ALEGRO HEALTH CORP.

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

The following management discussion and analysis ("MD&A") dated this 30th day of May 2007, provides an overview of the consolidated financial condition and results of operations of Alegro Health Corp. ["Alegro", "we", "our", or the "Company"] for the three months ended March 31, 2007. This discussion and analysis should be read in conjunction with the information from the consolidated financial statements of the Company and related notes thereto for the period ended March 31, 2007 and for the three months ended March 31, 2006.

The consolidated financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles ["GAAP'] and all amounts are presented in Canadian dollars.

Highlights in the Period Ended March 31, 2007 and subsequent events to the date of this MD&A

Regulatory changes affecting the medical assessment market in Ontario that had been in process for a period of time were finally fully implemented during March 2006, introducing a tort based system that eliminated the previously existing system of Designated Assessment Centers. Medical assessments continue to be required under the new tort based regulatory system and the Company has achieved preferred provider status with several of Canada's large insurance companies in order to position itself for renewed growth as the medical assessment market uncertainty declines during fiscal 2006. During the second quarter of year 2006, the Company announced the formation of a Catastrophic Injury Assessment Division to service expected growth in this area of the Company's business. During the three month periods ended March 31, 2007, the Company's disability management centres experienced increased volumes in catastrophic injury assessments compared to the same period in the prior year. However, given the limited time frame that the new regulatory environment has been in place, there remains uncertainty as to whether these improved volumes will continue in future reporting periods. During the three months ended March 31, 2007, the Company's surgical unit, Don Mills Surgical Unit Limited ("DMSU"), generated improved revenues and operating results compared to the same period in the prior year as a result of prostate cancer treatments.

On May 1, 2007, Alegro announced a strategic partnership had been struck with Global Healthcare Investments and Solutions (GHIS). GHIS has committed to introduce financial and intellectual capital into Alegro for expansion and to deliver significant growth in the largely fragmented industry of healthcare in Canada.

On May 24, 2007, Alegro entered into a joint venture with Cincero Inc., to form a clinical drug trial division, CanAm Research Corp. Can Am Research will offer Phase I through Phase IV drug trial services to the pharmaceutical industry, with emphasis on the comprehensive, pre-approval Phase III trials.

Overall Performance in the Three Months Ended March 31, 2007

	For three months ended	
	March 31, 2007	March 31, 2006
Revenue	$ 3,527,765	$ 3,456,652
Direct & Operating Costs	3,161,073	3,221,351
Net Income (loss)	$ 264,645	$ 235,301
Per Share	$ 0.00	$ 0.00
Per Share Diluted	$ 0.00	$ 0.00
Total Assets	$ 4,589,088	$ 4,269,252

REVENUE: The increase in Q1 2007, revenue as compared to Q1 2006, is primarily related to an increase in catastrophic injury assessment revenue in 2007, compared to the same period in the prior year at the Company's Work Able Centres Inc. ("Work Able") subsidiary and an increased volume of prostate cancer treatments in 2007, performed by DMSU offset the decrease in 2007, revenue at Direct Health with the closure of the WSIB contract.

DIRECT & OPERATING COSTS: The decrease in direct costs mainly related to the closure of the WSIB contract offset the increase of corporate expenses related to Legal Fees in Q1 2007, compared to the same period in the prior year.

Amortization Expense

Amortization expense amounted to $72,406 for the period ended March 31, 2007 compared to amortization expense of $68,903 recorded in the period of 2006, increase of $3,502.

Share Capital

As at March 31st. 2007, and December 31st. 2006, the Company had 25,274,762 common shares issued and outstanding compared to 25,175,762 common shares issued and outstanding at December 31, 2004.

As at December 31st. 2006, there were a total of 2,561,111 options outstanding to purchase an equivalent number of common shares at an average exercise price of $0.30, expiring at various dates until year 2011. Warrants to purchase 3,901,000 common shares at an exercise price of $0.30 per common share expired on August 5th. 2006. An additional 800,000 broker warrants priced at $0.25 each also expired August 5, 2006 as did each full warrant obtained on the exercise of the broker warrants. During the year ended December 31st. 2005, a number of 99,000 warrants were exercised at a price of $0.30 per common share. No warrants were exercised during fiscal 2006, prior to their expiry.

