

Corporation Technologies Wanted

Interim Financial Statements March 31, 2006

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NOTICE FROM MANAGEMENT

The attached financial statements have not been examined by the company's external auditors

Corporation Technologies Wanted Earnings

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2 006 (unaudited) \$	2005 (unaudited) \$	2 006 (unaudited) \$	2005 (unaudited) \$
Sales	469 813	392 343	1 311 633	1 065 868
Expenses				
Research and development expenses, net of tax credits	142 664	45 600	319 434	175 682
Marketing and selling expenses, net of subsidy	239 620	115 631	543 896	295 594
Administrative expenses	252 091	142 485	548 921	335 838
Financial expenses, net amount	(5 570)	25 464	36 610	105 412
	628 805	329 180	1 448 861	912 526
Earnings (loss) before other items	(158 992)	63 163	(137 228)	153 342
Other items:				
Stock-based compensation	(37 960)		(341 560)	
Dividends on Class "C" shares		(155 202)	(141 251)	(447 407)
Net loss	(196 952)	(92 039)	(620 039)	(294 065)
Weighted average number of shares outstanding	20 606 150	10 000 000	17 304 688	10 000 000
Basic and diluted net loss per share	(0,010)	(0,009)	(0,036)	(0,029)

The accompanying notes are an integral part of the interim financial statements.

Corporation Technologies Wanted
Deficit
Contributed Surplus

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2 006 (unaudited) \$	2005 (unaudited) \$	2 006 (unaudited) \$	2005 (unaudited) \$
DEFICIT				
Balance, beginning of period	8 861 741	7 363 190	7 832 896	7 161 164
Net loss	196 952	92 039	620 039	294 065
Share acquisition and issue costs			605 758	
Balance, end of period	<u>9 058 693</u>	<u>7 455 229</u>	<u>9 058 693</u>	<u>7 455 229</u>
CONTRIBUTED SURPLUS				
Balance, beginning of period	1 991 329	173 682	173 682	-
Reverse takeover and merger (Note 3)				
Stock-based compensation	37 960		471 800	
Exercise of options	(6 476)		(31 264)	
Gain on waiver of dividends (Note 3)			1 408 595	
Changes in accounting policies (Note 4)				173 682
Balance, end of period	<u>2 022 813</u>	<u>173 682</u>	<u>2 022 813</u>	<u>173 682</u>

The accompanying notes are an integral part of the interim financial statements.

Corporation Technologies Wanted Cash Flows

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	2 006 (unaudited) \$	2005 (unaudited) \$	2 006 (unaudited) \$	2005 (unaudited) \$
OPERATING ACTIVITIES				
Net loss	(196 952)	(92 039)	(620 039)	(294 065)
Non-cash items				
Amortization of property, plant and equipment	17 576	14 988	64 542	42 503
Amortization of software	920	1 270	2 698	3 811
Dividends on Class "C" shares		155 202	141 251	447 407
Stock-based compensation	37 960		341 560	
Change in working capital items(Note 7)	250 355	123 952	186 120	(145 892)
Cash flows from operating activities	109 859	203 373	116 132	53 764
INVESTING ACTIVITIES				
Property, plant and equipment	(13 023)	(11 660)	(162 072)	(32 009)
Corporate liquidity funds			799 223	
Short-term investments	(117 400)		(1 750 000)	
Cash flows from investing activities	(130 423)	(11 660)	(1 112 849)	(32 009)
FINANCING ACTIVITIES				
Long-term loan				43 200
Repayment of loans	(27 987)	(61 839)	(30 005)	(13 100)
Convertible notes payable issues			200 000	10 000
Issue of shares	61 100		1 131 100	
Share issue costs			(335 538)	
Reverse takeover and merger (Note 3)			14 822	
Cash flows from financing activities	33 113	(61 839)	980 379	40 100
Net increase (decrease) in cash	12 549	129 874	(16 338)	61 855
Cash, beginning of period	196 279	8 017	225 166	76 036
Cash, end of period	208 828	137 891	208 828	137 891

The accompanying notes are an integral part of the interim financial statements.

