization or agency succeeding to its functions of reporting prices) at the close of business on such date, or (b) if the Common Stock is not then reported by

the OTC Bulletin Board or the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), then the average of the "Pink Sheet" quotes for the relevant conversion period, as determined in good faith by the holder, or (c) if the Common Stock is not then publicly traded the fair market value of a share of Common Stock as determined by the Board in good faith; provided, however, that the Majority Holders, after receipt of the determination by the Board, shall have the right to select, jointly with the Issuer, an Independent Appraiser, in which case, the fair market value shall be the determination by such Independent Appraiser; and provided, further that all determinations of the Per Share Market Value shall be appropriately adjusted for any stock dividends, stock splits or other similar transactions during such period. The determination of fair market value shall be based upon the fair market value of the Issuer determined on a going concern basis as between a willing buyer and a willing seller and taking into account all relevant factors determinative of value, and shall be final and binding on all parties. In determining the fair market value of any shares of Common Stock, no consideration shall be given to any restrictions on transfer of the Common Stock imposed by agreement or by federal or state securities laws, or to the existence or absence of, or any limitations on, voting rights.

"Purchase Agreement" means the Common Stock Purchase Agreement dated as of March 23, 2005 among the Issuer and the Purchasers.

"Purchasers" means the purchasers of Common Stock and Warrants issued by the Issuer pursuant to the Purchase Agreement.

"Securities" means any debt or equity securities of the Issuer, whether now or hereafter authorized, any instrument convertible into or exchangeable for Securities or a Security, and any option, warrant or other right to purchase or acquire any Security. "Security" means one of the Securities.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute then in effect.

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"Subsidiary" means any corporation at least 50% of whose outstanding Voting Stock shall at the time be owned directly or indirectly by the Issuer or by one or more of its Subsidiaries, or by the Issuer and one or more of its Subsidiaries.

"Term" has the meaning specified in Section 1 hereof.

"Trading Day" means (a) a day on which the Common Stock is traded on the OTC Bulletin Board, or (b) if the Common Stock is not traded on the OTC Bulletin Board, a day on which the Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding its functions of reporting prices); provided, however, that in the event that the Common Stock is not listed or quoted as set forth in (a) or (b) hereof, then Trading Day shall mean any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York are authorized or required by law or other government action to close.

"Voting Stock" means, as applied to the Capital Stock of any corporation, Capital Stock of any class or classes (however designated) having ordinary voting power for the election of a majority of the members of the Board of Directors (or other governing body) of such corporation, other than Capital Stock having such power only by reason of the happening of a contingency.

"Warrants" means the Warrants issued and sold pursuant to the Purchase Agreement, including, without limitation, this Warrant, and any other warrants of like tenor issued in substitution or exchange for any thereof pursuant to the provisions of Section 2(c), 2(d) or 2(e) hereof or of any of such other Warrants.

"Warrant Price" initially means US\$1.25, as such price may be adjusted from time to time as shall result from the adjustments specified in this Warrant, including Section 4 hereto.

"Warrant Share Number" means at any time the aggregate number of shares of Warrant Stock which may at such time be purchased upon exercise of this Warrant, after giving effect to all prior adjustments and increases to such number made or required to be made under the terms hereof.

"Warrant Stock" means Common Stock issuable upon exercise of any Warrant or Warrants or otherwise issuable pursuant to any Warrant or Warrants.

10. Other Notices. In case at any time:

- (A) the Issuer shall make any distributions to the holders of Common Stock; or

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- (B) the Issuer shall authorize the granting to all holders of its Common Stock of rights to subscribe for or purchase any shares of Capital Stock of any class or other rights; or



- (C) there shall be any reclassification of the Capital Stock of the Issuer; or
- (D) there shall be any capital reorganization by the Issuer; or
- (E) there shall be any (i) consolidation or merger involving the Issuer or (ii) sale, transfer or other disposition of all or substantially all of the Issuer's property, assets or business (except a merger or other reorganization in which the Issuer shall be the surviving corporation and its shares of Capital Stock shall continue to be outstanding and unchanged and except a consolidation, merger, sale, transfer or other disposition involving a wholly-owned Subsidiary); or
- (F) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Issuer or any partial liquidation of the Issuer or distribution to holders of Common Stock;

then, in each of such cases, the Issuer shall give written notice to the Holder of the date on which (i) the books of the Issuer shall close or a record shall be taken for such dividend, distribution or subscription rights or (ii) such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be, shall take place. Such notice also shall specify the date as of which the holders of Common Stock of record shall participate in such dividend, distribution or subscription rights, or shall be entitled to exchange their certificates for Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, disposition, dissolution, liquidation or winding-up, as the case may be. Such notice shall be given at least twenty (20) days prior to the action in question and not less than ten (10) days prior to the record date or the date on which the Issuer's transfer books are closed in respect thereto. This Warrant entitles the Holder to receive copies of all financial and other information distributed or required to be distributed to the holders of the Common Stock.

11. Amendment and Waiver. Any term, covenant, agreement or condition in this Warrant may be amended, or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively), by a written instrument or written instruments executed by the Issuer and the Majority Holders; provided, however, that no such amendment or waiver shall reduce the Warrant Share Number, increase the Warrant Price, shorten the period during which this Warrant may be exercised or modify any provision of this Section 11 without the consent of the Holder of this Warrant.

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12. Governing Law. THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA, WITHOUT GIVING EFFECT TO ANY OF ITS PRINCIPLES OF CONFLICTS OF LAW WHICH WOULD RESULT IN THE APPLICATION OF THE SUBSTANTIVE LAW OF ANOTHER JURISDICTION.

13. Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earlier of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice prior to 5:00 p.m., eastern time, on a Trading Day, (ii) the Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice later than 5:00 p.m., eastern time, on any date and earlier than 11:59 p.m., eastern time, on such date, (iii) the Trading Day following the date of mailing, if sent by nationally recognized overnight courier service or (iv) actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be with respect to the Holder of this Warrant or of Warrant Stock issued pursuant hereto, addressed to such Holder at its last known address or facsimile number appearing on the books of the Issuer maintained for such purposes, or with respect to the Issuer, addressed to:

1035 LAURIER STREET WEST  
Suite 200  
MONTREAL, QUEBEC, CANADA H2V 2L1  
Attention: Gerard Dab, Chairman and CEO  
Tel. No.: 1-514-274-1115  
Fax No.: 1-514-274-8364

with copies (which copies shall not constitute notice to the Issuer) to:

Conrad C. Lysiak, Esq.  
Attorney at Law  
601 West First Avenue, Suite 503  
Spokane, Washington 99201  
Tel. No.: (509) 624-1475  
Fax No.: (509) 747-1770

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14. Warrant Agent. The Issuer may, by written notice to each Holder of this Warrant, appoint an agent having an office in New York, New York for the purpose of issuing shares of Warrant Stock on the exercise of this Warrant pursuant to subsection (b) of Section 2 hereof, exchanging this Warrant pursuant to subsection (d) of Section 2 hereof or replacing this Warrant pursuant to subsection (d) of Section 3 hereof, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such agent.
15. Remedies. The Issuer stipulates that the remedies at law of the Holder of this Warrant in the event of any breach or threatened breach by the Issuer in the performance of or compliance with any of the terms or provisions of this Warrant are not and will not be adequate and that, to the fullest extent permitted by law, such terms or provisions may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms or provisions hereof or otherwise.
16. Successors and Assigns. This Warrant and the rights evidenced hereby shall inure to the benefit of and be binding upon the successors and assigns of the Issuer, the Holder hereof and (to the extent provided herein) the Holders of Warrant Stock issued pursuant hereto, and shall be enforceable by any such Holder or Holders of Warrant Stock.
17. Severability. If, in any action before any court or agency legally empowered to enforce any provision contained herein, any provision hereof is found to be unenforceable, then such provision shall be deemed modified to the extent necessary to make it enforceable by such court or agency. If any such provision is not enforceable as set forth in the preceding sentence, the unenforceability of such provision shall not affect the other provisions of this Warrant, but this Warrant shall be construed as if such unenforceable provision had never been contained herein.
18. Headings. The headings of the Sections of this Warrant are for convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant and shall not influence the construction or interpretation of this Warrant.

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IN WITNESS WHEREOF, the Issuer has executed this Series A Warrant as of the day and year first above written.

**VISUALMED CLINICAL SOLUTION CORPORATION**

By: /s/ Gerard Dab  
Name: Gerard Dab  
Title: Chairman & CEO

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EXERCISE FORM  
SERIES A WARRANT

**VISUALMED CLINICAL SOLUTIONS CORPORATION**

The undersigned \_\_\_\_\_, pursuant to the provisions of the within Warrant, hereby elects to purchase \_\_\_\_\_ shares of Common Stock of \_\_\_\_\_ covered by the within Warrant.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the within Warrant and all rights evidenced thereby and does irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer the said Warrant on the books of the within named corporation.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

PARTIAL ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sells, assigns and transfers unto \_\_\_\_\_ the right to purchase \_\_\_\_\_ shares of Warrant Stock evidenced by the within Warrant together with all rights therein, and does irrevocably constitute and appoint \_\_\_\_\_, attorney, to transfer that part of the said Warrant on the books of the within named corporation.

Dated: \_\_\_\_\_

Signature \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_

FOR USE BY THE ISSUER ONLY:

This Warrant No. W-\_\_\_\_ canceled (or transferred or exchanged) this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, shares of Common Stock issued therefor in the name of \_\_\_\_\_, Warrant No. W-\_\_\_\_ issued for \_\_\_\_\_ shares of Common Stock in the name of \_\_\_\_\_.

## COMMON STOCK PURCHASE AGREEMENT

This COMMON STOCK PURCHASE AGREEMENT dated as of March 24, 2005 (this "Agreement") by and between VisualMed Clinical Solutions Corporation, a Nevada corporation (the "Company"), and the purchasers listed on Exhibit A attached hereto (each a "Purchaser" and collectively, the "Purchasers"), for the purchase and sale of shares of the Company's common stock, par value \$0.00001 per share (the "Common Stock") by the Purchasers.

The parties hereto agree as follows:

### ARTICLE I

#### PURCHASE AND SALE OF COMMON STOCK AND WARRANTS

##### Section 1.1 Purchase and Sale of Common Stock and Warrants.

(a) Upon the following terms and conditions, the Company shall issue and sell to the Purchasers, and the Purchasers shall purchase from the Company, an aggregate of approximately 2,275,567 shares of Common Stock (the "Shares") at a price per share of \$0.75 (the "Per Share Purchase Price") for an aggregate purchase price of \$1,706,675.20 (the "Purchase Price"). The Company and the Purchasers are executing and delivering this Agreement in accordance with and in reliance upon the exemption from securities registration afforded by Section 4(2) of the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), including Regulation D ("Regulation D"), and/or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to any or all of the investments to be made hereunder.

(b) Upon the following terms and conditions, the Purchasers shall be issued (i) Series A Warrants, in substantially the form attached hereto as Exhibit B (the "Series A Warrants"), to purchase the number of shares of Common Stock equal to one hundred percent of the number of Shares purchased pursuant to the terms hereof, such amount to be set forth opposite such Purchaser's name on Exhibit A attached hereto. The Warrants shall have an exercise price equal to Warrant Price (as defined in the respective Warrant) and shall be exercisable as stated therein. Any shares of Common Stock issuable upon exercise of the Warrants (and such shares when issued) are herein referred to as the "Warrant Shares". The Shares, the Warrants and the Warrant Shares are sometimes collectively referred to herein as the "Securities".

