



**Report of the second quarter (Q2) to Shareholders
for fiscal year 2008**

For the quarter ended September 30, 2007



Message to Shareholders

Dear Shareholders:

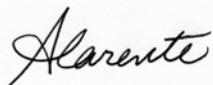
DIAGNOS completed the second quarter ended September 30, 2007 reporting revenues of \$336,711. The Corporation had its busiest quarter to date and focused its time during the quarter on the three project management contracts signed in the first quarter and added three new customers for its data mining services during the second quarter.

On September 17, 2007, the Corporation signed an agreement on its Maple property of 25,000 hectares (253 square km) in the Dominican Republic. DIAGNOS acquired this property on the basis of targets, found by our CARDS (Computer Aided Resource Detection Software) system, which have a high potential for gold and also for other precious and base metals. DIAGNOS offered project management services on this major geological project.

DIAGNOS, a multidisciplinary corporation, can count on a 17-people team among which seven professionals in geophysics, geology and geography; artificial intelligence specialists, mathematicians, imagery and remote sensing. This team is surrounded by a dynamic administration; marketing and sales force to best serve its mining sector clientele.

In addition to the data mining and the predictions of the drilling targets, the Natural Resources Division acquires and sells properties and offers project management services. This horizontal integration makes DIAGNOS, the leader in its sector of industry.

We have established a clear strategy for the natural resources market and our short term goals are to expand rapidly on the international scene.



André Larente
President and Chief Executive Officer

November 29, 2007

Following a recent trip organized by the Canadian government, the Corporation signed a major strategic alliance with a Chilean firm for a major project in South America. Our objective is to get CARDS positioned for future exploration work in Latin America.

The Corporation is also working with large multinational companies with the objective of getting their validation approval for DIAGNOS' technology.

On October 28, 2007, DIAGNOS announced that its proprietary CARDS system was used in 2005 in a study of the McFauld Lake area data on behalf of KWG Resources Inc. The study premised that a high priority target for base metal concentration was indicated at the precise coordinates of Noront's discovery, announced earlier in September of this year. Since Noront's announcement, KWG and Spider have decided to drill some other targets vetted by the DIAGNOS study, as a priority.

On October 30th, 2007, DIAGNOS has announced that its targets return great results in Haiti, with 42.7g/t of gold on 6 meters and significant nickel's anomalies on SGH S.A.'s Faille B property in Haiti. The work has been done in a program aiming to extend the gold reserves of a known deposit, but the system has performed also for copper and nickel and shown impressive results that will lead to a possible economic development of this zone.

It is my pleasure to submit this report of the second quarter for fiscal year 2008.

DIAGNOS inc.

Management Discussion and Analysis

DIAGNOS inc. (TSX Venture Exchange: ADK) is a Canadian software corporation that develops knowledge extraction software and provides data mining services. DIAGNOS is demonstrating a new dimension in analyzing data, text and images simultaneously in a commercial environment.

You will find more information concerning DIAGNOS inc. by consulting SEDAR Web site at www.sedar.com.

Notice to readers

The following discussion, effective as of November 29, 2007, analyses the financial situation of the Corporation as of September 30, 2007 and should be read with the interim consolidated financial statements and accompanying notes, which have been prepared in accordance with Canadian generally accepted accounting principles. The currency used is the Canadian dollar.

The attached unaudited interim consolidated financial statements have been reviewed by the Corporation's external auditors. The accompanying notes are an integral part of the interim consolidated financial statements.

Forward-looking statements

This MD&A contains certain forward-looking statements with respect to the Corporation. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect us. These risks and uncertainties include risks associated with market acceptance, competitive developments and other factors. Except for ongoing obligations under securities laws to disclose all material information to investors, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Summary of quarterly results

	Fiscal Year 2008		Fiscal Year 2007				Fiscal Year 2006	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	Sept. 30, 2007	June 30, 2007	March 31, 2007	Dec. 31, 2006	Sept. 30, 2006	June 30, 2006	March 31, 2006	Dec. 31, 2005
	\$		\$	\$	\$	\$	\$	\$
Revenue	336,711	199,233	200,000	97,500	231,685	246,535	266,019	90,419
Other income	44,895	15,401	30,550	4,775	48,560	49,193	8,373	-
Net gain (loss)	36,744	(239,703)	(83,632)	(257,986)	(183,174)	(92,341)	(62,906)	(297,680)
Gain (loss) per share	0.01	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Financial highlights

