



**MANAGEMENT DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

FIRST QUARTER OF 2007

ENDED SEPTEMBER 30, 2006

WANTED TECHNOLOGIES CORPORATION

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The following analysis concerns the financial situation, operating results and cash flow of Wanted Technologies Corporation (“Wanted” or the “Company”) for the quarter ended September 30, 2006, as compared to the quarter ended September 30, 2005. This management report, prepared as at November 27, 2006, should be read in conjunction with the unaudited financial statements and associated notes for the first quarter of fiscal 2007 ended September 30, 2006, along with the annual audited financial statements for the fiscal year ended June 30, 2006.

The audited financial statements were prepared in accordance with Canadian generally accepted accounting principles as established by the Canadian Institute of Chartered Accountants. Unless otherwise specified, all of the financial information presented below is in Canadian dollars.

Overview

Wanted is a provider of business intelligence services and software for online recruitment activities and for residential real estate advertising activities. As a result of its capacity to aggregate, sort and present information from various sources in a precise manner, WANTED is able to gauge trends in classified advertising and, more importantly, to deliver information on targeted leads. Targeted industries include media such as newspapers and electronic bulletin boards, recruitment and staffing agencies, career transition agencies and recruitment advertising agencies.

Q1 – 2007 Highlights

- Significant revenue growth:
 - 67% revenue growth for Q1-2007 vs. Q1-2006
 - 85% growth of recurring revenue base vs. Q1-2006
- Wanted becomes profitable
 - Wanted still has \$1.8M in cash to support its growth strategy
- Signing of first clients – Residential real-estate advertising:
 - Cox Newspaper
 - Houston Chronicle

Key Performance Indicators

Wanted assesses the Company's performance based on key financial indicators, including revenues and EBITDA* before other items and net loss. These items are described in the appropriate sections below. Management also monitors performance using a number of operating indicators, including growth of recurring monthly revenues.

Main Quarterly Financial Data

(In Canadian dollars)	Q1 - 2007 30-9-2006	Q1 - 2006 30-9-2005
	\$	\$
Sales	656,345	394,185
EBITDA* before other items	52,694	115,282
Net earnings (Net loss)	15,834	(394,447)
Net earnings (net loss) per share (basic and diluted)	0.001	(0.035)
Total assets	2,800,538	1,051,339
Long-term liabilities	723,215	2,134,812

* Definition of EBITDA: Earnings (loss) before interest, tax on earnings, depreciation, amortization and loss in value of physical assets. The EBITDA is provided as an additional measure to help readers assess the Company's ability to generate cash flow from its activities and to meet its financial obligations. This indicator is also generally used for valuation purposes. As the generally accepted accounting principles in Canada do not provide a standardized definition for this measure, it may not be comparable to similar measures used by other companies.

Operating Results

Sales

For the quarter ended September 30, 2006, the Company's sales totalled \$656,345, compared to \$394,185 for the same period last year, an increase of 67%. This growth in sales is the result of Wanted's efforts to market its business solutions and is due to our position as leader in this emerging market and the fact that our products are valued by the newspaper industry.

It is important to note that Wanted's revenues primarily come from renewable annual contracts that generate recurring revenues for the Company. As at September 30, 2006, contracts in hand represented just over \$2.6 million in annualized revenues, whereas contracts in hand as at September 30, 2005 totalled \$1.4 million dollars in annualized revenues, an increase of 85%. It should be noted that the concept of recurring annualized revenues assumes that all current customer contracts will be renewed as of the calculation date, since the majority of Wanted's customer contracts are 12-month agreements.

Eighty-eight per cent (88%) of Wanted's sales for the period ended September 30, 2006 represents sales in U.S. dollars.

Research and Development Expenses

Research and development costs, net of tax credits for a company established at the Centre National des Nouvelles Technologies de Québec (CNNTQ – Quebec centre for new technologies) totalled \$200,724 for the quarter ended September 30, 2006, compared to \$67,537 for the same quarter in 2005, an increase of \$133,187 or 197%. The marked increase in these costs is due to the hiring of new personnel dedicated to the development of new versions of products for the recruitment market, and of new products for the residential real estate market, all of which is supported by the implementation of a technological infrastructure appropriately tailored to the growth projects.

Over the three-month period ended September 30, 2006, Wanted recorded a \$35,305 tax credit as a company established at the Centre National des Nouvelles Technologies de Québec (CNNTQ), compared to \$10,400 in the previous fiscal year.