Purchase Price and Closing. Subject to the terms and conditions hereof, the Company agrees to issue and sell to the Purchasers and, in consideration of and in express reliance upon the representations, warranties, covenants, terms and conditions of this Agreement, the Purchasers, severally but not jointly, agree to purchase the number of Shares and Warrants, in each case, set forth opposite their respective names on Exhibit A attached hereto. The closing of the purchase and sale of the Shares and Warrants to be acquired by the Purchasers from the Company under this Agreement shall take place at the offices of VisualMed Clinical Solution Corporation, 1035 Laurier West, Montreal, Quebec, Canada (the "Closing") at 10:00 a.m., Eastern time (i) on or before March 24<sup>th</sup>, 2005; provided, that all of

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the conditions set forth in Article IV hereof and applicable to the Closing shall have been fulfilled or waived in accordance herewith, or (ii) at such other time and place or on such date as the Purchasers and the Company may agree upon (the "Closing Date"). Subject to the terms and conditions of this Agreement, at the Closing the Company shall deliver or cause to be delivered to each Purchaser (i) a certificate registered in the name of such Purchaser representing the number of Shares that such Purchaser is purchasing pursuant to the terms hereof and (ii) a Series A Warrant, to purchase such number of shares of Common Stock as is set forth opposite the name of such Purchaser on Exhibit A attached hereto. At the Closing, each Purchaser shall deliver its Purchase Price by wire transfer to an account designated by the Company.

### ARTICLE II

#### REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchasers, as of the date hereof and the Closing Date (except as set forth on the Schedule of Exceptions attached hereto with each numbered Schedule corresponding to the section number herein), as follows:

(a) Organization, Good Standing and Power. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada and has the requisite corporate power to own, lease and operate its properties and assets and to conduct its business as it is now being conducted. The Company does have Subsidiaries (as defined in Section 2.1(g)) and does not own securities of any kind in any other entity except as set forth on Schedule 2.1(g). The Company and each such Subsidiary (as defined in Section 2.1(g)) is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary except for any jurisdiction(s) (alone or in the aggregate) in which the failure to be so qualified will not have a Material Adverse Effect. For the purposes of this Agreement, "Material

Adverse Effect" means any effect on the business, results of operations, prospects, assets or condition (financial or otherwise) of the Company that is material and adverse to the Company and its subsidiaries, taken as a whole, and/or any condition, circumstance, factor or situation (including, without limitation, an investigation by the Securities and Exchange Commission (the "Commission")) that would prohibit or otherwise materially interfere with the ability of the Company from entering into and performing any of its obligations under the Transaction Documents (as defined below) in any material respect.

( b ) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and perform this Agreement, the Warrants and that certain Registration Rights Agreement by and among the Company and the Purchasers, dated as of the date hereof, substantially in the form of Exhibit E attached hereto (the "Registration Rights Agreement" and, together with this Agreement and the Warrants, the "Transaction Documents") and to issue and sell the Securities in accordance with the terms hereof. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by it of the transactions contemplated thereby

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have been duly and validly authorized by all necessary corporate action, and, except as set forth on Schedule 2.1(b), no further consent or authorization of the Company, its Board of Directors or stockholders is required. When executed and delivered by the Company, each of the Transaction Documents shall constitute a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

( c ) Capitalization. The authorized capital stock of the Company as of March 24<sup>th</sup>, 2005 is set forth on Schedule 2.1(c) hereto. All of the outstanding shares of the Common Stock and any other outstanding security of the Company have been duly and validly authorized. Except as set forth in this Agreement and as set forth on Schedule 2.1(c) hereto, no shares of Common Stock or any other security of the Company are entitled to preemptive rights or registration rights and there are no outstanding options, warrants, scrip, rights to subscribe to, call or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company. Furthermore, except as set forth in this Agreement and as set forth on Schedule 2.1(c) hereto, there are no contracts, commitments, understandings, or arrangements by which the Company is or may become bound to issue additional shares of the capital stock of the Company or options, securities or rights convertible into shares of capital stock of the Company. Except for customary transfer restrictions contained in agreements entered into by the Company in order to sell restricted securities or as provided on Schedule 2.1(c) hereto, the Company is not a party to or bound by any agreement or understanding granting registration or anti-dilution rights to any person with respect to any of its equity or debt securities. Except as set forth on Schedule 2.1(c), the Company is not a party to, and it has no knowledge of, any agreement or understanding restricting the voting or transfer of any shares of the capital stock of the Company.

( d ) Issuance of Securities. The Shares and the Warrants to be issued at the Closing have been duly authorized by all necessary corporate action and, when paid for and issued in accordance with the terms hereof and the Warrants, respectively, the Shares and the Warrant Shares will be validly issued, fully paid and nonassessable and free and clear of all liens, encumbrances and rights of refusal of any kind and the holders shall be entitled to all rights accorded to a holder of Common Stock.

( e ) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, and the issuance of the Securities as contemplated hereby, do not and will not (i) violate or conflict with any provision of the Company's Articles of Incorporation (the "Articles") or Bylaws (the "Bylaws"), each as amended to date, or any Subsidiary's comparable charter documents, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries' respective properties or assets are bound, or (iii) result in a violation of any federal, state, local or foreign statute, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations)

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applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries are bound or affected, except, in all cases, other than violations pursuant to clauses (i) or (iii) (with respect to federal and state securities laws) above, except, for such conflicts, defaults, terminations, amendments, acceleration, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is required under federal, state, foreign or local law, rule or regulation to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under the Transaction Documents or issue and sell the Securities in accordance with the terms hereof (other than any filings, consents and approvals which may be required to be made by the Company under applicable state and federal securities laws, rules or regulations or any registration provisions provided in the Registration Rights Agreement).

( f ) Commission Documents, Financial Statements. The Common Stock of the Company is registered pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Company has timely filed all reports,

schedules, forms, statements and other documents required to be filed by it with the Commission pursuant to the reporting requirements of the Exchange Act (all of the foregoing including filings incorporated by reference therein being referred to herein as the "Commission Documents"). At the times of their respective filings, the Form 10-QSB for the fiscal quarters ended September 30, 2004, March 31, 2004 and December 30, 2003 (collectively, the "Form 10-QSB") and the Form 10-KSB for the fiscal year ended June 30, 2004 (the "Form 10-KSB") complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder and other federal, state and local laws, rules and regulations applicable to such documents, and the Form 10-QSB and Form 10-KSB did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the Commission Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the Commission or other applicable rules and regulations with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") applied on a consistent basis during the periods involved (except (i) as may be otherwise indicated in such financial statements or the Notes thereto or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes or may be condensed or summary statements), and fairly present in all material respects the financial position of the Company and its Subsidiaries as of the dates thereof and the results of operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

( g ) Subsidiaries. Schedule 2.1(g) hereto sets forth each Subsidiary of the Company, showing the jurisdiction of its incorporation or organization and showing the percentage of each person's ownership of the outstanding stock or other interests of such Subsidiary. For the purposes of this Agreement, "Subsidiary" shall mean any corporation or other entity of which at least a majority of the securities or other ownership interest having ordinary voting power (absolutely or contingently) for the election of directors or other persons performing similar functions are at the time owned directly or indirectly by the Company and/or any of its other Subsidiaries. All of the outstanding shares of

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capital stock of each Subsidiary have been duly authorized and validly issued, and are fully paid and nonassessable. There are no outstanding preemptive, conversion or other rights, options, warrants or agreements granted or issued by or binding upon any Subsidiary for the purchase or acquisition of any shares of capital stock of any Subsidiary or any other securities convertible into, exchangeable for or evidencing the rights to subscribe for any shares of such capital stock. Neither the Company nor any Subsidiary is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of the capital stock of any Subsidiary or any convertible securities, rights, warrants or options of the type described in the preceding sentence except as set forth on Schedule 2.1(g) hereto. Neither the Company nor any Subsidiary is party to, nor has any knowledge of, any agreement restricting the voting or transfer of any shares of the capital stock of any Subsidiary.

( h ) No Material Adverse Change. Since December 31, 2004, the Company has not experienced or suffered any Material Adverse Effect, except as disclosed on Schedule 2.1(h) hereto.

( i ) No Undisclosed Liabilities. Except as disclosed on Schedule 2.1(i) hereto, since December 31, 2004, neither the Company nor any of its Subsidiaries has incurred any liabilities, obligations, claims or losses (whether liquidated or unliquidated, secured or unsecured, absolute, accrued, contingent or otherwise) other than those incurred in the ordinary course of the Company's or its Subsidiaries respective businesses or which, individually or in the aggregate, are not reasonably likely to have a Material Adverse Effect.

( j ) No Undisclosed Events or Circumstances. Since December 31, 2004, except as disclosed on Schedule 2.1(j) hereto, no event or circumstance has occurred or exists with respect to the Company or its Subsidiaries or their respective businesses, properties, prospects, operations or financial condition, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed.

( k ) Actions Pending. There is no action, suit, claim, investigation, arbitration, alternate dispute resolution proceeding or other proceeding pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary which questions the validity of this Agreement or any of the other Transaction Documents or any of the transactions contemplated hereby or thereby or any action taken or to be taken pursuant hereto or thereto. Except as set forth on Schedule 2.1(k) hereto, there is no action, suit, claim, investigation, arbitration, alternate dispute resolution proceeding or other proceeding pending or, to the knowledge of the Company, threatened against or involving the Company, any Subsidiary or any of their respective properties or assets, which individually or in the aggregate, could reasonably be expected, if adversely determined, to have a Material Adverse Effect. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Company or any Subsidiary or any officers or directors of the Company or Subsidiary in their capacities as such, which individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

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(l) Compliance with Law. The business of the Company and the Subsidiaries has been and is presently being conducted in accordance with all applicable federal, state and local governmental laws, rules, regulations and ordinances, except as set forth in the Commission Documents or on Schedule 2.1(l) hereto or such that, individually or in the aggregate, the noncompliance therewith could not reasonably be expected to have a Material Adverse Effect. The Company and each of its Subsidiaries have all franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals necessary for the conduct of its business as now being conducted by it unless the failure to possess such franchises, permits, licenses, consents and other governmental or regulatory authorizations and approvals, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(m) Taxes. The Company and each of the Subsidiaries has accurately prepared and filed all federal, state and other tax returns required by law to be filed by it, has paid or made provisions for the payment of all taxes shown to be due and all additional assessments, and adequate provisions have been and are reflected in the financial statements of the Company and the Subsidiaries for all current taxes and other charges to which the Company or any Subsidiary is subject and which are not currently due and payable. Except as disclosed on Schedule 2.1(m) hereto, none of the federal income tax returns of the Company or any Subsidiary have been audited by the Internal Revenue Service. The Company has no knowledge of any additional assessments, adjustments or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company or any Subsidiary for any period, nor of any basis for any such assessment, adjustment or contingency.

(n) Certain Fees. Except as set forth on Schedule 2.1(n) hereto, the Company has not employed any broker or finder or incurred any liability for any brokerage or investment banking fees, commissions, finders' structuring fees, financial advisory fees or other similar fees in connection with the Transaction Documents.

(o) Disclosure. To the best of the Company's knowledge, neither this Agreement or the Schedules hereto nor any other documents, certificates or instruments furnished to the Purchasers by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by this Agreement contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein or therein, in the light of the circumstances under which they were made herein or therein, not misleading.

(p) Operation of Business. Except as set forth on Schedule 2.1(p) hereto, the Company and each of the Subsidiaries owns or possesses the rights to all patents, trademarks, domain names (whether or not registered) and any patentable improvements or copyrightable derivative works thereof, websites and intellectual property rights relating thereto, service marks, trade names, copyrights, licenses and authorizations which are necessary for the conduct of its business as now conducted without any conflict with the rights of others.

(q) Environmental Compliance. The Company and each of its Subsidiaries have obtained all material approvals, authorization, certificates, consents, licenses, orders and permits or other similar authorizations of all governmental authorities, or from any other person, that are required under any Environmental Laws. "Environmental Laws" shall mean all applicable laws relating to the protection of the environment including, without limitation, all requirements

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pertaining to reporting, licensing, permitting, controlling, investigating or remediating emissions, discharges, releases or threatened releases of hazardous substances, chemical substances, pollutants, contaminants or toxic substances, materials or wastes, whether solid, liquid or gaseous in nature, into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of hazardous substances, chemical substances, pollutants, contaminants or toxic substances, material or wastes, whether solid, liquid or gaseous in nature. To the best of the Company's knowledge, the Company has all necessary governmental approvals required under all Environmental Laws as necessary for the Company's business or the business of any of its subsidiaries. To the best of the Company's knowledge, the Company and each of its subsidiaries are also in compliance with all other limitations, restrictions, conditions, standards, requirements, schedules and timetables required or imposed under all Environmental Laws. Except for such instances as would not individually or in the aggregate have a Material Adverse Effect, there are no past or present events, conditions, circumstances, incidents, actions or omissions relating to or in any way affecting the Company or its subsidiaries that violate or may violate any Environmental Law after the Closing Date or that may give rise to any environmental liability, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, study or investigation (i) under any Environmental Law, or (ii) based on or related to the manufacture, processing, distribution, use, treatment, storage (including without limitation underground storage tanks), disposal, transport or handling, or the emission, discharge, release or threatened release of any hazardous substance.