	Fiscal Year 2007	Fiscal Year 2006	Fiscal Year 2005
	\$	\$	\$
Revenue	775,720	709,187	111,746
Other income	133,078	8,373	-
Income taxes	-	-	-
Net loss	(617,133)	(581,864)	(1,746,088)
Loss per share	(0.02)	(0.02)	(0.07)
Total assets	1,601,670	964,273	376,770
Total long-term liabilities	180,061	170,592	215,159

Revenue

During the second quarter of 2008, DIAGNOS registered revenue of \$336,711 and \$44,895 in other income for a total of \$381,606, an increase of 36% over the second quarter of 2007, where we registered \$231,685 in revenue and \$48,560 in other income for a total of \$280,245. The other income consists of a gain on the sale of options granted on certain mineral exploration claims in the amount of \$43,010 and \$1,885 in interest income.

Expenses

The Corporation decreased its general, sales and administration expenses by \$20,293 during the quarter ended September 30, 2007, a decrease of 5% over the same quarter of the last fiscal year. The main contributions to this decrease are consulting services and legal fees.

Research and development

The Corporation has incurred \$70,446 in research and development costs and received tax credits from the government of Quebec of \$100,359 for a total of (\$29,913) during the quarter ended September 30, 2007, a decrease of \$96,246 compared to the quarter ended September 30, 2006. This decrease is mainly due to the fact that research projects related to specific solutions were completed and that the Corporation received tax credits from the government of Quebec.

DIAGNOS inc.

Net gain (loss)

During the quarter ended September 30, 2007, the Corporation posted a net gain of \$36,744, \$0.01 per share, compared to a net loss of \$183,174 (\$0.01 per share) for the period ended September 30, 2006. This gain compared to the quarter ended September 30, 2006 is due to an increase in revenue; partially offset by a decrease in R&D and general, selling and administrative expense.

Financing activities

During the quarter ended September 30, 2007, no warrants were exercised.

Working capital

As at September 30, 2007, our working capital was \$1,163,696 compared to \$1,326,233 at March 31, 2007. DIAGNOS anticipates financing its activities in the future from revenue, which will cover a portion of the expenses incurred and cash on hand. If for any reason DIAGNOS should require additional cash to pay expenses, the Corporation may have to raise additional cash from private placements.

Share information

As at September 30, 2007, the outstanding shares are common shares and convertible securities:

Common shares	39,928,185
Convertible securities:	
Warrants	2,000,000
Options on shares	4,889,184
Total	<u>46,817,369</u>

Significant accounting policies

Gains on the sale of options to mineral exploration claims are recognized net of the remaining unamortized cost of the related mining asset, included in intangible assets, and net of any unrecoverable costs from the optionee, required to be incurred by the Corporation in order to retain valid title to those mineral exploration claims during the period of the option.

Revenue from data mining services and software is recognized upon delivery in accordance with the contractual conditions in effect with customers.

The Corporation recognizes stock-based compensation and other stock-based payments as compensation expense determined in accordance with the Black & Scholes valuation model, with a corresponding accretion to contributed surplus.

Disclosure controls and procedures

The President and Chief Executive Officer of the Corporation has evaluated the effectiveness of the Corporation's disclosure controls and procedures as of the end of the quarter ended September 30, 2007 and has concluded that such disclosure controls and procedures are adequate and effective. There has been no change in the Corporation's internal control over financial reporting that occurred during the Corporation's most recent interim period that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

Outlook

The Corporation's Artificial Intelligence (AI) engine is expected to be the driving force behind building applications for new vertical markets. Our natural resource application CARDS (Computer Aided Resource Detection Software) is continuing to gain market share. The Corporation is focused on delivering solutions for the natural resource market and also on building a royalty based business. This will be accomplished by the acquisition of claims and participating with existing clients in new projects. Secondly, the Corporation acquired data from several sources including the Quebec, Ontario and Dominican Republic governments which it expects to use in the identification of potential claims for purchase.

The Corporation delivered proposals to several large oil & gas exploration companies and is waiting for the results.

