

Wanted Technologies Corporation

Interim Financial Statements September 30, 2006

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NOTICE FROM MANAGEMENT

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

Wanted Technologies Corporation

Earnings

	Three-month periods ended September 30,	
	2006	2005
	(unaudited)	(unaudited)
	\$	\$
Revenues	656 345	394 185
Expenses		
Research and development, net of tax credits	200 724	67 537
Marketing and selling	231 498	112 698
General and administrative	204 372	119 903
Financial, net amount	(576)	23 606
	<u>636 018</u>	<u>323 744</u>
Earnings before other items	20 327	70 441
Other items:		
Exchange loss	(4 493)	(20 037)
Stock-based compensation		(303 600)
Dividends on Class "C" shares		(141 251)
Net earnings (loss)	<u>15 834</u>	<u>(394 447)</u>
Basic and diluted net earnings (loss) per share	0,001	(0,035)
Weighted average number of shares outstanding	20 598 542	11 220 313

The accompanying notes are an integral part of the financial statements and Note 4 provides additional information on earnings.

Wanted Technologies Corporation
Deficit
Contributed Surplus

	Three-month periods ended September 30,	
	2006	2005
	(unaudited)	(unaudited)
	\$	\$
DEFICIT		
Balance, beginning of year	(9 110 495)	(7 832 896)
Net earnings (loss)	15 834	(394 447)
Share issue expenses		(599 930)
Balance, end of year	<u>(9 094 661)</u>	<u>(8 827 273)</u>
CONTRIBUTED SURPLUS		
Balance, beginning of year	1 589 563	173 682
Gain on waiver of dividends (Note 2)		1 408 595
Options cancelled	73 957	
Balance, end of year	<u>1 663 520</u>	<u>1 589 563</u>

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

Wanted Technologies Corporation

Cash Flows

	Three-month periods ended September 30,	
	2006	2005
	(unaudited)	(unaudited)
	\$	\$
OPERATING ACTIVITIES		
Net earnings (net loss)	15 834	(394 447)
Non-cash items		
Amortization of property, plant and equipment	32 072	20 346
Amortization of software	871	889
Dividends on Class "C" shares		141 251
Stock-based compensation		303 600
Interest on convertible debenture	4 000	
Debenture interest paid through share issue		21 603
Changes in working capital items (Note 5)	(77 006)	(160 820)
Cash flows from operating activities	(24 229)	(67 578)
INVESTING ACTIVITIES		
Property, plant and equipment	(165 740)	(82 047)
Software	(3 079)	
Corporate liquidity funds		48 408
Cash flows from investing activities	(168 819)	(33 639)
FINANCING ACTIVITIES		
Long-term loan	171 000	
Repayment of loans	(14 189)	(830)
Issuance of shares	20 000	
Reverse takeover and merger (Note 2)		14 822
Cash flows from financing activities	176 811	13 992
Net decrease in cash	(16 237)	(87 225)
Cash, beginning of year	104 271	104 271
Cash, end of year	88 034	17 046

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

Wanted Technologies Corporation

Balance Sheets

	2006-09-30 (unaudited) \$	2006-06-30 (audited) \$
ASSETS		
Current assets		
Cash	88 034	104 271
Short-term investments (Note 6)	1 700 000	1 700 000
Trade accounts receivable and other receivables	316 290	254 506
Tax credits for a company registered at CNNTQ and for research and development receivable	162 191	125 886
Prepaid expenses	60 223	57 622
	<u>2 326 738</u>	<u>2 242 285</u>
Property, plant and equipment (Note 7)	463 063	329 395
Software (Note 8)	10 737	8 529
	<u>2 800 538</u>	<u>2 580 209</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	354 040	276 766
Deferred revenue	2 587	56 177
Current portion of long-term debt	112 404	30 294
	<u>469 031</u>	<u>363 237</u>
Convertible debenture (Note 10)	179 483	175 483
Long-term debt (Note 11)	74 701	
	<u>723 215</u>	<u>538 720</u>
SHAREHOLDERS' EQUITY		
Capital stock (Note 12)	9 118 156	9 090 446
Equity component of the convertible debenture (Note 10)	34 800	34 800
Warrants (Notes 2 and 12)	303 150	303 150
Stock options (Note 13)	52 358	134 025
Contributed surplus (Note 2)	1 663 520	1 589 563
Deficit	(9 094 661)	(9 110 495)
	<u>2 077 323</u>	<u>2 041 489</u>
	<u>2 800 538</u>	<u>2 580 209</u>

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

On behalf of the Board,

Jan Oosterwaal
Chairman of the Board

David Tanguay
President and Chief Executive Officer

Wanted Technologies Corporation

Notes to Financial Statements

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

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

2- REVERSE TAKEOVER AND MERGER

2 (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) \$303,600 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 as 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.

2 (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, Wanted Technologies Corporation.

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.

Wanted Technologies Corporation

Notes to Financial Statements

2 - REVERSE TAKEOVER AND MERGER (Continued)

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
Corporate liquidity funds	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 9,370,729 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.