(r) Books and Records; Internal Accounting Controls. The records and documents of the Company and its Subsidiaries accurately reflect in all material respects the information relating to the business of the Company and the Subsidiaries, the location and collection of their assets, and the nature of all transactions giving rise to the obligations or accounts receivable of the Company or any Subsidiary. The Company and each of its Subsidiaries maintain a system of internal accounting controls sufficient, in the judgment of the Company's board of directors, to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate actions are taken with respect to any differences.

(s) Material Agreements. Except for the Transaction Documents (with respect to clause (i) only), as disclosed in the Commission Documents or as set forth on Schedule 2.1(s) hereto, or as would not be reasonably likely to have a Material Adverse Effect, (i) the

Company and each of its Subsidiaries have performed all obligations required to be performed by them to date under any written or oral contract, instrument, agreement, commitment, obligation, plan or arrangement, filed or required to be filed with the Commission (the "Material Agreements"), (ii) neither the Company nor any of its Subsidiaries has received any notice of default under any Material Agreement and, (iii) to the best of the Company's knowledge, neither the Company nor any of its Subsidiaries is in default under any Material Agreement now in effect.

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(t) Transactions with Affiliates. Except as set forth on Schedule 2.1(t) hereto, there are no loans, leases, agreements, contracts, royalty agreements, management contracts or arrangements or other continuing transactions between (a) the Company, any Subsidiary or any of their respective customers or suppliers on the one hand, and (b) on the other hand, any officer, employee, consultant or director of the Company, or any of its Subsidiaries, or any person owning any capital stock of the Company or any Subsidiary or any member of the immediate family of such officer, employee, consultant, director or stockholder or any corporation or other entity controlled by such officer, employee, consultant, director or stockholder, or a member of the immediate family of such officer, employee, consultant, director or stockholder which, in each case, is required to be disclosed in the Commission Documents or in the Company's most recently filed definitive proxy statement on Schedule 14A, that is not so disclosed in the Commission Documents or in such proxy statement.

(u) Securities Act of 1933. Based in material part upon the representations herein of the Purchasers, the Company has complied and will comply with all applicable federal and state securities laws in connection with the offer, issuance and sale of the Securities hereunder. Neither the Company nor anyone acting on its behalf, directly or indirectly, has or will sell, offer to sell or solicit offers to buy any of the Securities or similar securities to, or solicit offers with respect thereto from, or enter into any negotiations relating thereto with, any person, or has taken or will take any action so as to bring the issuance and sale of any of the Securities under the registration provisions of the Securities Act and applicable state securities laws, and neither the Company nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of any of the Securities.

(v) ERISA. No liability to the Pension Benefit Guaranty Corporation has been incurred with respect to any Plan by the Company or any of its Subsidiaries which is or would be materially adverse to the Company and its Subsidiaries. The execution and delivery of this Agreement and the issuance and sale of the Securities will not involve any transaction which is subject to the prohibitions of Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or in connection with which a tax could be imposed pursuant to Section 4975 of the Internal Revenue Code of 1986, as amended, provided that, if any of the Purchasers, or any person or entity that owns a beneficial interest in any of the Purchasers, is an "employee pension benefit plan" (within the meaning of Section 3(2) of ERISA) with respect to which the Company is a "party in interest" (within the meaning of Section 3(14) of ERISA), the requirements of Sections 407(d)(5) and 408(e) of ERISA, if applicable, are met. As used in this Section 2.1(aa), the term "Plan" shall mean an "employee pension benefit plan" (as defined in Section 3 of ERISA) which is or has been established or maintained, or to which contributions are or have been made, by the Company or any Subsidiary or by any trade or business, whether or not incorporated, which, together with the Company or any Subsidiary, is under common control, as described in Section 414(b) or (c) of the Code.

(w) No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any security or solicited any offers to buy any security under circumstances that would cause the offering of the Securities pursuant to this Agreement to be integrated with prior offerings by the Company for purposes of the Securities Act which would prevent the Company from selling the Securities pursuant to Regulation D and Rule 506 thereof under the Securities Act, or any applicable exchange-

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related stockholder approval provisions, nor will the Company or any of its affiliates or subsidiaries take any action or steps that would cause the offering of the Securities to be integrated with other offerings. The Company does not have any registration statement pending before the Commission or currently under the Commission's review.

(x) Sarbanes-Oxley Act. The Company is in substantial compliance with the applicable provisions of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), and the rules and regulations promulgated thereunder, that are effective and intends to comply substantially with other applicable provisions of the Sarbanes-Oxley Act, and the rules and regulations promulgated thereunder, upon the effectiveness of such provisions.

Section 2.2 Representations and Warranties of the Purchasers. Each of the Purchasers hereby represents and warrants to the Company with respect solely to itself and not with respect to any other Purchaser as follows as of the date hereof and as of the Closing Date:

(a) Organization and Standing of the Purchasers. If the Purchaser is an entity, such Purchaser is a corporation, limited liability company or partnership duly incorporated or organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization.

(b) Authorization and Power. Each Purchaser has the requisite power and authority to enter into and perform the Transaction Documents and to purchase the Securities being sold to it hereunder. The execution, delivery and performance of the Transaction



Documents by each Purchaser and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary corporate or partnership action, and no further consent or authorization of such Purchaser or its Board of Directors, stockholders, or partners, as the case may be, is required. When executed and delivered by the Purchasers, the other Transaction Documents shall constitute valid and binding obligations of each Purchaser enforceable against such Purchaser in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditor's rights and remedies or by other equitable principles of general application.

(c) No Conflict. The execution, delivery and performance of the Transaction Documents by the Purchaser and the consummation by the Purchaser of the transactions contemplated thereby and hereby do not and will not (i) violate any provision of the Purchaser's charter or organizational documents, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Purchaser is a party or by which the Purchaser's respective properties or assets are bound, or (iii) result in a violation of any federal, state, local or foreign statute, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Purchaser or by which any property or asset of the Purchaser are bound or affected, except, in all cases, other than violations pursuant to clauses (i) or (iii) (with respect to federal and state securities laws) above, except, for such

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conflicts, defaults, terminations, amendments, acceleration, cancellations and violations as would not, individually or in the aggregate, materially and adversely affect the Purchaser's ability to perform its obligations under the Transaction Documents.

(d) Acquisition for Investment. Each Purchaser is purchasing the Shares and Warrants solely for its own account for the purpose of investment and not with a view to or for sale in connection with distribution. Each Purchaser does not have a present intention to sell any of the Shares or Warrants, nor a present arrangement (whether or not legally binding) or intention to effect any distribution of any of the Shares or Warrants to or through any person or entity; provided, however, that by making the representations herein, such Purchaser does not agree to hold the Shares or the Warrants for any minimum or other specific term and reserves the right to dispose of the Shares or the Warrants at any time in accordance with Federal and state securities laws applicable to such disposition. Each Purchaser acknowledges that it (i) has such knowledge and experience in financial and business matters such that Purchaser is capable of evaluating the merits and risks of Purchaser's investment in the Company, (ii) is able to bear the financial risks associated with an investment in the Securities and (iii) has been given full access to such records of the Company and the Subsidiaries and to the officers of the Company and the Subsidiaries as it has deemed necessary or appropriate to conduct its due diligence investigation.

(e) Rule 144. Each Purchaser understands that the Securities must be held indefinitely unless such Securities are registered under the Securities Act or an exemption from registration is available. Each Purchaser acknowledges that such person is familiar with Rule 144 of the rules and regulations of the Commission, as amended, promulgated pursuant to the Securities Act ("Rule 144"), and that such Purchaser has been advised that Rule 144 permits resales only under certain circumstances. Each Purchaser understands that to the extent that Rule 144 is not available, such Purchaser will be unable to sell any Securities without either registration under the Securities Act or the existence of another exemption from such registration requirement.

(f) General. Each Purchaser understands that the Securities are being offered and sold in reliance on a transactional exemption from the registration requirements of federal and state securities laws and the Company is relying upon the truth and accuracy of the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein in order to determine the applicability of such exemptions and the suitability of such Purchaser to acquire the Securities. Each Purchaser understands that no United States federal or state agency or any government or governmental agency has passed upon or made any recommendation or endorsement of the Securities.

(g) No General Solicitation. Each Purchaser acknowledges that the Securities were not offered to such Purchaser by means of any form of general or public solicitation or general advertising, or publicly disseminated advertisements or sales literature, including (i) any advertisement, article, notice or other communication published in any newspaper, magazine, or similar media, or broadcast over television or radio, or (ii) any seminar or meeting to which such Purchaser was invited by any of the foregoing means of communications. Each Purchaser, in making the decision to purchase the Securities, has relied upon independent investigation made by it and has not relied on any information or representations made by third parties.

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(h) Accredited Investor. Each Purchaser is an "accredited investor" (as defined in Rule 501 of Regulation D), and such Purchaser has such experience in business and financial matters that it is capable of evaluating the merits and risks of an investment in the Securities. Such Purchaser is not required to be registered as a broker-dealer under Section 15 of the Exchange Act and such Purchaser is not a broker-dealer. Each Purchaser acknowledges that an investment in the Securities is speculative and involves a high degree of risk.

(i) Certain Fees. The Purchasers have not employed any broker or finder or incurred any liability for any brokerage or investment banking fees, commissions, finders' structuring fees, financial advisory fees or other similar fees in connection with the Transaction Documents.

(j) Independent Investment. No Purchaser has agreed to act with any other Purchaser for the purpose of acquiring, holding, voting or

disposing of the Securities purchased hereunder for purposes of Section 13(d) under the Exchange Act, and each Purchaser is acting independently with respect to its investment in the Securities.

### ARTICLE III

#### COVENANTS

The Company covenants with each Purchaser as follows, which covenants are for the benefit of each Purchaser and their respective permitted assignees.

Section 3.1 Securities Compliance. The Company shall notify the Commission in accordance with its rules and regulations, of the transactions contemplated by any of the Transaction Documents and shall take all other necessary action and proceedings as may be required and permitted by applicable law, rule and regulation, for the legal and valid issuance of the Securities to the Purchasers, or their respective subsequent holders.

Section 3.2 Registration and Listing. The Company shall use its reasonable best efforts to cause its Common Stock to continue to be registered under Sections 12(b) or 12(g) of the Exchange Act, to comply in all respects with its reporting and filing obligations under the Exchange Act, to comply with all requirements related to any registration statement filed pursuant to this Agreement, and to not take any action or file any document (whether or not permitted by the Securities Act or the rules promulgated thereunder) to terminate or suspend such registration or to terminate or suspend its reporting and filing obligations under the Exchange Act or Securities Act, except as permitted herein. The Company shall use its reasonable best efforts to continue the listing or trading of its Common Stock on the OTC Bulletin Board or any successor market. The Company will promptly file any required "Listing Application" for, or in connection with, the issuance and delivery of the Shares and the Warrant Shares.

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#### Section 3.3 Intentionally Omitted.

Section 3.4 Compliance with Laws. The Company shall comply, and cause each Subsidiary to comply, with all applicable laws, rules, regulations and orders, noncompliance with which would be reasonably likely to have a Material Adverse Effect.

Section 3.5 Keeping of Records and Books of Account. The Company shall keep and cause each Subsidiary to keep adequate records and books of account, in which complete entries will be made in accordance with GAAP consistently applied, reflecting all financial transactions of the Company and its Subsidiaries, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, taxes, bad debts and other purposes in connection with its business shall be made.