Finally, the Corporation is pursuing other markets that require AI technology to resolve complex problems within different industries. DIAGNOS has been approached by other AI companies from Spain and other countries to create partnerships covering North America. The Corporation is working with a group of radiologists based in the Province of Quebec to continue the original work done by DIAGNOS in the medical field. DIAGNOS has also developed a retinopathy screening application. All these new applications will re-enforce DIAGNOS' market penetration and diversify the Corporation's exposure to any one market, should there be economic downturns.

Risk analysis

Several business risks exist such as the market adoption of AI technology, the Corporation's ability to hire and retain top scientific resources and our ability to convince customers in these new vertical markets of the benefit of our technology and its results. The Corporation also relies on its Shareholders to provide funding, in the event it should experience shortfalls, to sustain continued operations.

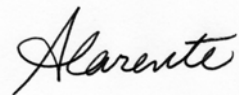
DIAGNOS inc.

Interim Consolidated Balance Sheets

	As at September 30, 2007	As at March 31, 2007
	(Unaudited)	(Audited)
	<u>\$</u>	<u>\$</u>
ASSETS		
Current assets		
Cash and cash equivalents	91,602	339,630
Temporary investments (Note 4)	335,220	618,235
Amounts receivable (Note 5)	827,303	532,104
Prepaid expenses (Note 6)	10,777	16,325
	<u>1,264,902</u>	<u>1,506,294</u>
Investments (Note 7)	40,001	1
Capital assets (Note 8)	56,655	63,459
Intangible assets (Note 9)	40,532	31,916
	<u>1,402,090</u>	<u>1,601,670</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	101,206	180,061
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	10,044,592	10,044,592
Contributed surplus (Note 12)	453,131	370,897
Deficit	(9,196,839)	(8,993,880)
	<u>1,300,884</u>	<u>1,421,609</u>
	<u>1,402,090</u>	<u>1,601,670</u>

SEE ACCOMPANYING NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS.

Approved on behalf of the Board of Directors



André Larente
Chairman



Me David Crevier
Secretary

DIAGNOS inc.

Interim Consolidated Statements of Income

	For the quarters ended September 30,		For the six-month periods ended September 30,	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$	\$	\$	\$
Revenue	336,711	231,685	529,944	478,220
Expenses				
General, sales and administrative	363,496	383,789	726,736	678,521
Research and development, net of tax credits	(29,913)	66,333	42,719	150,682
Amortization of capital assets	6,639	6,203	13,758	12,533
Amortization of intangible assets	4,424	2,121	9,490	4,608
Financial charges	216	4,973	496	5,144
	344,862	463,419	793,199	851,488
Loss for the period	(8,151)	(231,734)	(263,255)	(373,268)
Other income				
Gains on the sale of options to mineral exploration claims	43,010	48,238	53,620	95,406
Interest	1,885	322	6,676	2,347
	44,895	48,560	60,296	97,753
Net gain (loss) for the period	36,744	(183,174)	(202,959)	(275,515)
Basic and diluted gain (loss) per share	0.01	(0.01)	(0.01)	(0.01)
Weighted average number of shares outstanding	39,928,185	34,097,276	39,928,185	33,896,252

SEE ACCOMPANYING NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS.

DIAGNOS inc.

Interim Consolidated Statements of Deficit

	For the quarters ended September 30,		For the six-month periods ended September 30,	
	2007	2006	2007	2006
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	\$	\$	\$	\$
Balance at the beginning of the period	<u>(9,233,583)</u>	<u>(8,469,088)</u>	<u>(8,993,880)</u>	<u>(8,376,747)</u>
Add:				
Net gain (loss) for the period	<u>36,744</u>	<u>(183,174)</u>	<u>(202,959)</u>	<u>(275,515)</u>
Balance at the end of the period	<u>(9,196,839)</u>	<u>(8,652,262)</u>	<u>(9,196,839)</u>	<u>(8,652,262)</u>

SEE ACCOMPANYING NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS.

DIAGNOS inc.