Marketing and selling expenses

For the quarter ended September 30, 2006, marketing and selling expenses totalled \$231,498, compared to \$112,698 for the previous year, an increase of \$118,800 or 105%. This increase is essentially due to the hiring of new employees for the commercialization of Wanted products as well as to increased investments in relation to advertising and marketing activities. Note that the new hirings over the last quarter now enable Wanted to improve its coverage of the market in terms of commercialization.

Administrative expenses

Administrative expenses totalled \$204,372 for the quarter ended September 30, 2006, compared to \$119,903 for the corresponding period in the previous fiscal year, an increase of \$84,469 or 70%. This increase is mainly due to having implemented an adequate administrative structure to support the Company's growth strategy as well as the additional costs resulting from the Company being a reporting issuer since September 20, 2005.

Financial expenses

For the quarter ended September 30, 2006, net financial expenses generated revenues of \$576 compared to an expenditure of \$23,606 for the first quarter of fiscal 2006, a decrease in this type of expense of \$24,182. Net financial expenses mainly consist of interest income on short-term investments, interest charges on the long-term debt, and interest on convertible loans. This variation is due to the reduction of interest charges on notes and convertible loans following the conversion of these financial instruments into Class "A" Common Shares of Wanted capital pursuant to the first quarter qualifying transaction in the previous fiscal year, as well as to the increase in interest income from short-term investments.

Net earnings before other items

For the quarter ended September 30, 2006, net earnings before other items totalled \$20,327, compared to earnings before other items of \$70,441 for the first quarter of fiscal 2006, a decrease of \$50,114. Despite the increase in sales, this decrease is largely due to investments in operational, commercial and administrative structures and resources to allow Wanted to sustain future sales growth.

Net earnings

Net earnings for the first quarter of fiscal 2007 totalled \$15,834, compared to a net loss of \$394,447 for the same period in fiscal 2006. This positive difference of \$410,281 is mainly due to the following factors:

- As mentioned above, the investments made to support Wanted's commercial development and growth resulted in a decrease in earnings before other items of \$50,114 compared to the same period last year;
- During the first quarter of the previous fiscal year, \$303,600 was recorded as stock-based compensation, whereas Wanted did not incur this type of expenditure during the first quarter of fiscal 2007;
- For the first quarter of the previous fiscal year, the Company recorded an expense of \$141,251 in consideration of the return on Class "C" shares. Following the completion of the qualifying transaction on September 20, 2005, all Class "C" shares of Wanted share capital were converted into Class "A" Common Shares of Wanted capital, which eliminated this expenditure for the future;
- Losses on exchange totalled \$4,493 for the quarter ended September 30, 2006, compared to \$20,037 for the first quarter of 2006, which represents an increase in the loss of \$15,544.

The net earnings per share for the quarter ended September 30, 2006 was \$0.001, compared to a net loss per share of \$0.035 for the corresponding period in fiscal 2006.

Main Quarterly Financial Data

(In Canadian dollars)	Second Quarter \$	Third Quarter \$	Fourth Quarter \$	First Quarter \$
Quarter ended	31-12-2005	31-3-2006	30-6-2006	30-9-2006
Sales	447,635	469,813	597,662	656,345
EBITDA* before other items	(2,594)	(146,066)	5,687	52,694
Net earnings (Net loss)	(28,640)	(196,952)	(51,802)	15,834
Net earnings (Net loss) per share (basic and diluted)	(0.001)	(0.010)	(0.003)	0.001
Quarter ended	31-12-2004	31-3-2005	30-6-2005	30-9-2005
Sales	360,077	392,343	401,545	394,185
EBITDA* before other items	109,056	104,885	3,316	115,282
Net earnings (Net loss)	(114,026)	(92,039)	(203,985)	(394,447)
Net loss per share (basic and diluted)	(0.011)	(0.009)	(0.020)	(0.035)

* Definition of EBITDA: Earnings (loss) before interest, tax on earnings, depreciation, amortization and loss in value of physical assets. The EBITDA is provided as an additional measure to help readers assess the Company's ability to generate cash flow from its activities and to meet its financial obligations. This indicator is also generally used for valuation purposes. As the generally accepted accounting principles in Canada do not provide a standardized definition for this measure, it may not be comparable to similar measures used by other companies.

Cash Flow

As at September 30, 2006, the cash position totalled \$88,034, compared to \$104,271 at the beginning of the fiscal year.