Corporation Technologies Wanted Balance Sheets

	2006-03-31 (unaudited) \$	2005-06-30 (audited) \$
ASSETS		
Current assets		
Cash	208 828	225 166
Short-term investments (rate at 3% due in October 2006 and January 2007)	1 750 000	
Trade accounts receivable and other receivable	310 954	320 706
Tax credits for a company registered at CNNTQ and for research and development receivable	92 134	85 977
Prepaid expenses	13 991	35 772
	<u>2 375 906</u>	<u>667 621</u>
Property, plant and equipment (Note 8)	320 515	232 407
Software (Note 9)	9 402	11 859
Deferred expenses		139 452
	<u>2 705 823</u>	<u>1 051 339</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	333 269	605 300
Convertible notes payable (Note 3)		275 000
Convertible loans (Notes 3 and 11)	165 200	235 000
Dividends payable (Note 3)		1 570 494
Deferred income	87 089	64 952
Instalments on long-term debt	31 349	31 060
Class "C" shares (Notes 3 and 13)		2 791 667
	<u>616 907</u>	<u>5 573 473</u>
Long-term debt (Note 12)		30 294
Class "C" shares (Notes 3 and 13)		2 104 518
	<u>616 907</u>	<u>7 708 285</u>
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 14)	8 786 846	1 002 268
Equity component of debenture (Note 11)	34 800	
Warrants (Note 3)	303 150	
Contributed surplus	2 022 813	173 682
Deficit	(9 058 693)	(7 832 896)
	<u>2 088 916</u>	<u>(6 656 946)</u>
	<u>2 705 823</u>	<u>1 051 339</u>

The accompanying notes are an integral part of the interim financial statements.

On behalf of the Board,

Director

Director

Corporation Technologies Wanted

Notes to Financial Statements

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The Company, incorporated under the Canada Business Corporations Act, provides access to various database that it updates regularly.

2 - BASIS OF PRESENTATION

The accompanying unaudited financial statements are in accordance with Canadian generally accepted accounting principles applicable for interim financial statements and do not include all of the information required for complete financial statements. These financial statements are also consistent with the accounting policies described in the Company's financial statements for the year ended June 30, 2005.

These financial statements and the notes thereto should be read in connection with the audited financial statements for the year ended June 30, 2005. The results of operations for the interim periods presented are not necessarily representative of expected results for the full year.

3- REVERSE TAKEOVER AND MERGER

3 (a) Reorganization

As at September 20, 2005, Wanted Technologies inc. finished conversion of all of the following into class "A" shares:

- (i) \$275,000 of convertible notes
- (ii) \$235,000 of convertible loans
- (iii) \$176,607 in accrued interest on the convertible notes and loans
- (iv) \$403,600 in outstanding and unpaid compensation and directors' fees
- (v) 31,780,743 class "C" shares with a stated capital of \$4,896,185.

In connection with the conversion of the class "C" shares into class "A" shares of Wanted Technologies inc., the shareholders waived the accrued and unpaid dividends on the conversion date. As consideration, certain shareholders of Société Innovatech Québec and Desjardins Venture Capital inc. received 1,350,321 warrants to acquire 1,350,321 class "A" shares of the Company at a price of \$0.40 per share. These warrants, which may be exercised at any time during the 24-month period starting on the closing date, have been valued at \$303,150, which was recorded in the warrants account. A \$1,408,595 gain on the waiver of dividends was recorded in the contributed surplus account.

In addition, all stock options and warrants granted by Wanted Technologies inc. were cancelled before the transaction closing date.

Corporation Technologies Wanted

Notes to Financial Statements

3 - REVERSE TAKEOVER AND MERGER (Continued)

3 (b) Reverse takeover

On September 20, 2005, Corporation Pamérica acquired 7,041,898 shares of Wanted Technologies inc. for 605,193 class "A" treasury shares.

Corporation Pamérica and Wanted Technologies inc. then merged. Immediately after the merger, the shareholders of Wanted Technologies inc. acquired control of the merged entity.

The share acquisition and merger were recorded as a reverse takeover, in accordance with Canadian generally accepted accounting principles as though Wanted Technologies inc. had acquired Corporation Pamérica.

Since, for accounting purposes, the shareholders of Wanted Technologies inc. are considered the buyer, the net assets of Corporation Pamérica were recorded on the balance sheet at the carrying amount, as follows:

	\$
Assets acquired	
Cash	14 822
Short-term investment	799 223
Accounts receivable	108 653
Prepaid expenses	1 928
Deferred expenses related to the transaction	50 000
	<u>974 626</u>
Liabilities assumed	
Accounts payable and accrued liabilities	75 184
Net assets acquired at market value	<u>899 442</u>
Consideration	
7,000,000 class "A" shares	806 922
1,200,000 stock options at fair value	92 520
	<u>899 442</u>

The shareholders of Wanted Technologies inc. received a total of 9,394,807 class "A" shares of the merged entity for the shares they held in Wanted Technologies inc.