Interim Consolidated Statements of Cash Flows

	For the quarters ended September 30,		For the six-month periods ended September 30,	
	2007	2006	2007	2006
	(Unaudited) \$	(Unaudited) \$	(Unaudited) \$	(Unaudited) \$
Cash flows from operating activities				
Net gain (loss) for the period	36,744	(183,174)	(202,959)	(275,515)
Items not affecting cash and cash equivalents				
Amortization of capital assets	6,639	6,203	13,758	12,533
Amortization of intangible assets	4,424	2,121	9,490	4,608
Stock-based compensation expense	43,127	35,283	82,234	70,566
Gain on sale of intangible assets	(43,010)	(48,238)	(53,620)	(95,406)
	11,180	(4,631)	51,862	(7,699)
	47,924	(187,805)	(151,097)	(283,214)
Net change in non-cash operating working capital items	(5,702)	84,065	(85,491)	111,275
	42,222	(103,740)	(236,588)	(171,939)
Cash flows from investing activities				
Additions to investments	(40,000)	-	(40,000)	-
Additions to capital assets	(4,178)	-	(6,954)	(5,324)
Additions to intangible assets	(21,140)	(26,565)	(39,886)	(28,750)
Proceeds from sale of intangible assets	50,400	70,373	75,400	120,373
	(14,918)	43,808	(11,440)	86,299
Cash flows from financing activities				
Issuance of shares, net of share issue expenses	-	169,933	-	169,933
Subscription of capital stock	-	-	-	-
	-	169,933	-	169,933
Net change in cash and cash equivalents	27,304	110,001	(248,028)	84,293
Cash and cash equivalents – Beginning of the period	64,298	27,203	339,630	52,911
Cash and cash equivalents – End of the period	91,602	137,204	91,602	137,204

SEE ACCOMPANYING NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS.

DIAGNOS inc.

Notes to Interim Consolidated Financial Statements

As at September 30, 2007 and March 31, 2007

1. Statutes and nature of activities

The shares of the Corporation are listed on the TSX Venture Exchange. DIAGNOS inc. develops data mining software and provides data mining services. The Corporation designed and developed MCubiX, a data mining software suite capable of extracting knowledge from historical data - in the form of images, text or traditional databases - and making predictions that improve business processes and decision making ability. CARDS (Computer Aided Resource Detection Software), the first vertical application, is dedicated to the natural resources market and can be applied to several areas of prospecting for mineral including diamond, gold, zinc, copper and, oil & gas.

2. Change in accounting policies

On April 1st, 2007, the Corporation has adopted the recommendations of the Canadian Institute of Chartered Accountants Handbook (CICA Handbook) Section 1530, *Comprehensive Income*; Section 3855, *Financial Instruments - Recognition and Measurement*; Section 3861, *Financial Instruments - Disclosure and Presentation*; Section 3865, *Hedges*; and Section 3251, *Equity*. These sections apply to fiscal years beginning on or after October 1, 2006 and provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives, and describe when and how hedge accounting may be applied. Section 1530 provides standards for the reporting and presentation of comprehensive income, which represents the change in equity, from transactions and other events and circumstances from non-owner sources. Other comprehensive income is defined as revenues, expenses, gains and losses that are recognized in comprehensive income, but excluded from net income, in accordance with Canadian generally accepted accounting principles.

Under the new standards, all financial assets, except for those classified as held-to-maturity, loans and receivables, and derivative financial instruments are measured at their fair values. All financial liabilities are measured at their fair values when they are classified as held for trading purposes. Otherwise, they are measured at their carrying value. The adoption of this new section has no impact on these interim consolidated financial statements.

3. Summary of significant accounting policies

a) Use of estimates

The preparation of interim consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that affect the amounts of assets and liabilities reported in the interim consolidated financial statements. Those estimates also affect the disclosure of contingencies at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the quarter. Significant estimates include tax credits recoverable, the useful lives of capital assets and intangible assets and certain accrued liabilities. Actual results could differ from those estimates.

b) Consolidation

These interim consolidated financial statements include the accounts of the Corporation and those of its wholly-owned subsidiary, DMS & Technologies Inc.

c) Foreign currency translation

The accounts are translated into the functional currency using the temporal method. Under this method, monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date. Non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the average rate for the period. Income and losses resulting from translation are reflected in the statement of income.

d) Government assistance

The Corporation obtained tax credits from the government of Quebec according to the research and development concerning the development of software. The tax credits received are accounted for as a deduction of the related expenses.

e) Revenue recognition

Revenue from data mining services and software is recognized upon delivery in accordance with the contractual conditions in effect with customers.

f) Recognition of gains on the sale of options to mineral exploration claims

Gains on the sale of options to mineral exploration claims are recognized net of the remaining unamortized cost of the related mining asset, included in intangible assets, and net of any unrecoverable costs from the optionee, required to be incurred by the Corporation in order to retain valid title to those mineral exploration claims during the option period.