Section 3.6 Reporting Requirements. If the Company ceases to file its periodic reports with the Commission, or if the Commission ceases making these periodic reports available via the Internet without charge, then the Company shall furnish the following to each Purchaser so long as such Purchaser shall be obligated hereunder to purchase the Securities or shall beneficially own Shares or Warrant Shares:

- (a) Quarterly Reports filed with the Commission on Form 10-QSB as soon as available, and in any event within forty-five (45) days after the end of each of the first three fiscal quarters of the Company;
- (b) Annual Reports filed with the Commission on Form 10-KSB as soon as available, and in any event within ninety (90) days after the end of each fiscal year of the Company; and
- (c) Copies of all notices, information and proxy statements in connection with any meetings, that are, in each case, provided to holders of shares of Common Stock, contemporaneously with the delivery of such notices or information to such holders of Common Stock.

Section 3.7 Other Agreements. The Company shall not enter into any agreement in which the terms of such agreement would restrict or impair the right or ability to perform of the Company or any Subsidiary under any Transaction Document.

Section 3.8 Subsequent Financings; Right of First Refusal. (a) For a period of ninety (90) days following the effective date of a registration statement providing for the resale of the Shares and the Warrant Shares (the "Effectiveness Date"), the Company covenants and agrees that it will not, without the prior written consent of the holders of a majority of the Shares outstanding at the time consent is required, enter into any subsequent offer or sale to, or exchange with (or other type of distribution to), any third party (a "Subsequent Financing"), of Common Stock or any securities convertible, exercisable or exchangeable into Common Stock, including

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convertible debt securities (collectively, the "Financing Securities"), except for a Permitted Financing. A "Permitted Financing" shall mean (i) the Company's issuance of Common Stock and warrants therefore in connection with a merger and/or acquisition or

consolidation, (ii) the issuance of shares of Common Stock or warrants therefore in connection with strategic license agreements so long as such issuances are not for the purpose of raising capital, (iii) the Company's issuance of Common Stock or the issuance or grants of options to purchase Common Stock pursuant to the Company's stock option plans and employee stock purchase plans as they now exist, and (iv) the issuance of Common Stock upon the exercise or conversion of any securities outstanding on the date hereof.

Section 3.9 Use of Proceeds. The proceeds from the sale of the Shares will be used by the Company for working capital and general corporate purposes.

Section 3.10 Reporting Status. So long as a Purchaser beneficially owns any of the Securities, the Company shall timely file all reports required to be filed with the Commission pursuant to the Exchange Act, and the Company shall not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would permit such termination.

Section 3.11 Disclosure of Transaction. The Company shall issue a press release describing the material terms of the transactions contemplated hereby (the "Press Release") on the day of the Closing; provided, however, that if Closing occurs after 4:00 P.M. Eastern Time on any Trading Day but in no event later than one hour after the Closing, the Company shall issue the Press Release no later than 9:00 A.M. Eastern Time on the first Trading Day following the Closing Date. The Company shall also file with the Commission a Current Report on Form 8-K (the "Form 8-K") describing the material terms of the transactions contemplated hereby (and attaching as exhibits thereto this Agreement, the Registration Rights Agreement and the form of each series of Warrant) as soon as practicable following the date of execution of this Agreement but in no event more than two (2) Trading Days following the date of execution of this Agreement, which Press Release and Form 8-K shall be subject to prior review and comment by the Purchasers. "Trading Day" means any day during which the principal exchange on which the Common Stock is traded shall be open for trading.

Section 3.12 Disclosure of Material Information. The Company covenants and agrees that neither it nor any other person acting on its behalf has provided or will provide any Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto such Purchaser shall have executed a written agreement regarding the confidentiality and use of such information. The Company understands and confirms that each Purchaser shall be relying on the foregoing representations in effecting transactions in securities of the Company.

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Section 3.13 Pledge of Securities. The Company acknowledges and agrees that the Securities may be pledged by a Purchaser in connection with a bona fide margin agreement or other loan or financing arrangement that is secured by the Common Stock. The pledge of Common Stock shall not be deemed to be a transfer, sale or assignment of the Common Stock hereunder, and no Purchaser effecting a pledge of Common Stock shall be required to provide the Company with any notice thereof or otherwise make any delivery to the Company pursuant to this Agreement or any other Transaction Document; provided that a Purchaser and its pledgee shall be required to comply with the provisions of Article V hereof in order to effect a sale, transfer or assignment of Common Stock to such pledgee. At the Purchasers' expense, the Company hereby agrees to execute and deliver such documentation as a pledgee of the Common Stock may reasonably request in connection with a pledge of the Common Stock to such pledgee by a Purchaser.

Section 3.14 Registration Statements. The Company shall not file any registration statement under the Securities Act registering shares of its equity securities until the date that is at least ninety (90) days following the Effectiveness Date; provided, however, that the Company may file a registration statement under the Securities Act registering shares of its equity securities issued in connection with a Permitted Financing at any time following the Effectiveness Date.

## SECTION IV

### CONDITIONS

Section 4.1 Conditions Precedent to the Obligation of the Company to Close and to Sell the Securities. The obligation hereunder of the Company to close and issue and sell the Securities to the Purchasers at the Closing is subject to the satisfaction or waiver, at or before the Closing of the conditions set forth below. These conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion.

- (a) Accuracy of the Purchasers' Representations and Warranties. The representations and warranties of each Purchaser shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time, except for representations and warranties that are expressly made as of a particular date, which shall be true and correct in all material respects as of such date.
- (b) Performance by the Purchasers. Each Purchaser shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Purchasers at or prior to the Closing Date.

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- (c) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement.
- (d) Delivery of Purchase Price. The Purchase Price for the Shares shall have been delivered to the Company on the Closing Date.
- (e) Delivery of Transaction Documents. The Transaction Documents shall have been duly executed and delivered by the Purchasers to the Company.

Section 4.2 Conditions Precedent to the Obligation of the Purchasers to Close and to Purchase the Securities. The obligation hereunder of the Purchasers to purchase the Securities and consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver, at or before the Closing, of each of the conditions set forth below. These conditions are for the Purchasers' sole benefit and may be waived by the Purchasers at any time in their sole discretion.

- (a) Accuracy of the Company's Representations and Warranties. Each of the representations and warranties of the Company in this Agreement and the Registration Rights Agreement shall be true and correct in all material respects as of the Closing Date, except for representations and warranties that speak as of a particular date, which shall be true and correct in all material respects as of such date.
- (b) Performance by the Company. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date.
- (c) No Suspension, Etc. Trading in the Common Stock shall not have been suspended by the Commission or the OTC Bulletin Board (except for any suspension of trading of limited duration agreed to by the Company, which suspension shall be terminated prior to the Closing), and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg Financial Markets ("Bloomberg") shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by Bloomberg, or on the New York Stock Exchange, nor shall a banking moratorium have been declared either by the United States or New York State authorities.
- (d) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction which prohibits the consummation of any of the transactions contemplated by this Agreement.

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- (e) No Proceedings or Litigation. No action, suit or proceeding before any arbitrator or any governmental authority shall have been commenced, and no investigation by any governmental authority shall have been threatened, against the Company or any Subsidiary, or any of the officers, directors or affiliates of the Company or any Subsidiary seeking to restrain, prevent or change the transactions contemplated by this Agreement, or seeking damages in connection with such transactions.
- (f) Shares and Warrants. At or prior to the Closing, the Company shall have delivered to the Purchasers certificates representing the Shares (in such denominations as each Purchaser may request) and the Warrants.
- (g) Secretary's Certificate. The Company shall have delivered to the Purchasers a secretary's certificate, dated as of the Closing Date, as to (i) the resolutions adopted by the Board of Directors approving the transactions contemplated hereby, (ii) the Articles, (iii) the Bylaws, each as in effect at the Closing, and (iv) the authority and incumbency of the officers of the Company executing the Transaction Documents and any other documents required to be executed or delivered in connection therewith.
- (h) Officer's Certificate. On the Closing Date, the Company shall have delivered to the Purchasers a certificate signed by an executive officer on behalf of the Company, dated as of the Closing Date, confirming the accuracy of the Company's representations, warranties and covenants as of the Closing Date and confirming the compliance by the Company with the conditions precedent set forth in paragraphs (b)-(e) of this Section 4.2 as of the Closing Date (provided that, with respect to the matters in paragraphs (d) and (e) of this Section 4.2, such confirmation shall be based on the knowledge of the executive officer after due inquiry).
- (i) Registration Rights Agreement. As of the Closing Date, the parties shall have entered into the Registration Rights Agreement.
- (j) Material Adverse Effect. No Material Adverse Effect shall have occurred at or before the Closing Date.

## ARTICLE V

### CERTIFICATE LEGEND

Section 5.1 Legend. Each certificate representing the Securities shall be stamped or otherwise imprinted with a legend substantially in the following form (in addition to any legend required by applicable state securities or "blue sky" laws):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE (THE "SECURITIES") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES

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LAWS OR VISUALMED CLINICAL SOLUTION CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL THAT REGISTRATION OF SUCH SECURITIES UNDER THE SECURITIES ACT AND UNDER THE PROVISIONS OF APPLICABLE STATE SECURITIES LAWS IS NOT REQUIRED.

The Company agrees to reissue certificates representing any of the Shares and the Warrant Shares, without the legend set forth above if at such time, prior to making any transfer of any such Shares or Warrant Shares, such holder thereof shall give written notice to the Company describing the manner and terms of such transfer and removal as the Company may reasonably request. Such proposed transfer and removal will not be effected until: (a) either (i) the Company has received an opinion of counsel reasonably satisfactory to the Company, to the effect that the registration of the Shares or Warrant Shares under the Securities Act is not required in connection with such proposed transfer, (ii) a registration statement under the Securities Act covering such proposed disposition has been filed by the Company with the Commission and has become effective under the Securities Act, (iii) the Company has received other evidence reasonably satisfactory to the Company that such registration and qualification under the Securities Act and state securities laws are not required, or (iv) the holder provides the Company with reasonable assurances that such security can be sold pursuant to Rule 144 under the Securities Act; and (b) either (i) the Company has received an opinion of counsel reasonably satisfactory to the Company, to the effect that registration or qualification under the securities or "blue sky" laws of any state is not required in connection with such proposed disposition, or (ii) compliance with applicable state securities or "blue sky" laws has been effected or a valid exemption exists with respect thereto. The Company will respond to any such notice from a holder within five (5) business days. In the case of any proposed transfer under this Section 5.1, the Company will use reasonable efforts to comply with any such applicable state securities or "blue sky" laws, but shall in no event be required, (x) to qualify to do business in any state where it is not then qualified, (y) to take any action that would subject it to tax or to the general service of process in any state where it is not then subject, or (z) to comply with state securities or "blue sky" laws of any state for which registration by coordination is unavailable to the Company. The restrictions on transfer contained in this Section 5.1 shall be in addition to, and not by way of limitation of, any other restrictions on transfer contained in any other section of this Agreement. Whenever a certificate representing the Shares or Warrant Shares is required to be issued to a Purchaser without a legend, in lieu of delivering physical certificates representing the Shares or Warrant Shares, provided the Company's transfer agent is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer program, the Company shall use its reasonable best efforts to cause its transfer agent to electronically transmit the Shares or Warrant Shares to a Purchaser by crediting the account of such Purchaser's Prime Broker with DTC through its Deposit Withdrawal Agent Commission ("DWAC") system (to the extent not inconsistent with any provisions of this Agreement).

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## ARTICLE VI

### INDEMNIFICATION

Section 6.1 General Indemnity. The Company agrees to indemnify and hold harmless the Purchasers (and their respective directors, officers, affiliates, agents, successors and assigns) from and against any and all losses, liabilities, deficiencies, costs, damages and expenses (including, without limitation, reasonable attorneys' fees, charges and disbursements) incurred by the Purchasers as a result of any inaccuracy in or breach of the representations, warranties or covenants made by the Company herein. Each Purchaser severally but not jointly agrees to indemnify and hold harmless the Company and its directors, officers, affiliates, agents, successors and assigns from and against any and all losses, liabilities, deficiencies, costs, damages and expenses (including, without limitation, reasonable attorneys' fees, charges and disbursements) incurred by the Company as result of any inaccuracy in or breach of the representations, warranties or covenants made by such Purchaser herein. The maximum aggregate liability of each Purchaser pursuant to its indemnification obligations under this Article VI shall not exceed the portion of the Purchase Price paid by such Purchaser hereunder.