Accounting Policies

Critical Accounting Estimates

The preparation of financial statements requires the Company to estimate the effect of various matters that are inherently uncertain as of the date of the financial statements. Each of these required estimates varies in regard to the level of judgment involved and its potential impact on the Company's reported financial results. Estimates are deemed critical when a different estimate could have reasonably been used or where changes in the estimate are reasonably likely to occur from period to period, and would materially impact the Company's financial condition, changes in financial condition or results of operations.

Recently Adopted Accounting Policies

There were no changes in accounting policies for the period ended March 31, 2007.

Consolidated Financial Statements

Alegro Health Corp.

March 31, 2007

Alegro Health Corp.

CONSOLIDATED BALANCE SHEETS

	March 31, 2007 $	**December 31, 2006** $
	(unaudited)	
ASSETS		
Current		
Cash and cash equivalents	**904,980**	550,400
Receivables	**1,215,250**	1,556,816
Accrued receivables	**601,153**	292,764
Prepaids	**100,530**	46,508
Future tax assets	**19,370**	19,844
	2,841,283	2,466,332
Due from related parties *[note 3]*	**40,000**	40,000
Capital assets, net	**448,048**	537,298
Goodwill	**1,193,678**	1,193,678
Future tax assets	**66,080**	65,606
	4,589,088	4,302,914
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Payables and accruals	**1,838,481**	1,788,884
Income taxes payable	**132,000**	160,070
	1,896,282	1,948,954
Shareholders' equity		
Share capital	**1,833,499**	1,833,497
Contributed surplus	**967,133**	967,133
Deficit	**(182,025)**	(446,670)
	2,692,805	2,353,960
	4,589,088	4,302,914

See accompanying notes

Alegro Health Corp.

CONSOLIDATED STATEMENTS OF INCOME AND DEFICIT

For the period ended March 31, 2007
(*unaudited*)

	Three Months	
	2007	2006
	$	$
Revenue	**3,527,765**	3,456,652
Expenses		
Direct costs	**2,800,162**	2,970,210
General and administrative	**258,552**	182,238
Stock-based compensation	----	----
Amortization of capital assets	**72,406**	68,903
	3,131,120	3,221,351
Income (loss) before income taxes	**396,645**	235,301
Provision for (recovery of) income taxes		
Current	**161,121**	97,189
Future	**(29,121)**	(12,688)
	132,000	84,501
Net income (loss) for the period	**264,645**	150,800
Basic and diluted earnings (loss) per common share	**0.00**	0.00
Deficit, beginning of period	**(446,670)**	(496,138)
Net income (loss)	**264,645**	150,800
Deficit, end of period	**(182,025)**	(345,338)
Weighted Average Number of Shares	#	#
Basic	**25,247,762**	25,247,762
Diluted	**25,354,127**	25,347,957

See accompanying notes

Alegro Health Corp.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended March 31, 2007
(*unaudited*)

	Three Months	
	2007	2006
	$	$
Increase (decrease) in cash		
OPERATING ACTIVITIES		
Net income (loss) for the period	**264,645**	150,800
Add (deduct) items not involving cash		
Amortization of capital assets	**72,406**	68,903
Future income taxes	**102,047**	(12,688)
Stock-based compensation	**----**	----
Changes in non-cash working capital items		
Receivables	**350,638**	88,316
Accrued receivables	**(305,856)**	281,566
Prepaids	**(54,022)**	30,093
Payables and accruals	**(53,386)**	(315,346)
Income taxes payable	**(57,676)**	97,189
	318,797	388,833
INVESTING ACTIVITIES		
Purchase of capital assets	**14,046**	(33,994)
Acquisitions, net of acquired cash	**----**	----
	14,046	(33,994)
FINANCING ACTIVITIES		
Proceeds from exercise of warrants	**21,738**	----
	21,738	----
Net increase (decrease) in cash	**354,580**	354,839
Cash, beginning of period	**550,400**	565,723
Cash, end of period	**904,980**	920,562