The shareholders of Corporation Pamérica received a total of 7,605,193 class "A" shares of the merged entity for the shares they held in Corporation Pamérica.

The 1,200,000 stock options of Corporation Pamérica were exchanged for 1,200,000 stock options of the merged entity. The terms and conditions of these stock options are unchanged.

Corporation Technologies Wanted

Notes to Financial Statements

3 - REVERSE TAKEOVER AND MERGER (Continued)

3 (c) Public Offering

On September 20, 2005, the Company completed its eligible transaction and closed a public offering in Québec for a total of 2,625,000 class "A" shares at a price of \$0.40 per share for total gross proceeds of \$1,050,000. The underwriter's commission of \$60,000 and the transaction costs of \$118,196 were added to the deficit.

In addition, the Company issued 262,500 options to the underwriter for the acquisition of 262,500 class "A" shares at a price of \$0.40 per share. These options may be exercised at any time, expire in September 2006 and were valued at \$37,720, which was added to the deficit and contributed surplus.

3 (d) Expense related to the share acquisition, merger and reverse takeover

At the time of the reverse takeover, \$232,500 was paid as solicitation fees. These fees were paid through the issuance of 581,250 class A shares valued at \$0.40 each.

In addition, legal and accounting fees of \$157,342 relating to the transactions were paid from cash and cash equivalents on the statement of deficit.

4 - CHANGES IN ACCOUNTING POLICIES

Class "C" shares, convertible notes payable and loans

On November 5, 2004, the Emerging Issues Committee of the Canadian Institute of Chartered Accountants (CICA) released Abstract 149 Accounting for Retractable or Mandatorily Redeemable Shares, which in particular, provides guidance on circumstances where it is possible to classify retractable or mandatorily redeemable shares as equity rather than liability instruments. In order to comply with these new standards, the Company has presented the convertible notes payable and convertible loans described in Note 11 and the Class "C" shares entirely as liabilities. Moreover, dividends on Class "C" shares must be recorded in the statement of earnings.

Corporation Technologies Wanted

Notes to Financial Statements

4 - CHANGES IN ACCOUNTING POLICIES (Continued)

The Company has adopted these new standards retroactively, which resulted in an increase (decrease) in the following financial statement items:

	June 30,	
	2005	2004
	\$	\$
Balance sheet		
Liabilities		
Convertible loans		16 640
Class "C" shares	933 830	933 850
Equity		
Equity component of convertible loans, convertible notes payable and Class "C" shares	(807 525)	(978 701)
Contributed surplus	(190 726)	
Deficit	(28 231)	
Earnings		
Interest on convertible notes payable	(19 550)	
Interest on convertible loans	(16 640)	(28 231)
Dividends on the liability component of Class "C" shares	63 651	62 469
Net loss	27 461	34 238
Statement of deficit		
Dividends on the equity component of Class "C" shares	(63 651)	(62 469)

Stock-based compensation and other stock-based payments

In 2003, the CICA amended its position regarding stock-based compensation requiring Companies to measure and expense any equity instruments attributed to employees and directors for years beginning on or after January 1, 2004 using the fair value method. The fair value of stock options awarded to employees and directors is computed on the award date using an option pricing method and the compensation expense is recognized over the option vesting period. Effective July 1, 2004, the Company retroactively adopted the new standards for all stock options awarded since July 1, 2002 without restating prior periods. Previously, the Company did not recognize any stock-based compensation expense.

This change led to a \$173,682 increase in contributed surplus and deficit.

Corporation Technologies Wanted

Notes to Financial Statements

5 - ACCOUNTING POLICIES

Accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates.

Revenue recognition

The Company recognizes revenue as services are rendered, and when there is persuasive evidence of an arrangement and recovery is reasonably assured. Revenue from database access contracts is recognized linearly over the duration of the contracts. Deferred income represents cashed amounts that do not fulfill the income recognition criteria.

Amortization

Property, plant and equipment and software are amortized over their estimated useful lives according to the diminishing balance method at the following annual rates:

	Rate
Furniture and equipment	20%
Computer equipment and software	30%

Foreign currency translation

Monetary assets and liabilities in foreign currency are translated at the exchange rate in effect at the balance sheet date, whereas other assets and liabilities are translated at exchange rates in effect at transaction dates. Revenue and expenses in foreign currency are translated at the average monthly rate in effect at the time of the transactions. Gains and losses are included in earnings for the year.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, future income tax assets and liabilities are determined according to differences between the carrying amounts and tax bases of assets and liabilities. They are measured by applying enacted or substantively enacted tax rates and laws at the date of the financial statements for the years in which the temporary differences are expected to reverse. The Company recognizes future income tax assets only when it is more likely than not that some or all the future income tax assets will be realized.