DIAGNOS inc.

g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balance with banks as well as all highly liquid short-term investments having a term of less than three months from the acquisition date.

h) Investments

Investments are recorded at cost.

i) Capital assets and amortization

Capital assets are recorded at cost less accumulated amortization and related tax credits. Amortization is calculated using the declining balance method at the following annual rates. For the additions since April 1st, 2006, the Corporation is using the straight-line method.

	<u>Annual rates</u>
Office furniture and equipment	- 20%
Computer equipment	- 33 1/3% and 50%

j) Intangible assets and amortization

- a) The mining assets, consisting of mining claims, are amortized using the straight-line method over their useful life, which is two years.
- b) Software is amortized using the declining balance method at the annual rate of 50%.

k) Income taxes

The Corporation provides for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between financial statement values and tax values of assets and liabilities using enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse.

The Corporation establishes a valuation allowance against future income tax assets if, based on available information, it is more likely than not that some or all the future income tax assets will not be realized.

l) Research and development expenses

All expenses related to development activities, which do not meet generally accepted criteria for deferral, and research are expensed as incurred. Development expenses, which meet generally accepted criteria for deferral, are capitalized and amortized against income over the estimated period of benefit.

m) Gain (loss) per share

The gain (loss) per share is determined using the weighted average number of common shares outstanding during the quarter.

During the quarter, only the warrants and stock options whose exercise price was equal or lower than the average stock market during the exercise were taken into account.

The fully diluted gain (loss) per share, which is calculated according to the repurchase of shares method, is equal to the basic gain (loss) per share due to the anti-dilution effect of the stock option plan.

n) Share issue expenses

Share issue expenses have been applied against the proceeds from the issuance of share capital.

o) Stock-based compensation plan

The Corporation maintains a stock-based compensation plan, which is described in note 11. Any consideration from plan participants upon the exercise of stock options is credited to share capital.

Stock-based compensation is recorded as a charge to income, using the fair-value obtained by applying the Black & Scholes valuation model, with a corresponding credit to contributed surplus.

4. Temporary investments

	<u>As at Sept. 30, 2007</u> (Unaudited) \$	<u>As at March 31, 2007</u> (Audited) \$
Certificate of deposit, interest at 2.85%, maturing November 30, 2007	309,979	302,858
Certificate of deposit, interest at 2.85%, maturing November 30, 2007	-	302,858
Certificate of deposit, interest at 4%, maturing April 4, 2007	25,241	12,519
	<u>335,220</u>	<u>618,235</u>

The Corporation has elected to consider these temporary investments as held for trading. Under this classification, any change in value between balance sheet dates is recorded in the consolidated statements of income.

DIAGNOS inc.

	As at Sept. 30, 2007	As at March 31, 2007		
	(Unaudited)	(Audited)		
	\$	\$		
5. Amounts receivable				
Customers	821,305	530,371		
Commodity taxes	5,478	1,293		
Other	520	440		
	<u>827,303</u>	<u>532,104</u>		
6. Prepaid expenses				
Prepaid insurance	2,778	6,944		
Other	7,999	9,381		
	<u>10,777</u>	<u>16,325</u>		
7. Investments				
4,472 common shares – Société Minière Ste-Geneviève-Haïti, S.A.	1	1		
80,000 common shares – Carina Energy Inc.	40,000	-		
	<u>40,001</u>	<u>1</u>		
<p>The Corporation has elected to consider these investments as available for sale. Under this classification, they are measured at fair value with any changes accumulated in other comprehensive income until the asset is sold.</p>				
8. Capital assets				
	Cost	Accumulated amortization	Net Value	Net value
	\$	\$	\$	\$
Office furniture and equipment	78,118	45,883	32,235	40,073
Computer equipment	186,022	161,602	24,420	23,386
	<u>264,140</u>	<u>207,485</u>	<u>56,655</u>	<u>63,459</u>
9. Intangible assets				
	Cost	Accumulated amortization	Net value	Net value
	\$	\$	\$	\$
Mining assets	43,522	12,202	31,320	27,202
Software	43,866	34,654	9,212	4,714
	<u>87,388</u>	<u>46,856</u>	<u>40,532</u>	<u>31,916</u>
10. Accounts payable and accrued liabilities				
Accounts payable and accrued liabilities			23,165	71,284
Salaries and benefits			77,855	108,777
Other			186	-
			<u>101,206</u>	<u>180,061</u>
11. Share capital				
Authorized				
Unlimited number of common shares, without par value, voting and participating				
Subscribed and issued: 39,928,185 shares (39,928,185 shares as at March 31, 2007)			<u>10,044,592</u>	<u>10,044,592</u>

DIAGNOS inc.