Operating activities

During the quarter ended September 30, 2006, \$24,229 was allocated to operating activities, compared to \$67,578 for the corresponding period last year, a decrease of \$43,349. This variation is largely due to fluctuations in the following items:

- Improvement in the Company's profitability by \$410,281 (net earnings of \$15,834 in Q1-2007 vs. net loss of \$394,447 in Q1-2006);
- No expenses were entered during the quarter ended September 30, 2006 regarding dividends on Class "C" shares and for the stock-based compensation, compared to \$141,251 and \$303,600, respectively, for the corresponding period in the previous fiscal year;
- Positive fluctuation of working capital items in the amount of \$83,814, compared to the previous fiscal year.

Investment activities

For the first quarter of fiscal 2007, cash flow related to investment activities required \$168,819, compared to \$33,639 for the corresponding period in the previous fiscal year, an increase of \$135,180. This difference is largely due to the acquisition of fixed assets and software totalling \$168,819, compared to \$82,047 in the first quarter of the previous fiscal year, as well as to the receipt of corporate liquidity funds totalling \$48,408 during the September 2005 qualifying transaction. These fixed-asset acquisitions were aimed at supporting the development of products intended for the residential advertising market as well as improving some of the Company's technological infrastructure components.

Financing activities

For the first quarter of fiscal 2007, cash flow generated by financing activities totalled \$176,811, compared to \$13,992 for the corresponding period in the previous fiscal year, a difference of \$162,819. This increase is largely due to the financing of \$171,000 obtained for the acquisition of fixed assets, loan repayments in the amount of \$14,189 during the first quarter of fiscal 2007, and the issue of shares following the exercise of options in the amount of \$20,000. As at September 30, 2005, the Company had received \$14,822 as part of the qualifying transaction.

For the quarter ended September 30, 2006, the net decrease in the cash position was \$16,237, compared to a net increase of \$87,225 for the corresponding period in the previous fiscal year.

Financial Situation

Assets

As at September 30, 2006, Wanted had \$1,788,034 in cash and short-term investments, compared to \$1,804,271 on June 30, 2006.

As at September 30, 2006, short-term assets totalled \$2,326,738, compared to \$2,242,285 on June 30, 2006. This slight increase of \$84,453 is mainly due to the increase in customer accounts and to the tax credits for a company established at the Centre National des Nouvelles Technologies de Québec (CNNTQ).

As at September 30, 2006, fixed assets and software assets totalled \$473,800, compared to \$337,924 on June 30, 2006. This increase is principally due to major investments in computer equipment to support growth and to improve customer service.

As at September 30, 2006, total assets were \$2,800,538, compared to \$2,580,209 on June 30, 2006, an increase of \$220,329. As mentioned above, this increase is essentially due to the increase in some receivables and investments made in computer equipment.

Liabilities

As at September 30, 2006, total liabilities were \$723,215, compared to \$538,720 on June 30, 2006, an increase of \$184,495. This increase is basically due to the debt of \$171,000 incurred during the quarter to finance the purchase of computer equipment.

Contractual obligations

	Required payments, by period			
	Total \$	Less than one year \$	2 to 3 years \$	4 to 5 years \$
Long-term debt	187,105	112,404	74,701	-
Convertible debenture	200,000	-	200,000	-
Use of office space	226,160	79,040	98,080	49,040
Equipment rental	67,402	56,349	11,053	-

On September 20, 2005, the Company issued a convertible debenture to Innovatech Québec in exchange for \$200,000 in cash. This convertible debenture matures in September 2008 and bears interest at an annual rate of 10%. Until its due date, this debenture is convertible into Class "A" shares on the basis of one Class "A" Company share per \$0.60 of debenture capital. Interest is payable quarterly.

Shareholders' equity

Capital stock

Authorized capital stock is distributed as follows:

- Unlimited number of Class "A" shares, without par value, voting and participating.
- Unlimited number of Class "B" shares, without par value, non-voting and non-participating, issued by series, where the terms and conditions of each series are determined on the issue date.

Issued and fully paid	November 27, 2006 \$	September 30, 2006 \$	June 30, 2006 \$
20,587,672 Class A shares at June 30, 2006			
20,687,672 Class A shares at September 30, 2006			
20,687,672 Class A shares at November 27, 2006	9,118,156	9,118,156	9,090,446

As at September 30, 2006, shareholder equity totalled \$2,077,323, compared to a shareholder equity of \$2,041,489 on June 30, 2006. This increase of \$35,834 in the Company's shareholder equity is largely due to the exercise of 100,000 stock options for a receipt of \$20,000 and the net earnings for the quarter ended September 30, 2006 totalling \$15,834.