Section 6.2 Indemnification Procedure. Any party entitled to indemnification under this Article VI (an "indemnified party") will give written notice to the indemnifying party of any matters giving rise to a claim for indemnification; provided, that the failure of any party entitled to indemnification hereunder to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Article VI except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action, proceeding or claim is brought against an indemnified party in respect of which indemnification is sought hereunder, the indemnifying party shall be entitled to participate in and, unless in the reasonable judgment of the indemnifying party a conflict of interest between it and the indemnified party exists with respect to such action, proceeding or claim (in which case the indemnifying party shall be responsible for the reasonable fees and expenses of one separate counsel for the indemnified parties), to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. In the event that the indemnifying party advises an indemnified party that it will not contest such a claim for indemnification hereunder, or fails, within thirty (30) days of receipt of any indemnification notice to notify, in writing, such person of its election to defend, settle or compromise, at its sole cost and expense, any action, proceeding or claim (or discontinues its defense at any time after it commences such defense), then the indemnified party may, at its option, defend, settle or otherwise compromise or pay such action or claim. In any event, unless and until the indemnifying party elects in writing to assume and does so assume the defense of any such claim, proceeding or action, the indemnified party's costs and expenses arising out of the defense, settlement or compromise of any such action, claim or proceeding shall be losses subject to indemnification hereunder. The indemnified party shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and

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shall furnish to the indemnifying party all information reasonably available to the indemnified party which relates to such action or claim. The indemnifying party shall keep the indemnified party fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. If the indemnifying party elects to defend any such action or claim, then the indemnified party shall be entitled to participate in such defense with counsel of its choice at its sole cost and expense. The indemnifying party shall not be liable for any settlement of any action, claim or proceeding effected without its prior written consent. Notwithstanding anything in this Article VI to the contrary, the indemnifying party shall not, without the indemnified party's prior written consent, settle or compromise any claim or consent to entry of any judgment in respect thereof which imposes any future obligation on the indemnified party or which does not include, as an unconditional term thereof, the giving by the claimant or the plaintiff to the indemnified party of a release from all liability in respect of such claim. The indemnification required by this Article VI shall be made by periodic payments of the amount thereof during the course of investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred, so long as the indemnified party irrevocably agrees to refund such moneys if it is ultimately determined by a court of competent jurisdiction that such party was not entitled to indemnification. The indemnity agreements contained herein shall be in addition to (a) any cause of action or similar rights of the indemnified party against the indemnifying party or others, and (b) any liabilities the indemnifying party may be subject to pursuant to the law.

## ARTICLE VII

### MISCELLANEOUS

Section 7.1 Fees and Expenses. Each party shall pay the fees and expenses of its advisors, counsel, accountants and other experts, if any, and all other expenses, incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement; provided, however, that the Company shall pay all actual attorneys' fees and expenses (including disbursements and out-of-pocket expenses) incurred by the Purchasers in connection with (i) the preparation, negotiation, execution and delivery of this Agreement, the Registration Rights Agreement and the transactions contemplated thereunder, which payment shall be made at Closing and shall not exceed \$15,000 (plus disbursements in an amount not to exceed \$1,000), (ii) the filing and declaration of effectiveness by the Commission of the Registration Statement (as defined in the Registration Rights Agreement) and (iii) any amendments, modifications or waivers of this Agreement or any of the other Transaction Documents. In addition, the Company shall pay all reasonable fees and expenses incurred by the Purchasers in connection with the enforcement of this Agreement or any of the other Transaction Documents, including, without limitation, all reasonable attorneys' fees and expenses.

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### Section 7.2 Specific Performance; Consent to Jurisdiction; Venue.

(a) The Company and the Purchasers acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement or the other Transaction Documents were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement or the other Transaction Documents and to enforce specifically the terms and provisions hereof or thereof, this being in addition to any other remedy to which any of them may be entitled by law or equity.

(b) The parties agree that venue for any dispute arising under this Agreement will lie exclusively in the state or federal courts located

in Las Vegas, Nevada, and the parties irrevocably waive any right to raise *forum non conveniens* or any other argument that Nevada is not the proper venue. The parties irrevocably consent to personal jurisdiction in the state and federal courts of the state of Nevada. The Company and each Purchaser consent to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing in this Section 7.2 shall affect or limit any right to serve process in any other manner permitted by law. The Company and the Purchasers hereby agree that the prevailing party in any suit, action or proceeding arising out of or relating to the Securities, this Agreement or the Registration Rights Agreement, shall be entitled to reimbursement for reasonable legal fees from the non-prevailing party.

Section 7.3 Entire Agreement; Amendment. This Agreement and the Transaction Documents contain the entire understanding and agreement of the parties with respect to the matters covered hereby and, except as specifically set forth herein or in the other Transaction Documents, neither the Company nor any Purchaser make any representation, warranty, covenant or undertaking with respect to such matters, and they supersede all prior understandings and agreements with respect to said subject matter, all of which are merged herein. No provision of this Agreement may be waived or amended other than by a written instrument signed by the Company and the Purchasers holding at least a majority of all Shares then held by the Purchasers. Any amendment or waiver effected in accordance with this Section 7.3 shall be binding upon each Purchaser (and their permitted assigns) and the Company.

Section 7.4 Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing and shall be effective (a) upon hand delivery by telecopy or facsimile at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

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If to the Company: 1035 LAURIER STREET WEST  
Suite 200  
MONTREAL, QUEBEC, CANADA H2V 2L1  
Attention: Gerard Dab, Chairman and CEO  
Tel. No.: 1-514-274-1115  
Fax No.: 1-514-274-8364

with copies (which copies shall not constitute notice to the Company) to:

Conrad C. Lysiak, Esq.  
Attorney at Law  
601 West First Avenue, Suite 503  
Spokane, Washington 99201  
Tel. No.: (509) 624-1475  
Fax No.: (509) 747-1770

If to any Purchaser: At the address of such Purchaser set forth on Exhibit A to this Agreement, with copies to Purchaser's counsel as set forth on Exhibit A or as specified in writing by such Purchaser with copies to:

Hovington Pellerin Simard, General Partnership  
460, Saint-Gabriel, Suite 21  
Montreal, Quebec, Canada  
H2Y 2Z9  
Attention: Claude Pellerin  
Tel No.: (514)397-0575  
Fax No.: (514) 397-0480

Any party hereto may from time to time change its address for notices by giving written notice of such changed address to the other party hereto.

Section 7.5 Waivers. No waiver by either party of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

Section 7.6 Headings. The article, section and subsection headings in this Agreement are for convenience only and shall not constitute a part of this Agreement for any other purpose and shall not be deemed to limit or affect any of the provisions hereof.

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Section 7.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. After the Closing, the assignment by a party to this Agreement of any rights hereunder shall not affect the obligations of such party under this Agreement. Subject to Section 5.1 hereof, the Purchasers may assign the Securities and its rights under this Agreement and the other Transaction Documents and any other rights hereto and thereto without the consent of the Company.

Section 7.8 No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

Section 7.9 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada, without giving effect to any of the conflicts of law principles which would result in the application of the substantive law of another jurisdiction. This Agreement shall not be interpreted or construed with any presumption against the party causing this Agreement to be drafted.

Section 7.10 Survival. The representations and warranties of the Company and the Purchasers shall survive the execution and delivery hereof and the Closing until the second anniversary of the Closing Date, except the agreements and covenants set forth in Articles I, III, V, VI and VII of this Agreement shall survive the execution and delivery hereof and the Closing hereunder.

Section 7.11 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and shall become effective when counterparts have been signed by each party and delivered to the other parties hereto, it being understood that all parties need not sign the same counterpart.

Section 7.12 Publicity. The Company agrees that it will not disclose, and will not include in any public announcement, the names of the Purchasers without the consent of the Purchasers, which consent shall not be unreasonably withheld or delayed, or unless and until such disclosure is required by law, rule or applicable regulation, and then only to the extent of such requirement.

Section 7.13 Severability. The provisions of this Agreement are severable and, in the event that any court of competent jurisdiction shall determine that any one or more of the provisions or part of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or part of a provision of this Agreement and this Agreement shall be reformed and construed as if such invalid or illegal or unenforceable

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provision, or part of such provision, had never been contained herein, so that such provisions would be valid, legal and enforceable to the maximum extent possible.

Section 7.14 Further Assurances. From and after the date of this Agreement, upon the request of the Purchasers or the Company, the Company and each Purchaser shall execute and deliver such instruments, documents and other writings as may be reasonably necessary or desirable to confirm and carry out and to effectuate fully the intent and purposes of this Agreement, the Warrants and the Registration Rights Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

**VISUALMED CLINICAL SOLUTION CORPORATION**

By: /s/ Gérard Dab  
Name: Gérard Dab  
Title: Chairman

**ATON PROTECTION FUND LIMITED**

By: /s/ Claude Pellerin  
Name: Claude Pellerin, Attorney at Law  
Title: Proxy

**EXHIBIT A  
LIST OF PURCHASERS**

**Names and Addresses  
of Purchasers**

**Investment Amount, Number of Shares  
& Warrants Purchased**

1. Capex Investments Limited  
Suite 802, St-James Court  
St-Denis Street, Port Louis  
Republic of Mauritius

Investment Amount: \$991,319.25  
Shares: 1,321,759  
Series A Warrant: 1,321,759

No Tax ID: Off Shore Fund

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| 2. Aton Select Fund Limited<br>Aeulestrasse 5<br>Postfach 83<br>FL-9490 Vaduz<br>Liechtenstein<br>Tel: 423-237-3434<br>Fax: 423-237-3460<br>Tax ID#<br>Attention: Dr. Werner Kelcher or Mr. David      | Investment Amount: \$415,027.50<br>Shares: 553,370<br>Series A Warrant: 553,370 |
| 3. Asset Protection Fund Limited<br>Aeulestrasse 5<br>Postfach 83<br>FL-9490 Vaduz<br>Liechtenstein<br>Tel: 423-237-3434<br>Fax: 423-237-3460<br>Tax ID#<br>Attention: Dr. Werner Kelcher or Mr. David | Investment Amount: \$300,328.50<br>Shares: 400,438<br>Series A Warrant: 400,438 |

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**EXHIBIT B**  
**FORM OF SERIES A WARRANT**

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**EXHIBIT B**  
**FORM OF REGISTRATION RIGHTS AGREEMENT**

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**EXHIBIT F**  
**FORM OF OPINION**

1. The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Nevada and has the requisite corporate power to own, lease and operate its properties and assets, and to carry on its business as presently conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the failure to so qualify would have a Material Adverse Effect.

2. The Company has the requisite corporate power and authority to enter into and perform its obligations under the Transaction Documents and to issue the Shares and the Warrants. The execution, delivery and performance of each of the Transaction Documents by the Company and the consummation by it of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate action and no further consent or authorization of the Company, its Board of Directors or its stockholders is required. Each of the Transaction Documents have been duly executed and delivered and each of the Transaction Documents constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its respective terms. The Shares and the Warrant Shares are not subject to any preemptive rights under the Articles of Incorporation or the Bylaws.

3. The Shares and the Warrants have been duly authorized and, the Shares when delivered against payment in full as provided in the Purchase Agreement, will be validly issued, fully paid and nonassessable. The shares of Common Stock issuable upon exercise of the Warrants have been duly authorized and reserved for issuance, and when delivered against payment in full as provided in the Warrants, will be validly issued, fully paid and nonassessable.

4. The execution, delivery and performance of and compliance with the terms of the Transaction Documents and the issuance of the Shares and the Warrants do not (a) violate any provision of the Articles of Incorporation or Bylaws, (b) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any material agreement, mortgage, deed of trust, indenture, note, bond, license, lease agreement, instrument or obligation to which the Company is a party and which is known to us, (c) create or impose a lien, charge or encumbrance on any property of the Company under any agreement or any commitment known to us to which the Company is a party or by which the Company is bound or by which any of its respective properties or assets are bound, or (d) result in a violation of any Federal, state, local or foreign statute, rule, regulation, order, judgment, injunction or decree (including Federal and state securities laws and regulations) applicable to the Company or by which any property or asset of the Company is bound or affected, except, in all cases other than violations pursuant to clauses (a) and (d) above, for such conflicts, default, terminations, amendments, acceleration, cancellations and violations as would not, individually or in the

aggregate, have a Material Adverse Effect.