2 (c) Public Offering

On September 20, 2005, the Company completed its eligible transaction and closed a public offering in Quebec 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 stock options.

Wanted Technologies Corporation

Notes to Financial Statements

2 - REVERSE TAKEOVER AND MERGER (Continued)

2 (d) Expenses 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 in cash and added to the deficit.

3 - 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.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and investments maturing in less than three months from the acquisition date.

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.

Investment transactions are recorded on the transaction date and resulting revenues are recognized using the accrual method of accounting. Interest income is recognized based on the number of days the investment was held during the year.

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:

	<u>Rates</u>
Furniture and equipment	20%
Computer equipment and software	30%

Wanted Technologies Corporation

Notes to Financial Statements

3 - ACCOUNTING POLICIES (continued)

Share issue expenses

Share issue expenses are recognized in the statement of deficit.

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.

Stock-option plan

The company provides a stock option plan, which is described in Note 13. A stock-based compensation expense is recognized with respect to this plan when stock options are issued. Any consideration paid when exercising stock options and any amount in stock options related to these options are credited to capital stock. When stock options are cancelled, any amount recorded in stock options related to these options is credited to contributed surplus.

Wanted Technologies Corporation

Notes to Financial Statements

3 - ACCOUNTING POLICIES (continued)

Loss per share

Basic loss per share is computed by dividing the net loss by the weighted average number of shares outstanding during the period. Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue shares were exercised at the later of the beginning of the year or the issuance date. The treasury stock method is used to determine the dilutive effect of stock options and warrants. The "if-converted" method is used to determine the dilutive effect of convertible debentures.

The warrants, the stock options and the convertible debenture were not included in the computations of diluted earnings per share for the year ended on September 30, 2005 because the Company reported losses and the inclusion of the securities would be anti-dilutive.

4 - INFORMATION INCLUDED IN THE STATEMENT OF EARNINGS

	Three-month periods ended September 30,	
	2006	2005
	(unaudited)	(unaudited)
	\$	\$
Research and development expenses	236 029	77 937
Tax credits for a company registered at CNNTQ and for research and development	35 305	10 400
Amortization of property, plant and equipment	32 072	20 346
Amortization of software	871	889
Government subsidies		9 750
Financial, net amount		
Interest on long-term debt	2 575	292
Interest on convertible notes payable and loans	9 097	21 602
Other financial expenses	5 674	1 712
	<u>17 346</u>	<u>23 606</u>
Less: Interest income	17 922	
	<u>(576)</u>	<u>23 606</u>

Revenue generated from the Company's most important client represents approximately 16% during the period ended as at September 30, 2006 (0 % as at June 30, 2005).

Wanted Technologies Corporation

Notes to Financial Statements

5 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

Changes in working capital items are as follows:

	Three-month periods ended September 30,	
	2006	2005
	(unaudited)	(unaudited)
	\$	\$
Accounts receivable	(61 784)	39 798
Tax credits for a company registered at CNNTQ and for research and development receivable	(36 305)	(10 400)
Prepaid expenses	(2 601)	156
Accounts payable and accrued liabilities	77 274	(204 710)
Deferred revenue	(53 590)	14 336
	<u>(77 006)</u>	<u>(160 820)</u>

As at September 30, 2006, there was no accounts payable and accrued liabilities regarding purchases of property, plant and equipment (\$80,049 as at September 30, 2005).

Cash flows from interest on operating activities are as follows:

	Three-month periods ended September 30,	
	2006	2005
	(unaudited)	(unaudited)
	\$	\$
Interest paid	22 965	292

6 - SHORT-TERM INVESTMENTS

	2006-09-30	2006-06-30
	(unaudited)	(audited)
	\$	\$
Bonds, 4.22% to 4.54%, maturing in December 2006 and June 2007, at cost (market value \$1,514,010)	1 500 000	1 500 000
Term deposit, 4.25%, maturing in June 2007	200 000	200 000
	<u>1 700 000</u>	<u>1 700 000</u>

Wanted Technologies Corporation

Notes to Financial Statements

7 - PROPERTY, PLANT AND EQUIPMENT

	2006-09-30 (unaudited)		
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture and equipment	143 077	96 001	47 076
Computer equipment	968 496	552 509	415 987
	<u>1 111 573</u>	<u>648 510</u>	<u>463 063</u>
			2006-06-30 (audited)
	Cost	Accumulated amortization	Net
	\$	\$	\$
Furniture and equipment	143 077	93 523	49 554
Computer equipment	802 756	522 915	279 841
	<u>945 833</u>	<u>616 438</u>	<u>329 395</u>

8 - SOFTWARE

	2006-09-30 (unaudited)	2006-06-30 (audited)
	\$	\$
Cost	81 511	78 433
Accumulated amortization	<u>70 774</u>	<u>69 904</u>
	<u>10 737</u>	<u>8 529</u>

9 - BANK LOAN

The bank loan for an authorized amount of \$40,000 is secured by book debts, bears interest at the prime rate plus 3% (9%), (prime rate plus 3% (9%) as at June 30, 2006) and is renegotiable in October 2006.

