

**QHR Technologies Inc.**  
(the "Company")  
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**News Release**

*Not for distribution in the United States or through United States wire services.*

**November 29, 2004 (QHR – TSX Venture Exchange)** Mr. Al Hildebrandt, President and CEO of the Company, reports that the Company has released its financial results for the nine months ended September 30, 2004.

The Company recorded a loss of \$411,851 or \$.03 per share against revenues of \$2,473,116 for the first nine months of fiscal 2004 compared to earnings of \$257,677 or \$.02 per share on revenues of \$2,524,266 for the same period in 2003. Although earnings declined \$669,528 from the same period a year ago, they are still well within management's expectations and reflect the Company's investment in its future business plans.

Contributing to the decrease in reported earnings were expenses of \$344,307 for the start up of its new wholly-owned subsidiary Optimed Software Corporation and the development of its Accuro™ software; \$47,228 for stock-based compensation for vesting stock options to directors; \$72,333 attributable to the amortization of intangible assets; and recent upgrades in equipment and leaseholds in new office premises.

Results to September 30, 2004 do not indicate any significant downturn in business nor do they indicate any immediate jeopardy to the Company's financial health or ability to operate. The long term nature required by some current contracts conflicts with the rules for revenue recognition as directed by Canadian generally accepted accounting principles ("GAAP") and reduces recognized revenues in current periods. As a result, deferred revenues have grown to \$1,896,540 at September 30, 2004, an increase of \$794,993 from December 31, 2003.

The Company's working capital deficiency at September 30, 2004 was \$752,042. This includes the \$1,896,540 in deferred revenue that will be satisfied through the delivery of products and services in future periods. Deferred revenue will be recognized as revenue in the financial statements when the contractual obligations with the customer are met in accordance with GAAP. Also, included in working capital is cash on hand of \$1,047,010, an increase of \$624,938 from December 31, 2003. Despite negative appearances, cash flow of the Company remains strong and predictable. Management is confident that it will be able to meet its financial obligations from internal sources.

Technology accounting under Canadian GAAP continues to challenge the Company in other areas besides revenue recognition. GAAP, as currently applicable to the Company, requires that all product development costs be expensed as incurred. This means there is no asset value of the Company's software carried on the balance sheet. The Company invested \$679,820 in product development during the period compared to \$611,317 for the same period of 2003. This continuing investment ensures that Accuro™ and Quadrant HR™ software remains desirable to customers by offering the functionality and flexibility they require.

A key indicator of overall performance for the Company has been the growth of its total assets which reached \$2,943,242 at September 30, 2004 from \$1,692,551 at December 31, 2003. Shareholders' equity has increased to \$466,736 at September 30, 2004, an increase from \$52,609 at December 31, 2003. The Company has noted no negative or unusual changes in customer opinion or barriers to the adoption of the Company's products or consumers' purchasing patterns during the nine months ending September 30, 2004. No changes have been required nor anticipated to the current business model due to the introduction of new technologies or competitive products.

Management encourages interested parties to visit the Company's Web site, [QHRtechnologies.com](http://QHRtechnologies.com), for a more complete profile of the Company.

**On behalf of the Board of Directors**

Al Hildebrandt  
President and Chief Executive Officer

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

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