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5. No consent, approval or authorization of or designation, declaration or filing with any governmental authority on the part of the Company is required under Federal, state or local law, rule or regulation in connection with the valid execution, delivery and performance of the Transaction Documents, or the offer, sale or issuance of the Shares and the Warrants other than filings as may be required by applicable Federal and state securities laws and regulations and any applicable stock exchange rules and regulations.

6. To our knowledge, there is no action, suit, claim, investigation or proceeding pending or threatened against the Company which questions the validity of the Agreement or the transactions contemplated thereby or any action taken or to be taken pursuant thereto. There is no action, suit, claim, investigation or proceeding pending, or to our knowledge, threatened, against or involving the Company or any of its properties or assets and which, if adversely determined, is reasonably likely to result in a Material Adverse Effect. There are no outstanding orders, judgments, injunctions, awards or decrees of any court, arbitrator or governmental or regulatory body against the Company or any officers or directors of the Company in their capacities as such.

7. The offer, issuance and sale of the Shares and the Warrants are exempt from the registration requirements of the Securities Act of 1933, as amended.

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#### SCHEDULE 2.1 (c)

Authorized Capital Stock of the Company: 100,000,000 shares

#### Securities Allowed to be Included on Registration Statement

Hovington Pellerin Simard, General Partnership	15,000	shares
Claude Pellerin	25,000	shares
Stephane Solis	160,000	shares
isual HealthCare Corp.	3,788,216	shares

SCHEDULE 2.1 (n)

The Company has employed a finder in connection with the Transaction Documents and has incurred fees payable to that finder, namely M. Stephane Solis.

The fee payable is 160,000 common shares of VisualMED Clinical Solutions Corp.

## **REGISTRATION RIGHTS AGREEMENT**

This Registration Rights Agreement (this "Agreement") is made and entered into as of March 24, 2005, by and among VisualMed Clinical Solutions Corporation, a Nevada corporation (the "Company"), and the purchasers listed on Schedule I hereto (the "Purchasers").

This Agreement is being entered into pursuant to the Common Stock Purchase Agreement dated as of the date hereof among the Company and the Purchasers (the "Purchase Agreement").

The Company and the Purchasers hereby agree as follows:

### 1. Definitions.

Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

"Advice" shall have meaning set forth in Section 3(m).

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls or is controlled by or under common control with such Person. For the purposes of this definition, "control," when used with respect to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; and the terms of "affiliated," "controlling" and "controlled" have meanings correlative to the foregoing.

"Board" shall have meaning set forth in Section 3(n).

"Business Day" means any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the state of New York generally are authorized or required by law or other government actions to close.

"Closing Date" means the date of the closing of the purchase and sale of the Shares pursuant to the Purchase Agreement.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the Company's Common Stock, par value \$0.00001 per share.

"Effectiveness Date" means with respect to the Registration Statement the earlier of the 90<sup>th</sup> day following the Filing Date or the date which is within three (3) calendar days of the date the Commission informs the Company that the Commission (i) will not review the Registration Statement or (ii) that the Company may request the acceleration of the effectiveness of the Registration Statement and the Company makes such request.

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"Effectiveness Period" shall have the meaning set forth in Section 2.

"Event" shall have the meaning set forth in Section 7(d).

"Event Date" shall have the meaning set forth in Section 7(d).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Filing Date" means 30 Days after the execution of the present.

"Holder" or "Holders" means the holder or holders, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 5(c).

"Indemnifying Party" shall have the meaning set forth in Section 5(c).

"Losses" shall have the meaning set forth in Section 5(a).

"Person" means an individual or a corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or political subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus included in the Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by the Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference in such Prospectus.

"Registrable Securities" means (i) the shares of Common Stock issued to the Purchasers pursuant to the Purchase Agreement and (ii) the shares of Common Stock issuable upon exercise of the Warrants.

"Registration Statement" means the registration statements and any additional registration statements contemplated by Section 2, including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference in such registration statement.

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"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 158" means Rule 158 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended.

"Special Counsel" means one special counsel to the Holders, for which the Holders will be reimbursed by the Company pursuant to Section 4.

## 2. Resale Registration.

On or prior to the Filing Date the Company shall prepare and file with the Commission a "resale" Registration Statement covering all Registrable Securities for an offering to be made on a continuous basis pursuant to Rule 415. The Registration Statement shall be on Form SB-2 (except if the Company is not then eligible to register for resale the Registrable Securities on Form SB-2, in which case such registration shall be on another appropriate form in accordance herewith). The Company shall (i) not permit any securities other than the Registrable Securities and the securities to be listed on Schedule II hereto to be included in the Registration Statement and (ii) use its reasonable best efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as possible after the filing thereof, but in any event prior to the Effectiveness Date, and to keep such Registration Statement continuously effective under the Securities Act until such date as is the earlier of (x) the date when all Registrable Securities covered by such Registration Statement have been sold or (y) the date on which the Registrable Securities may be sold without any restriction pursuant to Rule 144 as determined by the counsel to the Company pursuant to a written opinion letter, addressed to the Company's transfer agent to such effect (the "Effectiveness Period").

## 3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Prepare and file with the Commission on or prior to the Filing Date, a Registration Statement on Form SB-2 (or if the Company is not then eligible to register for resale the Registrable Securities on Form SB-2 such registration shall be on another appropriate form in accordance herewith) in accordance with the method or methods of distribution thereof as specified by the Holders (except if otherwise directed by the Holders), and use its reasonable best efforts to cause the Registration Statement to become effective and remain effective as provided herein; provided, however, that not less than two (2) Business Days prior to the filing of the Registration Statement or related Prospectus or any

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amendment or supplement thereto (including any document that would be incorporated therein by reference), the Company shall (i) furnish to the Special Counsel, copies of all such documents proposed to be filed, which documents (other than those incorporated by reference) will be subject to the review of such Special Counsel, and (ii) cause its officers and directors, counsel and independent certified public accountants to respond to such inquiries as shall be necessary, in the reasonable opinion of Special Counsel, to conduct a reasonable investigation within the meaning of the Securities Act. Unless otherwise advised by outside counsel to the Company in its reasonable judgment, the Company shall not file the Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Special Counsel shall reasonably object in writing within one (1) Business Day of its receipt thereof; provided, however, that Special Counsel may only object to the filing of the Registration Statement if such objection relates specifically to the Holders or may affect the timely effectiveness of the Registration Statement.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to the Registration Statement as may be necessary to keep the Registration Statement continuously effective as to the applicable Registrable Securities for the Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; (iii) respond as promptly as possible, but in no event later than ten (10) Business Days, to any comments received from the Commission with respect to the Registration Statement or any amendment thereto and as promptly as possible provide the Holders true and complete copies of all correspondence from and to the Commission relating to the Registration Statement; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by the Registration Statement during the applicable period in accordance with the intended methods of disposition by the Holders thereof set forth in the Registration Statement as so amended or in such Prospectus as so supplemented.

(c) Notify any Special Counsel as promptly as possible (and, in the case of (i)(A) below, not less than two (2) days prior to such filing) (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to the Registration Statement is filed; (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement and (C) with respect to the Registration Statement or any post-effective amendment, when the same has become effective; (ii) of any request by the Commission or any other Federal or state governmental authority for amendments or supplements to the Registration Statement or Prospectus or for additional information; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event that makes any statement made in the Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any

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revisions to the Registration Statement, Prospectus or other documents so that, in the case of the Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) Use its reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of, (i) any order suspending the effectiveness of the Registration Statement or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(e) If requested by the Holders of a majority in interest of the Registrable Securities, (i) promptly incorporate in a Prospectus supplement or post-effective amendment to the Registration Statement such information as the Company reasonably agrees should be included therein and (ii) make all required filings of such Prospectus supplement or such post-effective amendment as soon as practicable after the Company has received notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment.

(f) Furnish to each Holder and any Special Counsel, without charge, at least one conformed copy of each Registration Statement and each amendment thereto, including financial statements and schedules, all documents incorporated or deemed to be incorporated therein by reference, and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission.

(g) The Company hereby consents to the use of any Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Securities, use its reasonable best efforts to register or qualify or cooperate with the selling Holders and any Special Counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any Holder requests in writing, to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by a Registration Statement; provided, however, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or subject the Company to any material tax in any such jurisdiction where it is not then so subject.

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(i) Cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold pursuant to a Registration Statement, which certificates shall be free of all restrictive legends so long as the Holder has complied with all applicable securities laws in connection with such sale, including the prospectus delivery requirements, and to enable such Registrable Securities to be in such denominations and registered in such names as any Holder may request in writing at least two (2) Business Days prior to any sale of Registrable Securities.

(j) Upon the occurrence of any event contemplated by Section 3(c)(vi), as promptly as possible, prepare a supplement or amendment, including a post-effective amendment, to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, neither the Registration Statement nor such Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) Use its reasonable best efforts to cause all Registrable Securities relating to the Registration Statement to be listed on the OTC Bulletin Board or any other securities exchange, quotation system or market, if any, on which similar securities issued by the Company are then listed as and when required pursuant to the Purchase Agreement.

(l) Comply in all material respects with all applicable rules and regulations of the Commission and make generally available to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 not later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) commencing on the first day of the first fiscal quarter of the Company after the effective date of the Registration Statement, which statement shall conform to the requirements of Rule 158.

(m) The Company may require each selling Holder to furnish to the Company information regarding such Holder and the distribution of such Registrable Securities as is required by law to be disclosed in the Registration Statement, and the Company may exclude from such registration the Registrable Securities of any such Holder who unreasonably fails to furnish such information within a reasonable time after receiving such request.

If the Registration Statement refers to any Holder by name or otherwise as the holder of any securities of the Company, then such Holder shall have the right to require (if such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal statute then in force) the deletion of the reference to such Holder in any amendment or supplement to the Registration Statement filed or prepared subsequent to the time that such reference ceases to be required.

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Each Holder covenants and agrees that (i) it will not sell any Registrable Securities under the Registration Statement until it has received copies of the Prospectus as then amended or supplemented as contemplated in Section 3(g) and notice from the Company that such Registration Statement and any post-effective amendments thereto have become effective as contemplated by Section 3(c) and (ii) it and its officers, directors or Affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with sales of Registrable Securities pursuant to the Registration Statement.

Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(c)(ii), 3(c)(iii), 3(c)(iv), 3(c)(v) or 3(c)(vi), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement contemplated by Section 3(j), or until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement.

(n) If (i) there is material non-public information regarding the Company which the Company's Board of Directors (the "Board") reasonably determines not to be in the Company's best interest to disclose and which the Company is not otherwise required to disclose, or (ii) there is a significant business opportunity (including, but not limited to, the acquisition or disposition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer or other similar transaction) available to the Company which the Board reasonably determines not to be in the Company's best interest to disclose, then the Company may (x) postpone or suspend filing of a registration statement for a period not to exceed 30 consecutive days or (y) postpone or suspend effectiveness of a registration statement for a period not to exceed 20 consecutive days; provided that the Company may not postpone or suspend effectiveness of a registration statement under this Section 3(n) for more than 45 days in the aggregate during any 12 month period; provided, however, that no such postponement or suspension shall be permitted for consecutive 20 day periods arising out of the same set of facts, circumstances or transactions.