10 - CONVERTIBLE DEBENTURE

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.

Wanted Technologies Corporation

Notes to Financial Statements

11 - LONG-TERM DEBT

	Current	2006-09-30 (unaudited) \$	2006-06-30 (audited) \$
Refundable contribution under the Innovation Program, Développement de l'Entrepreneurship et Exportation for SMEs, without interest, payable in annual instalments of \$27,150, maturing in January 2007	27 150	27 150	27 150
Note payable, secured by computer equipment, 17.99%, payable in monthly instalments of \$374, principal and interest, maturing in March 2007	2 150	2 150	3 144
Obligation under a capital lease, bearing interest of 8,3 %, payable in monthly instalments of \$7,757, maturing in July 2008.	83 104	157 805	
		<u>187 105</u>	<u>30 294</u>
Instalments due within one year	<u>112 404</u>	<u>112 404</u>	<u>30 294</u>
		<u>74 701</u>	<u>—</u>

12 - CAPITAL STOCK

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

Authorized

Unlimited number of class "A" shares, voting and participating, without par value

Unlimited number of class "B" shares, non voting, non participating, issuable in series, term of each series determined by the time of issuance, without par value

Issued and fully paid

The following table illustrates changes in the capital stock of the Company subsequent :

	Number of shares	Amount
Balance, as at June 30, 2006	20 587 672	9 090 446
Share issuance following exercise of options	100 000	27 710
Balance, as at September 30, 2006	<u>20 687 672</u>	<u>9 118 156</u>

As at September 30, 2006, 1,350,321 warrants were outstanding (1,350,321 as at June 30, 2006). Each warrant allows the holder to purchase one Class "A" share 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.

Wanted Technologies Corporation

Notes to Financial Statements

13 - 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. The stock acquisition price must not be less than 75% of the closing price on the day prior to the date of grant of these shares.

The maximum number of shares issued under the terms of the plan was established to 10% of the issued and outstanding shares of capital stock. The maximum number that may be granted to a director, officer and employee of the company shall not exceed 5% of all the outstanding stock options. As for a consultant the maximum shall not exceed 2%.

Vesting occurs in stages, i.e., 20% upon signing and the remaining 80% vests gradually at 20% per annum over a period of 48 months. For underwriter, vesting is upon the signing of contracts.

The underwriter received options to subscribe to 762,500 class "A" shares of which 500,000 were given out by Corporation Pamerica before September 20, 2006 and 262,500 at the time of the transaction (Note 2c).

Outstanding options are detailed as follows:

	Number of options outstanding	Weighted average exercise price \$	Stock options \$
As at June 30, 2006	2 262 500	0,34	134 025
Exercised	(100 000)	0,20	(7 710)
Cancelled	(732 500)	0,27	(73 957)
As at September 30, 2006	<u>1 430 000</u>	<u>0,38</u>	<u>52 358</u>

The characteristics of the outstanding stock options as at September 30, 2006 are as follows:

Outstanding and exercisable options			
Exercise Price \$	Number of options outstanding	Weighted average term	Number of options exercisable
0,20	130 000	12 months	130 000
0,40	1 300 000	44 months	260 000
	<u>1 430 000</u>		<u>390 000</u>

Wanted Technologies Corporation

Notes to Financial Statements

14 - COMMITMENTS

The Company has entered into long-term lease agreements expiring in September 2007 and September 2010, which call for lease payments of \$226,160 for premises. Minimum lease payments for the next five years are \$79,040 in 2007, \$49,040 in 2008, \$49,040 in 2009 and \$49,040 in 2010.

The Company has entered into long-term lease agreements expiring in November 2007 and February 2008, which call for lease payments of \$67,402 for equipment rental. Minimum lease payments for the next years are \$56,349 in 2007 and \$11,053 in 2008.

15 - FINANCIAL INSTRUMENTS

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

The fair value of the bonds is based on the current bid price.

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 debenture 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 debenture payable 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 September 30, 2006, the Company has accounts receivable denominated in U.S. dollars amounting to US\$213,710 (US\$162,742 as at June 30, 2006), US\$1,321 accounts payable denominated in U.S. dollars (US\$1,332 as at June 30, 2006) and cash denominated in U.S. dollars amounting to US\$24,777 (US\$74,454 as at June 30, 2006).

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 September 30, 2006, the amount receivable from one customer represented 18% (two customers represented 33% as at June 30, 2006) of total accounts receivable.

Wanted Technologies Corporation

Notes to Financial Statements

16 - GEOGRAPHIC INFORMATION

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

	Three-month periods ended September 30,	
	2006	2005
	(unaudited)	(unaudited)
	\$	\$
Canada	79 960	33 435
United States	576 385	360 750
	<u>656 345</u>	<u>394 185</u>

There are no capital assets outside of Canada.

Revenues are attributed to various countries based on location of customer.