Warrants and stock options

Each warrant and stock option entitles the bearer to acquire one class "A" share of capital stock.

Quantity	November 27, 2006	September 30, 2006	June 30, 2006
Warrants	1,350,321	1,350,321	1,350,321
Stock options	1,430,000	1,430,000	2,262,500

Significant Accounting Policies

The Company's consolidated financial statements are prepared in accordance with Canadian GAAP, which require management to make estimates and assumptions that affect the amounts of the assets and liabilities, the information provided regarding contingent assets and liabilities as of the date of the financial statements, as well as revenue and expenses for the periods in question. Items in the financial statements that require a greater use of estimates include: costing of options and warrants, provisions for bad debt expenses, and the evaluation of certain accrued liabilities. Though actual results may differ from

these estimates, management does not consider that they will differ significantly from the announced results.

Information Communication Controls and Procedures

The Company has implemented controls and procedures for the presentation of information to ensure that the financial information reported in this management analysis, in the consolidated financial statements, and in the associated quarterly documents is properly recorded, processed, summarized and reported to the audit committee and the Company's Board of Directors. Management has a procedure to assess the efficiency of these controls and procedures and, for the fiscal period ended June 30, 2006, management is satisfied that it has adequately ensured that the financial information is complete and reliable. All of the documents can be viewed on the SEDAR Web site (www.sedar.com).

Risks and Uncertainties

History of recent losses

The Company experienced operating losses during the previous quarters. The Company's ability to meet its obligations by the established due dates and to finance its future activities depends on its ability to reach a level of profitability or on the support of shareholders and creditors. These financial statements were prepared based on the continuity of operations assumption.

Competition

The Company is pursuing its growth in a relatively new and competitive field. New players, new alliances and new technological solutions may emerge in this market. In order to maintain its competitive edge, the Company must retain its key employees and continue to invest in research and development.

Wanted provides state-of-the-art products. However, nothing can guarantee the speed with which clients will embrace these products. Though the Company has proven that its products can meet the needs of the recruitment media market, such as newspapers and electronic bulletin boards, it is difficult to assess the precise potential of these solutions for other targeted markets.

Dependence on a single client

Revenues generated by Wanted's largest client represented approximately 16% of total revenues for the quarter ended September 30, 2006 (0% for the quarter ended September 30, 2005). Therefore, a reduction of the activity level with this client could have a negative impact on Wanted revenues.

Economy

Adverse changes in the economy, both in Canada and the United States, could have a negative impact on Wanted's financial results.

Credit risk

The financial instruments that could expose the company to a credit concentration risk mainly include: cash, term deposit, bonds and accounts receivable. Cash, term deposit and bonds are held by top-rated

financial institutions. Consequently, management believes that the risk of non-performance associated with these instruments is very low.

There is no specific concentration of the credit risk. Generally speaking, in terms of accounts receivable, the Company does not require additional guarantees from its clients. However, credit is granted to clients only following an assessment of their solvency. The Company reassesses the credit of its clients on an ongoing basis and, should an account be deemed irrecoverable, a bad debt provision is established.

Exchange risk

Due to its U.S. sales and the accounts receivable associated with these sales, the Company is exposed to exchange risk. The vast majority (88%) of the Company's sales are in U.S. dollars.

The Company feels that it vigorously monitors these risks and uncertainties. In fact, in addition to investing in research and development to ensure constant product improvement and development, the Company continually monitors its competitive environment and its market evolution.

Perspectives

Wanted attained a major milestone in the quarter ended September 30, 2006, when it became profitable. Furthermore, increased sales are essential to making the Company more profitable and sustaining its growth. To reach this goal, Wanted has hired new employees dedicated to product marketing and sales and product research and development.

Prospective statements

Apart from historical data, the financial analysis by management contains information and statements concerning the future results of the Company which should be considered as prospective. These statements reflect the current vision of the Company concerning future events; they are based on information currently available to the Company and on reasonable hypotheses. These prospective statements are subject to risks, uncertainties and other factors likely to influence the results, the performance and the achievements of the Company such that they could differ substantially from the results, performance and achievements prospective statements of this nature might imply. The Company is in no way obliged nor does it intend to revise these prospective statements on the basis of new information, future events, etc.

Further information

The Company is an issuer under the legislation governing securities. Consequently, it is required to submit financial statements, a proxy circular, as well as an annual information form to the various regulatory authorities governing securities. These documents can be obtained by sending a request to the Company or from the Internet at www.sedar.com.

Philippe Frenière
VP Finance and Chief Financial Officer