#### 4. Registration Expenses.

All fees and expenses incident to the performance of or compliance with this Agreement by the Company, except as and to the extent specified in this Section 4, shall be borne by the Company whether or not the Registration Statement is filed or becomes effective and whether or not any Registrable Securities are sold pursuant to the Registration Statement. The fees and expenses referred to in the

foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses with respect to filings required to be made with the OTC Bulletin Board and each other securities exchange or market on which Registrable Securities are required hereunder to be listed), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities), (iii) fees and disbursements of counsel for the Company and Special Counsel for the Holders, in the case of the Special Counsel, up to a maximum amount of \$5,000, (iv) Securities Act liability insurance, if the

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Company so desires such insurance, and (v) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, including, without limitation, the Company's independent public accountants. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, agents, brokers (including brokers who offer and sell Registrable Securities as principal as a result of a pledge or any failure to perform under a margin call of Common Stock), investment advisors and employees of each of them, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, costs of preparation and attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in the Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (i) such untrue statements or omissions are based solely upon information regarding such Holder or such other Indemnified Party furnished in writing to the Company by such Holder expressly for use therein and (ii) that the foregoing indemnity agreement is subject to the condition that, insofar as it relates to any untrue statement, allegedly untrue statement, omission or alleged omission made in any preliminary prospectus but eliminated or remedied in the final prospectus (filed pursuant to Rule 424 of the Securities Act), such indemnity agreement shall not inure to the benefit of any Holder, underwriter, broker or other Person acting on behalf of holders of the Registrable Securities, from whom the Person asserting any loss, claim, damage, liability or expense purchased the Registrable Securities which are the subject thereof, if a copy of such final prospectus had been made available to such Person and such Holder, underwriter, broker or other Person acting on behalf of holders of the Registrable Securities and such final prospectus was not delivered to such Person with or prior to the written confirmation of the sale of such Registrable Securities to such Person. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement.

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(b) Indemnification by Holders. Each Holder shall, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents and employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses (as determined by a court of competent jurisdiction in a final judgment not subject to appeal or review), as incurred, arising solely out of or based solely upon any untrue statement of a material fact contained in the Registration Statement, any Prospectus, or any form of prospectus, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in the light of the circumstances under which they were made) not misleading, to the extent, but only to the extent, that such untrue statement or omission is contained in any information so furnished in writing by such Holder or other Indemnifying Party to the Company specifically for inclusion in the Registration Statement or such Prospectus. Notwithstanding anything to the contrary contained herein, each Holder shall be liable under this Section 5(b) for only that amount as does not exceed the net proceeds to such Holder as a result of the sale of Registrable Securities pursuant to such Registration Statement.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party promptly shall notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or

liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; or (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel (which shall be reasonably acceptable to the Indemnifying Party) that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld or delayed. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

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All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten (10) Business Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party because of a failure or refusal of a governmental authority to enforce such indemnification in accordance with its terms (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative benefits received by the Indemnifying Party on the one hand and the Indemnified Party on the other from the offering of the Shares and Warrants. If, but only if, the allocation provided by the foregoing sentence is not permitted by applicable law, the allocation of contribution shall be made in such proportion as is appropriate to reflect not only the relative benefits referred to in the foregoing sentence but also the relative fault, as applicable, of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 5(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

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The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties. Notwithstanding anything to the contrary contained herein, the Holders shall be liable under this Section 5(d) for only that amount as does not exceed the net proceeds to such Holder as a result of the sale of Registrable Securities pursuant to such Registration Statement.

## 6. Rule 144.

As long as any Holder owns any Shares or Warrant Shares, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to

Section 13(a) or 15(d) of the Exchange Act. As long as any Holder owns any Shares, if the Company is not required to file reports pursuant to Section 13(a) or 15(d) of the Exchange Act, it will prepare and make publicly available in accordance with Rule 144(c) promulgated under the Securities Act annual and quarterly financial statements, together with a discussion and analysis of such financial statements in form and substance substantially similar to those that would otherwise be required to be included in reports required by Section 13(a) or 15(d) of the Exchange Act, as well as any other information required thereby, in the time period that such filings would have been required to have been made under the Exchange Act. The Company further covenants that it will take such further action as any Holder may reasonably request in writing, all to the extent required from time to time to enable such Person to sell the Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act, including providing any legal opinions relating to such sale pursuant to Rule 144.

7. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder, of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) No Inconsistent Agreements. Neither the Company nor any of its subsidiaries has, as of the date hereof entered into and currently in effect, nor shall the Company or any of its subsidiaries, on or after the date of this Agreement, enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. Except as disclosed in Schedule 2.1(c) of the Purchase Agreement, neither the Company nor any of its subsidiaries has previously entered into any agreement currently in effect granting any registration rights with respect to any of its securities to any Person. Without limiting the generality of the foregoing, without the written consent of the Holders of a majority of the then outstanding Registrable Securities, the Company shall not grant to any Person the right to request the Company to register any securities of

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the Company, under the Securities Act unless the rights so granted are subject in all respects to the prior rights in full of the Holders set forth herein, and are not otherwise in conflict with the provisions of this Agreement.

(c) No Piggyback on Registrations. Neither the Company nor any of its security holders (other than the Holders in such capacity pursuant hereto or as disclosed on Schedule 2.1(c) of the Purchase Agreement) may include securities of the Company in the Registration Statement, and the Company shall not after the date hereof enter into any agreement providing such right to any of its securityholders, unless the right so granted is subject in all respects to the prior rights in full of the Holders set forth herein, and is not otherwise in conflict with the provisions of this Agreement.

(d) Failure to File Registration Statement and Other Events. The Company and the Purchasers agree that the Holders will suffer damages if the Registration Statement is not filed on or prior to the Filing Date and not declared effective by the Commission on or prior to the Effectiveness Date and maintained in the manner contemplated herein during the Effectiveness Time or if certain other events occur. The Company and the Holders further agree that it would not be feasible to ascertain the extent of such damages with precision. Accordingly, if (A) the Registration Statement is not filed on or prior to the Filing Date, or (B) the Registration Statement is not declared effective by the Commission on or prior to the Effectiveness Date, or (C) the Company fails to file with the Commission a request for acceleration in accordance with Rule 461 promulgated under the Securities Act within five (5) Business Days of the date that the Company is notified (orally or in writing, whichever is earlier) by the Commission that a Registration Statement will not be "reviewed," or not subject to further review, or (D) the Registration Statement is filed with and declared effective by the Commission but thereafter ceases to be effective as to all Registrable Securities at any time prior to the expiration of the Effectiveness Period, without being succeeded promptly by a subsequent Registration Statement filed with and declared effective by the Commission, or (E) the Company has breached Section 3(n), or (F) trading in the Common Stock shall be suspended or if the Common Stock is delisted from the OTC Bulletin Board for any reason for more than three Business Days in the aggregate (any such failure or breach being referred to as an "Event," and for purposes of clauses (A) and (B) the date on which such Event occurs, or for purposes of clause (C) the date on which such five Business Day period is exceeded, or for purposes of clause (D) after more than fifteen Business Days, or for purposes of clause (F) the date on which such three Business Day period is exceeded, being referred to as "Event Date"), the Company shall pay an amount as liquidated damages to each Holder, payable in cash or shares of Common Stock at the Company's option, equal to (i) two percent (2%) for each calendar month or portion thereof of the Holder's initial investment in the Shares from the Event Date if the Company elects to pay such liquidated damages in cash or (ii) two percent (2%) for each calendar month or portion thereof of the Holder's initial investment in the Shares from the Event Date if the Company elects to pay such liquidated damages in shares of Common Stock. Notwithstanding anything to the contrary in this Section 7(d), if (I) any of the Events described in clauses (A), (B) or (C) shall have occurred, (II) on or prior to the applicable Event Date, the Company shall have exercised its rights under Section 3(n) hereof and (III) the postponement or suspension permitted pursuant to such Section 3(n) shall remain effective as of such applicable Event Date, then the applicable Event Date shall be deemed instead to occur on the second Business Day following the termination of such postponement or suspension. If the Company elects to pay liquidated damages in shares of Common Stock, the number of such shares of Common Stock to be issued to the Holders pursuant to this Section 7(d) shall be based on the liquidated damage amount

divided by the closing bid price of the Common Stock on the date that such liquidated damages are due and payable, and shall be issuable promptly upon receipt by the Company of a written demand from a Holder made on or after the Event Date. If the Company elects to pay liquidated damages in cash, in no event shall such amount exceed ten percent (10%) of the Holder's initial investment in the Shares. If the Company elects to pay liquidated damages in shares of Common Stock, in no event shall such amount exceed twenty percent (20%) of the Holder's initial investment in the Shares.

(e) Amendments and Waivers. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the same shall be in writing and signed by the Company and the Holders of a majority of the Registrable Securities outstanding.

(f) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earlier of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice prior to 5:00 p.m., Montreal time, on a Business Day, (ii) the Business Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile telephone number specified for notice later than 5:00 p.m., Montreal time, on any date and earlier than 11:59 p.m., New York City time, on such date, (iii) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service or (iv) actual receipt by the party to whom such notice is required to be given. The addresses for such communications shall be with respect to each Holder at its address set forth under its name on Schedule I attached hereto, or with respect to the Company, addressed to:

VisualMed Clinical Solutions Corporation  
1035 LAURIER STREET WEST  
Suite 200  
MONTREAL, QUEBEC, CANADA H2V 2L1  
Attention: Gerard Dab, Chairman and CEO  
Tel. No.: 1-514-274-1115  
Fax No.: 1-514-274-8364

with copies (which copies shall not constitute notice to the Company) to:

Conrad C. Lysiak, Esq.  
Attorney at Law  
601 West First Avenue, Suite 503  
Spokane, Washington 99201  
Tel. No.: (509) 624-1475  
Fax No.: (509) 747-1770

or to such other address or addresses or facsimile number or numbers as any such party may most recently have designated in writing to the other parties hereto by such notice. Copies of notices to any Holder shall be sent to Hovington Pellerin Simard, General Partnership, 460, Saint-Gabriel, Suite 21, Montreal, Quebec, Canada, H2Y 2Z9, Attention: Claude Pellerin, phone number: (514)397-0575, facsimile number: (514) 397-0480

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns and shall inure to the benefit of each Holder and its successors and assigns. The Company may not assign this Agreement or any of its rights or obligations hereunder without the prior written consent of each Holder. Each Purchaser may assign its rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

(h) Assignment of Registration Rights. The rights of each Holder hereunder, including the right to have the Company register for resale Registrable Securities in accordance with the terms of this Agreement, shall be automatically assignable by each Holder to any Affiliate of such Holder or any other Holder or Affiliate of any other Holder of all or a portion of the Registrable Securities if: (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment, (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, and (b) the securities with respect to which such registration rights are being transferred or assigned, (iii) following such transfer or assignment the further disposition of such securities by the transferee or assignees is restricted under the Securities Act and applicable state securities laws, (iv) at or before the time the Company receives the written notice contemplated by clause (ii) of this Section, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions of this Agreement, and (v) such transfer shall have been made in compliance with all

applicable securities laws and in accordance with the applicable requirements of the Purchase Agreement. In addition, each Holder shall have the right to assign its rights hereunder to any other Person with the prior written consent of the Company, which consent shall not be unreasonably withheld. The rights to assignment shall apply to the Holders (and to subsequent) successors and assigns.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

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(j) Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Nevada, without giving effect to any of the conflicts of law principles which would result in the application of the substantive law of another jurisdiction. This Agreement shall not be interpreted or construed with any presumption against the party causing this Agreement to be drafted.

(k) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(l) Severability. If any term, provision, covenant or restriction of this Agreement is held to be invalid, illegal, void or unenforceable in any respect, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(m) Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

(n) Shares Held by the Company and its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its Affiliates (other than any Holder or transferees or successors or assigns thereof if such Holder is deemed to be an Affiliate solely by reason of its holdings of such Registrable Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

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IN WITNESS WHEREOF, the parties hereto have caused this Registration Rights Agreement to be duly executed by their respective authorized persons as of the date first indicated above.