Stock option plan

The Corporation has a stock option plan for its directors, senior executives, employees and consultants by virtue of which they can acquire common shares. The conditions of exercise are determined by the Board of Directors following the rules of the TSX Venture Exchange. The options are granted at a price equal to the share price at the closing of market the day preceding the date of grant.

The stock option plan provides that the maximum number of common shares, which may be reserved for issuance to any one optionee pursuant to share options, may not exceed 5% of the common shares outstanding. The maximum number of common shares that may be reserved for issuance to insiders of the Corporation is limited to 20% of the common shares outstanding on the grant date. The maximum number of options, which the Corporation is authorized to issue as at September 30, 2007 is 6,000,000.

The following table presents the changes, which have occurred during the quarter with regard to the stock option plan and summarizes information relating to the stock options outstanding at September 30, 2007.

	Number
Outstanding as at June 30, 2007	4,889,184
Granted	-
Exercised	-
Forfeited	-
Outstanding as at September 30, 2007	<u>4,889,184</u>

Under the Corporation's stock option plan, no options were granted during the quarter ended September 30, 2007. The compensation cost that has been charged against income is \$43,127 for the quarter ended September 30, 2007, and the counterpart has been credited to contributed surplus in the Shareholders' equity.

The options have a term to maturity during which they can be exercised with dates ranging from March 28, 2008 to June 26, 2012. Grants made prior to June 3, 2004 were subject to exercise periods ranging between one and half years and five years from the date of grant. For options granted subsequent to June 3, 2004, they will vest at 33.33% per year, commencing with the first anniversary of the grant.

Stock warrants

As part of a private placement process, the Corporation issued 2,000,000 warrants entitling the holder to purchase one common share at the price of \$ 0.35 per share. The warrants will expire on October 4, 2007.

	As at Sept. 30, 2007	As at March 31, 2007
	(Unaudited)	(Audited)
	<u>\$</u>	<u>\$</u>
12. Consolidated contributed surplus		
Balance at beginning of the quarter	410,004	214,469
Add: Stock-based compensation expense	<u>43,127</u>	<u>156,428</u>
Balance at end of the quarter	<u>453,131</u>	<u>370,897</u>

DIAGNOS inc.

13. Commitments

- a) Under the terms of operating lease agreements for its operating facilities, the Corporation is committed to make payments of \$154,219, allocated as follows for the three years to come:

2008	\$58,530	2009	\$60,435	2010	\$35,254
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- b) Under the terms of operating lease agreements for office equipment, the Corporation is committed to make payments of \$11,396, allocated as follows for the four years to come:

2008	\$3,696	2010	\$3,696
2009	\$3,696	2011	\$ 308

- c) Under the terms of operating lease agreements for computer equipment, the Corporation is committed to make payments of \$6,587 during fiscal year 2008.

14. Financial instruments

a) Fair value

Cash and cash equivalents, temporary investments, amounts receivable, accounts payable and accrued liabilities are financial instruments whose fair value approximates their carrying value due to their short-term maturity.

b) Credit risk

Financial instruments, which potentially subject the Corporation to concentrations of credit risk, consist primarily of cash and cash equivalents. These financial instruments are held with high-credit quality financial institutions. Consequently, management considers the concentration of risk related to cash and cash equivalents to be minimal.

c) Interest rate risk

As at September 30, 2007, the Corporation's exposure to interest rate risk is summarized as follows:

Cash and cash equivalents	- Fixed and variable interest rate
Amounts receivable	- Non-interest bearing
Accounts payable and accrued liabilities	- Non-interest

General information

Stock Exchange Listing

Shares of DIAGNOS inc. are listed on the TSX Venture Exchange under the symbol ADK.

Transfer Agents and Registrar

Computershare Trust Company of Canada
1500, University Street
Suite 7001
Montréal, Québec
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Definitions

In this report all currencies are in Canadian dollars unless specified.

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