See accompanying notes

Alegro Health Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007

1. INCORPORATION AND NATURE OF BUSINESS

Alegro Health Corp. ["Alegro" or the "Company"] was incorporated under the Canada Business Corporations Act on February 2, 2001 and is a venture company on the TSX Venture Exchange ["TSX-V"]. The Company provides health care services through its wholly-owned subsidiaries.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the interim financial statements are the same as those described in the Company's 2005 Annual Report. The disclosures in the interim financial statements conform in all material respects to the requirements of the Canadian generally accepted accounting principles for the annual financial statements included in the Company's 2005 Annual Report. The consolidated balance sheet March 31, 2007 consolidated statements of operations for the three months ended March 31, 2007 and 2006, and the consolidated statements of cash flows for the three and nine months ended March 31, 2007 and 2006 are unaudited, but include all adjustments (consisting of normal recurring adjustments) which in the opinion of management are considered necessary for a fair presentation of the position, results of operations and cash flows for the periods presented. The results of operations for the three months ended March 31, 2007 shown herein are not necessarily indicative of the results that may be expected for the year ending December 31, 2007.

For more complete financial information, these financial statements, and notes thereto, should be read in conjunction with audited consolidated financial statements for the year ended December 31, 2006.

Basis of consolidation

These consolidated financial statements include the accounts the Company's wholly-owned legal subsidiaries; Work Able Centers Inc. ["Work Able"], Don Mills Surgical Unit Ltd. ["DMSU"], Assessment Network Inc. (operating as "MedEval"), and Direct Health Solutions Inc. ["Direct"]. All intercompany balances and transactions have been eliminated on consolidation.

Revenue recognition

Revenue is recognized when services for independent medical assessments have been completed, the price is fixed or determinable, and collection is reasonably assured. Accrued receivables represent an accrual for revenue recognized on completed and unbilled assessments. The estimated costs incurred to complete the assessments are included in accrued liabilities. Other services, such as work conditioning treatments and case management services, are billed when these services are rendered, the price is fixed or determinable, and collection is reasonably assured.

DMSU follows the deferral method of accounting for unrestricted contributions from the Ministry of Health and Long-Term Care. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimate and collection is reasonably assured.

Goodwill

Goodwill is recorded when the cost of an acquisition exceeds the fair market value of the net tangible and identifiable intangible assets acquired. Goodwill is not amortized. Goodwill is tested for impairment on an annual basis or more frequently if warranted. Impairment losses are recorded when the carrying amount of goodwill exceeds its implied fair value. Such impairment losses are recorded as part of income from continuing operations.

Comparative Consolidated Financial Statements

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the March 31, 2007 interim financial statements.

3. RELATED PARTY TRANSACTIONS

Certain related parties provide services to the Company either directly or through companies, which they control. Fees charged by such related parties for consulting fees for the nine months ended March 31, 2007 were $102,000 (2006 - $77,250). These transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount of consideration established and agreed to the related parties.

A summary of transactions and balances with related parties is as follows:

	2007 **$**	2006 $
Expenses		
Real World	**18,000**	18,000
Brenras	**66,000**	41,250
Disability Management	**18,000**	18,000
	102,000	77,250

Alegro Health Corp.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2007

Amounts due from related parties		
Disability Management	**40,000**	40,000

Amounts due from related parties are non-interest bearing.

4. SEGMENTED REPORTING

The Company's reportable segments are strategic business units that offer different products and services. The operations of the company and its consolidated subsidiaries are comprised of the three reportable operating segments, Work Able (including MedEval), Don Mills Surgical Unit (DMSU) and Direct Health Solutions (Direct).

	Three Months	
	2007	2006
	$	$
Revenue		
Work Able	**2,241,594**	1,689,609
Direct	**746,130**	1,157,045
DMSU	**796,040**	609,998
Less: Inter-co	**(256,000)**	----
	3,527,764	3,456,652
Operating Expenses		
Work Able	**1,826,214**	1,286,131
Direct	**442,727**	1,165,883
DMSU	**829,673**	587,099
Corporate	**288,505**	182,238
Less: Inter-co	**(256,000)**	----
	3,131,119	3,221,351
Net Income (Loss) before Taxes		
Work Able	**415,380**	403,478
Direct	**303,403**	(8,838)
DMSU	**(33,633)**	22,899
Corporate	**(288,505)**	(182,238)
	396,645	235,301
	March 31, 2007	March 31, 2006
Total Assets	4,589,088	4,269,252

5. BANKING FACILITY

As no amounts were available under the terms of the Company's bank facilities, the arrangements were terminated.

6. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administration, the Company discloses that its auditors have not reviewed the unaudited consolidated financial statements for the period ended March 31, 2007 and March 31, 2006.