**VisualMed Clinical Solutions Corporation**

By: /s/ Gérard Dab  
Name: Gérard Dab  
Title: Chairman

**ASSET PROTECTION FUND LIMITED**

By: /s/ D. Daves  
Name: D. Daves  
Title: Director

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Schedule I  
List of Purchasers

**Names and Addresses  
of Purchasers**

- |    |                             |                    |
|----|-----------------------------|--------------------|
| 1. | Capex Investments Limited   | 1,321,759 shares   |
|    | Suite 802, St-James Court   | 1,321,759 warrants |
|    | St-Denis Street, Port Louis |                    |
|    | Republic of Mauritius       |                    |

No Tax ID: Off Shore Fund

- |    |  |                  |
|----|--|------------------|
| 2. | Aton Select Fund Limited                   | 553,370 shares   |
|    | Aeulestrasse 5                             | 553,370 warrants |
|    | Postfach 83                                |                  |
|    | FL-9490 Vaduz                              |                  |
|    | Liechtenstein                              |                  |
|    | Tel: 423-237-3434                          |                  |
|    | Fax: 423-237-3460                          |                  |
|    | Tax ID#                                    |                  |
|    | Attention: Dr. Werner Kelcher or Mr. David |                  |

- |    |  |                  |
|----|--|------------------|
| 3. | Asset Protection Fund Limited              | 400,438 shares   |
|    | Aeulestrasse 5                             | 400,438 warrants |
|    | Postfach 83                                |                  |
|    | FL-9490 Vaduz                              |                  |
|    | Liechtenstein                              |                  |
|    | Tel: 423-237-3434                          |                  |
|    | Fax: 423-237-3460                          |                  |
|    | Tax ID#                                    |                  |
|    | Attention: Dr. Werner Kelcher or Mr. David |                  |

Schedule 2.1 (c)

Securities Allowed to be Included on Registration Statement

HPS Inc.	15,000	shares
Claude Pellerin	25,000	shares
Stephane Solis	160,000	shares
Visual HealthCare Corp	3,788,216	shares



FINDERS AGREEMENT

This Agreement (the "Agreement") is entered into on this 21st day of March, 2005, by and between Stephane Solis, ("Solis" or the "Finder"), and VisualMed Clinical Solutions Corporation, (the "Issuer" or the "Company").

1. THE PARTIES

1.1 Each party executing this Agreement represents to the other party that it has full and complete authority to do so and has been designated to do so by its managers and Board of Directors.

2. EXCLUSIVITY

2.1 The Issuer understands and stipulates under this Agreement that for the duration of this Agreement, unless waived by the Finder in writing, the Finder shall be the exclusive individual/entity responsible for introducing the Issuer to those Investors (defined in Section 3 below) listed on Exhibit A (the "Innovative Contacts"). Further, and notwithstanding any other provision in this Agreement to the contrary, in the event an Offering (defined in Section 3 below) is consummated to the satisfaction of the Issuer with any or all of the Solis Contacts, the Issuer shall owe the Finder such fees as described in Section 4 below.

3. THE AGREEMENT

3.1 The Issuer seeks to be introduced by the Finder to investors (an "Investor" or collectively the "Investors") that desire to invest no less than One Hundred Twenty Five Thousand Dollars (US\$125,000) in the Issuer in exchange for securities of the Issuer pursuant to a private placement (an "Offering"). The consideration offered by the Issuer for an Offering shall be either debt or equity securities issued on terms and conditions satisfactory to the Issuer, in its sole discretion. In the event an Offering is consummated to the satisfaction of the Issuer as a result of an introduction by the Finder to an Investor (a "Successful Introduction"), the Issuer shall owe the Finder such fees as described in Section 4 below. An Offering shall be considered a Successful Introduction if the Issuer consummates an Offering by a written agreement signed by both parties.

3.2 Unless provided otherwise within this Agreement, it is acknowledged by the Issuer that:  
(i) the Finder is acting solely as an individual responsible for the introduction of the Issuer to an Investor or Investors for the purposes of an Offering and not in any other capacity;  
(ii) the Finder has not advised the Issuer in any manner regarding the merits of this or any other financing arrangement,

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acquisition, merger, joint venture or other business arrangement; (iii) the Issuer has consulted its own counsel on all aspects of this Agreement; (iv) the Finder has not made any representations to the Issuer to induce it to enter into this Agreement; and (v) the Finder shall not sell or offer to sell securities related to an Offering resulting from this Agreement.

3.3 The Issuer shall be under no obligation to pay any fee or other monies to Finder unless the purchase of all or part of the Offering contemplated by this Agreement has closed with Investors. The total amount of the fee due the Finder shall be due and payable on the date of the closing. The Issuer shall be under no obligation to consummate any such Offering except upon such terms as shall be acceptable to the Issuer in its sole discretion.

3.4 This Agreement shall begin on the date this Agreement is signed by both parties and shall remain in effect (the "Effective Period") for ninety (90) days. This Agreement shall terminate upon the expiration of the Effective Period (the "Expiration Date"). Either party may cancel this Agreement in writing within thirty (30) days of the Expiration Date (the "Cancellation Period"). After the Expiration Date, neither party will have any obligation to the other party, unless Investors that were introduced to the Issuer by the Finder prior to the Expiration Date are actively negotiating with the Issuer with respect to an Offering, in which case this Agreement will remain in effect until such time as the negotiations either terminate or an Offering is consummated. Furthermore, if, within twelve months after this Agreement has expired, the Issuer consummates an Offering with any Investor introduced by the Finder during the Effective Period, the Company shall pay Finder the fees that would have been due had the Offering been consummated during the Effective Period.

#### 4. THE FEE

4.1 The fee to be paid to the Finder for a Successful Introduction shall be computed as follows:

- (a) 233,333 cashless warrants in payment for the 2,275,567 common shares or units issued by the Company to Investors pursuant to any Offering, the Warrants have an exercise price of \$0.001 and expire at midnight of March 24, 2007; and
- (b) Upon the exercise of warrants issued by the Company to Investors, a cash fee of US\$150,000 of any exercised warrants received by the Issuer pursuant to any Offering applicable for two years after date of closing, and
- (c) Upon the exercise of all of the warrants issued by the Company to Investors, the Finder will be entitled to receive a maximum of 166,667 cashless warrants,

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or a pro rata amount if less than all warrants issued by the Company to Investors are exercised, of the common shares issued by the Company to Investors pursuant to any Offering. The Warrants have an exercise price of \$0.001 and expire at midnight of March 24, 2007.

It is understood that the Company shall qualify for trading the common shares underlying the cashless warrants to be received by the Finder as soon as practicable.

4.2 The fee due to the Finder shall be payable to the Finder by the Issuer at closing and disbursed as soon as practicable, but no later than 3 months from the date of closing. The Issuer is responsible for such fee.

#### 5. OTHER

- 5.1 Unless otherwise arranged between the Issuer and the Finder, the Issuer shall not be responsible for any arrangements made by Finder with any broker or other persons with whom the Finder may be involved. The Issuer agrees to indemnify and hold the Finder and its affiliates, control persons, directors, officers, employees and agents (each an "Indemnified Person") harmless from and against all losses, claims, damages, liabilities, costs or expenses, resulting from any investigation, action, proceeding or dispute commencing within six months of the Expiration Date when the Finder or any such other Indemnified Person is a party to such investigation, action, proceeding or dispute, arising out of the Finder's entering into or performing services under this Agreement, or arising out of any matter referred to in this Agreement. This indemnity shall also include the Finder's and/or any such other Indemnified Person's reasonable attorneys' and accountants' fees and out-of-pocket expenses incurred in, and the cost of the Finder's personnel whose time is spent in connection with, such investigations, actions, proceedings or disputes which fees, expenses and costs shall be periodically reimbursed to the Finder and/or to any such other Indemnified Person by the Issuer as they are incurred; provided, however, that the indemnity herein set forth shall not apply to an Indemnified Person where a court of competent jurisdiction has made a final determination that such Indemnified Person acted in a grossly negligent manner or engaged in willful misconduct in the performance of the services hereunder which gave rise to the loss, claim, damage, liability, cost or expense sought to be recovered hereunder. The Issuer also agrees that no Indemnified Person shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Issuer for or in connection with any act or omission to act as a result of its engagement under this Agreement except for any such liability for losses, claims, damages, liabilities or expenses incurred by the Issuer that are found in a final determination by a court of competent jurisdiction to have resulted from such Indemnified Person's gross negligence or willful misconduct.

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If for any reason, the foregoing indemnification is unavailable to the Finder or any such other Indemnified Person or insufficient to hold it harmless, then the Issuer shall contribute to the amount paid or payable by the Finder or any such other Indemnified Person as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Issuer and its shareholders on the one hand and the Finder or any such other Indemnified Person on the other hand, but also the relative fault of the Issuer and the Finder or any such other Indemnified Person, as well as any relevant equitable considerations; provided that in no event will the aggregate contribution by the Issuer and any such other Indemnified Person hereunder exceed the amount of fees actually received by the Finder pursuant to this Agreement. The reimbursement, indemnity and contribution obligations of the Issuer hereinabove set forth shall be in addition to any liability which the Issuer may otherwise have and these obligations and the other provisions hereinabove set forth shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Issuer, the Finder and any other Indemnified Person.

The terms and conditions hereinabove set forth shall survive the termination and expiration of this Agreement and shall terminate six months after the Expiration Date.

- 5.2 The Finder hereby represents and warrants to the Issuer that it shall conduct its activities in accordance with the applicable provisions of both federal and state securities law. Further, the Finder agrees that it shall indemnify the Issuer for any and all costs incurred by the Issuer as a result of the Finder's failure to comply with said federal and state securities laws.
- 5.3 In the event of any dispute between the Issuer and the Finder arising from the terms of this Agreement, the Issuer and the Finder agree that any dispute shall be settled only by arbitration in the Province of Quebec. The determination of the arbitrators shall be final and binding upon the Issuer and the Finder and may be enforced in any court of appropriate jurisdiction.
- 5.4 This Agreement shall be construed by and governed exclusively under the laws of the Province of Quebec, without regard to its conflicts of laws provisions.

5.5 This Agreement represents the entire agreement between the parties to this Agreement concerning its subject matter, and any and all prior representations and agreements with respect to such subject matter, if any, are merged herein and are superseded by this Agreement.

5.6 The Issuer shall include in any agreement executed by the Issuer with any Investor regarding an Offering, substantially the following representation: "(the Investor) has performed its own due diligence investigation and has had the opportunity to ask questions of (the Issuer) and its

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management team and analyze their responses. (The Investor) has not relied on any representations made by (the Finder) not expressly set forth in the agreement. Both parties to the agreement shall release and hold harmless (the Finder) from and against any losses, claims, damages or liabilities related to the (Offering)."

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first written above.

THE COMPANY:

**VisualMed Clinical Solutions Corporation**

By: /s/ Gerard Dab  
Name: Gerard Dab  
Title: Chairman and Chief Executive Officer

FINDER:

**Stephane Solis.**

By: /s/ Stephane Solis  
Name: Stephane Solis

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EXHIBIT A

1. Redwood Grove Capital Management, LLC. Wayne H. Coleson
2. LH Financial. Ari Rabinowitz
3. Ellis International. Mottes Drillman
4. Market Wise Trading. Walter Reisman
5. Omega Capital. David Leiner

6. DKR Oasis Capital. Ethan Benovitz 50/50 split with Midtown
7. Platinum Partners LP. Mark Nordlicht 50/50 split with Midtown
8. Enable Capital. 50/50 split with Midtown
9. Mid Summer Capital. Scott Kauffman
10. Monarch



MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7  
Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

EXHIBIT 23.1

**CONSENT OF INDEPENDENT AUDITORS**

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated September 8, 2004 included in the Registration Statement on Form SB-2 Amendment No. 1 and related Prospectus of VisualMed Clinical Solutions Corporation for the registration of shares of its common stock.

*/s/ "Manning Elliott"*

MANNING ELLIOTT  
CHARTERED ACCOUNTANTS  
Vancouver, Canada  
August 5, 2005

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**CONRAD C. LYSIAK**  
**Attorney and Counselor at Law**  
**601 West First Avenue**  
**Suite 503**  
**Spokane, Washington 99201**  
**(509) 624-1475**  
**FAX: (509) 747-1770**

**CONSENT**

I HEREBY CONSENT to the inclusion of my name in connection with the Form SB-2 Registration Statement filed with the Securities and Exchange Commission as attorney for the registrant, Visual Med Clinical Solutions Corporation.

DATED this 8<sup>th</sup> day of August, 2005.

Yours truly,

/s/ Conrad C. Lysiak  
Conrad C. Lysiak

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