Research and development costs and tax credits for a company registered at the Centre National des Nouvelles Technologies de Québec (CNNTQ) and for research and development

Research and development costs are expensed as they are incurred. However, development costs are deferred when they meet the generally accepted criteria to the extent that their recovery can reasonably be regarded as assured.

Tax credits for a company registered at CNNTQ and for research and development are applied against research and development costs during the year in which the costs are incurred, provided that the Company is reasonably certain that the credits will be received. These tax credits must be examined and approved by the tax authorities and it is possible that the amounts granted will differ from the amounts recorded.

Corporation Technologies Wanted Notes to Financial Statements

6 - INFORMATION INCLUDED IN THE STATEMENT OF EARNINGS

	Three-month periods ended		Nine-month periods ended	
	2006	2005	2006	2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$	\$	\$	\$
Research and development costs	171 241	75 654	379 227	247 025
Tax credits for a company registered at CNNTQ and for research and development	28 577	30 054	59 793	71 343
Amortization of property, plant and equipment	17 576	14 988	64 542	42 503
Government subsidies	5 500		29 750	10 000
Interest on long-term debt	282	2 442	853	4 380
Interest on convertible notes payable and loans	4 977	21 769	31 567	63 596
Other financial expenses	2 185	2 012	6 505	8 270
Interest income	15 272	1 229	27 572	4 007
Exchange loss	2 256	469	24 381	33 173
Amortization of software	920	1 270	2 698	3 811

7 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

The changes in working capital items are detailed as follows:

	Three-month periods ended		Nine-month periods ended	
	2006	2005	2006	2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$	\$	\$	\$
Accounts receivable	87 333	(18 039)	118 405	(184 595)
Tax credits for a company registered at CNNTQ and for research and development receivable	25 059	68 083	(6 157)	(24 354)
Prepaid expenses	4 682	107	23 709	22 188
Accounts payable and accrued liabilities	161 783	64 902	28 026	59 365
Deferred income	(28 502)	8 899	22 137	(18 496)
	<u>250 355</u>	<u>123 952</u>	<u>186 120</u>	<u>(145 892)</u>

As at March 31, 2005, there was no accounts payable and accrued liabilities (\$44,056 as at June 30, 2005) regarding purchases of property, plant and equipment.

Corporation Technologies Wanted Notes to Financial Statements

7 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS (Continued)

In addition, the following transactions that do not impact cash flows were carried out:

	<u>2006-03-31</u>
	\$
Waiver of dividends	1 711 745
Issue of shares in connection with reorganization	5 582 792

Cash flows from interest on operating activities are as follows:

	Three-month periods ended March 31,		Nine-month periods ended March 31,	
	<u>2006</u>	2005	<u>2006</u>	2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$	\$	\$	\$
Interest paid	5 213	5 603	9 732	7 540

8 - PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	<u>2006-03-31</u> (unaudited) Net
	\$	\$	\$
Furniture and equipment	143 787	90 426	53 361
Computer equipment	765 571	498 417	267 154
	<u>909 358</u>	<u>588 843</u>	<u>320 515</u>
			2005-06-30 (audited)
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture and equipment	140 287	81 317	58 970
Computer equipment	616 362	442 925	173 437
	<u>756 649</u>	<u>524 242</u>	<u>232 407</u>

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Notes to Financial Statements

9 - SOFTWARE

	2006-03-31	2005-06-30
	(unaudited)	(audited)
	<u>\$</u>	<u>\$</u>
Cost	78 433	78 165
Accumulated amortization	69 031	66 306
	<u>9 402</u>	<u>11 859</u>

10 - BANK LOAN

The bank loan for an authorized amount of \$10,000 is secured by book debts, bears interest at the prime rate plus 3.75% (9,25%) as at March 31, 2006, prime rate plus 3.75% (7.25%) as at June 30, 2005 and is renegotiable annually.

A \$30,000 letter of guarantee secured by a first ranking movable hypothec on receivables has been issued to a lender.

11- CONVERTIBLE LOANS

On September 20, 2005, the Company issued a convertible debenture to Société Innovatech Québec for \$200,000 in cash. This convertible debenture matures in September 2008 and bears interest at 10% annually. This debenture is convertible into class "A" shares on the basis of one Class "A" share of the Company for each \$0.60 in capital of the debenture until its maturity. Interest is payable quarterly.

The debenture is presented in its components. The liability component, representing the obligation to make interest payments at a rate equivalent to that on a non-convertible loan with similar terms and risks (18%), is presented under liabilities and the equity component, representing the holder's conversion option and the settlement option for shares held by the Company is presented under shareholders' equity.

Corporation Technologies Wanted

Notes to Financial Statements

12 - LONG-TERM DEBT

	Current portion	2006-03-31 (unaudited)	2005-06-30 (audited)
	\$	\$	\$
Refundable contribution under the Innovation Program, Développement de l'Entrepreneurship et Exportation for SMEs, without interest, payable in annual instalments of \$27,148, maturing in January 2007	27 150	27 150	54 647
Note payable, secured by computer equipment, 17.99%, payable in monthly instalments of \$374, principal and interest, maturing in March 2007	4 199	4 199	6 707
		<u>31 349</u>	61 354
Instalments due within one year	<u>31 349</u>	<u>31 349</u>	31 060
		-	<u>30 294</u>

13 - CLASS "C" SHARES

	2006-03-31 (unaudited)	2005-06-30 (audited)
	\$	\$
Issued and fully paid		
31,780,743 Class "C" shares		4 896 185
Current portion		<u>2 791 667</u>
	-	<u>2 104 518</u>

Class "C", voting, non-participating shares, annual cumulative dividend of 13% of the redemption value, starting in the 19th month following the issuance of these shares, ranking prior to the Class "A" and "B" shares, redeemable or retractable at the paid-up capital amount as of the 4th anniversary of their issuance, exchangeable for Class "A" shares on a share-for-share basis, between the share issuance date and the 4th anniversary date.

As described in Note 3, these shares were converted into class "A" shares during the period.

Corporation Technologies Wanted

Notes to Financial Statements

14 - CAPITAL STOCK

Following the filing of articles of amalgamation, the Company's capital stock is as follows:

Authorized

Unlimited number of common shares, voting and participating, without par value

Issued and fully paid

The following table illustrates changes in the capital stock of the Company subsequent to the reorganization, merger and reverse takeover.

	<u>Number of shares</u>	<u>Amount</u>
Balance, as at June 30, 2005	15 480 490	1 002 268
Reorganization of Wanted Technologies inc. (Note 3(a))	100 877 353	5 582 792
Adjustment to reflect the reverse takeover	116 357 843 -	
Reverse takeover (Note 3(b))	<u>17 000 000</u>	<u>806 922</u>
	<u>17 000 000</u>	<u>7 391 982</u>
Public share issue (Note 3 (c))	2 625 000	1 050 000
Shares issued for solicitation (Note 3(d))	581 250	232 500
Share issuance following exercise of options	<u>405 500</u>	<u>112 364</u>
	<u>20 611 750</u>	<u>8 786 846</u>

As at March 31, 2006, 1 350 321 warrants were outstanding (nil as at June 30, 2005). Each warrant allows the holder to purchase one Class A share at a price of 0,40 \$ per share.

15 - STOCK OPTION PLAN

Stock option plan

The Company has established a stock option plan for directors, executives, employees and consultants. All options granted under the plan may be exercised within a maximum of five years from the grant date. The Board of Directors will designate the beneficiaries and determine the number of common shares subject to the options, the vesting period, exercise price, expiration date, acquisition terms and restrictions on the exercise of the options.

In addition, the underwriter received options to subscribe to 762,500 class A shares.

Corporation Technologies Wanted

Notes to Financial Statements

15 - STOCK OPTION PLAN (Continued)

Outstanding options are detailed as follows:

	Number of options outstanding	Weighted average exercise price	Estimated weighted average term
As at June 30, 2005	-		
Granted			
Directors and officers	700 000	0,20 \$	15 months
Underwriter	762 500	0,32 \$	6 months
Directors and officers	1 300 000	0,40 \$	58 months
Exercised	-405 500	0,20 \$	-
Cancelled	-94 500	0,20 \$	-
As at March 31, 2006	<u>2 262 500</u>	<u>0,34 \$</u>	<u>39 months</u>

16 - COMMITMENTS

The Company has entered into long-term lease agreements expiring in September 2007 and September 2010, which call for lease payments of \$265,680 for premises. Minimum lease payments for the next five years are \$79,040 in 2007, \$64,040 in 2008, \$49,040 in 2009, \$49,040 in 2010 and \$24,520 in 2011 .

The Company has entered into long-term lease agreements expiring in November 2007 and February 2008, which call for lease payments of \$95,576 for equipment rental. Minimum lease payments for the next years are \$56,349 in 2007 and \$39,227 in 2008.

17 - INCOME TAXES

The Company's effective income tax rate differs from the combined federal and provincial income tax rate in Canada as a result of the following:

	Three-month periods ended		Nine-month periods ended	
	2006	March 31, 2005	2006	March 31, 2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$	\$	\$	\$
Net loss	(196 952)	(92 039)	(620 039)	(294 065)
Income taxes based on combined federal and provincial tax rates in Canada	29,90%	31,02%	29,90%	31,02%
	(58 889)	(28 550)	(185 392)	(91 219)
Increase in income taxes resulting from the following items:				
Dividends on Class "C" shares		48 144	42 234	138 786
Unrecognized future income tax assets	45 281	(21 153)	34 339	(53 075)
Stock-based compensation	11 350		102 126	
Other	2 258	1 559	6 693	5 508
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Corporation Technologies Wanted

Notes to Financial Statements

17 - INCOME TAXES (Continued)

Future income tax assets of approximately \$1,973,403 (\$1,796,738 as at June 30, 2005) are not recorded in the financial statements. The components of the amount are as follows:

	2006-03-31 (unaudited)	2005-06-30 (audited)
	<u>\$</u>	<u>\$</u>
Future income tax assets		
Non-capital losses	1 649 995	1 594 364
Research and development costs	62 068	42 882
Temporary differences attributable to amortization of property, plant and equipment	173 862	159 492
Temporary differences attributable to amortization of share issue and acquisition costs	87 478	
	1 973 403	1 796 738
Unrecorded net future income tax assets	(1 973 403)	(1 796 738)
Net future income tax assets	<u><u>—</u></u>	<u><u>—</u></u>

Tax losses which are available to reduce income taxes in future years and eligible research and development costs are detailed as follows:

	Federal	Provincial
	<u>\$</u>	<u>\$</u>
Amount of the loss carry-forwards for tax purposes expiring within the following years:		
2008	665 530	645 809
2009	2 023 896	2 015 036
2010	1 477 792	1 497 006
2011	822 937	885 577
2015	400 975	464 870
2016	92 751	91 482
	5 483 881	5 599 780
Amount of temporary differences that can be carried over an indefinite period	876 262	868 821
	6 360 143	6 468 601
Eligible research and development costs that can be carried over an indefinite period	193 547	240 722
	6 553 690	6 709 323

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Notes to Financial Statements

18 - FINANCIAL INSTRUMENTS

The fair value of short-term financial assets and liabilities approximates their carrying amount given the short-term to maturity.

The fair value of the refundable contribution from Economic Development Canada could not be determined because time and cost constraints do not allow the fair value to be determined with sufficient reliability because there are conditions attached to it that represent a type of government assistance and it is practically impossible to find a financial instrument on the market having substantially the same economic characteristics.

The fair value of the convertible loan is determined by discounting future cash flows using rates that the Company could use for loans with similar terms and conditions and maturity dates. The fair value of this convertible loan does not differ significantly from the carrying amount.

Exchange risk

The Company is exposed to exchange risks because of its sales in the United States.

As at March 31, 2006, the Company has accounts receivable denominated in U.S. dollars amounting to US\$247,999 (US\$235,505 as at June 30, 2005), accounts payable denominated in U.S. dollars amounting to US\$1,220 (nil as at June 30, 2005) and cash denominated in U.S. dollars amounting to US\$89,302 (US\$39,533 as at June 30, 2005),

Credit risk

In the normal course of its operations, the Company evaluates the financial condition of its customers on an ongoing basis and reviews the credit history of any new customer.

As at March 31, 2006, the amount receivable from two customers represented 32% of total accounts receivable.

19 - GEOGRAPHIC INFORMATION

The Company's sales in Canada and the U.S. are broken down as follows:

	Three-month periods ended		Nine-month periods ended	
	2006	2005	2006	2005
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$	\$	\$	\$
Canada	56 960	46 610	154 011	146 687
Unites States	412 853	345 733	1 157 622	919 181
	469 813	392 343	1 311 633	1 065 868

There are no capital assets or goodwill outside of Canada.

Revenues are attributed to various countries based on the country of domicile of the client.