

Wanted Technologies Corporation

Interim Consolidated Financial Statements

September 30, 2007

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NOTICE FROM MANAGEMENT

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

Wanted Technologies Corporation

Consolidated Earnings

| | Three-month periods ended September 30, | |
|--|--|----------------|
| | 2007 | 2006 |
| | (unaudited) | (unaudited) |
| | \$ | \$ |
| Revenues | 1 447 989 | 656 345 |
| Expenses | | |
| Research and development, net of tax credits | 405 777 | 200 724 |
| Marketing and selling | 383 079 | 231 498 |
| General and administrative | 328 930 | 204 372 |
| Amortization of intangible assets | 52 312 | |
| Financial, net amount | 23 454 | (576) |
| | <u>1 193 552</u> | <u>636 018</u> |
| Earnings before other items | 254 437 | 20 327 |
| Other items: | | |
| Exchange loss | (34 028) | (4 493) |
| Stock-based compensation | <u>(107 005)</u> | |
| Net earnings | <u>113 404</u> | <u>15 834</u> |
| Basic and diluted net earnings per share (Note 17) | 0,005 | 0,001 |

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

Wanted Technologies Corporation
Consolidated Deficit
Consolidated Contributed Surplus

| | Three-month periods ended September 30, | |
|------------------------------|--|--------------------|
| | 2007 | 2006 |
| | (unaudited) | (unaudited) |
| | \$ | \$ |
| DEFICIT | | |
| Balance, beginning of period | (8 880 578) | (9 110 495) |
| Net earnings | 113 404 | 15 834 |
| Balance, end of period | <u>(8 767 174)</u> | <u>(9 094 661)</u> |
| CONTRIBUTED SURPLUS | | |
| Balance, beginning of period | 1 663 520 | 1 589 563 |
| Options cancelled (Note 13) | 21 892 | 73 957 |
| Balance, end of period | <u>1 685 412</u> | <u>1 663 520</u> |

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

Wanted Technologies Corporation

Consolidated Cash Flows

| | Three-month periods ended September 30, | |
|--|--|---------------------------|
| | 2007 (unaudited) \$ | 2006 (unaudited) \$ |
| OPERATING ACTIVITIES | | |
| Net earnings | 113 404 | 15 834 |
| Non-cash items | | |
| Amortization of property, plant and equipment | 42 760 | 32 943 |
| Amortization of intangible assets | 52 312 | |
| Stock-based compensation | 107 005 | |
| Interest on convertible debenture | | 4 000 |
| Changes in working capital items (Note 5) | (212 239) | (77 006) |
| Cash flows from operating activities | <u>103 242</u> | <u>(24 229)</u> |
| INVESTING ACTIVITIES | | |
| Property, plant and equipment | (4 305) | (5 319) |
| Disposal of property, plant and equipment | | 7 500 |
| Short-term investments | (385 000) | |
| Business acquisition, net of cash | (179 680) | |
| Cash flows from investing activities | <u>(568 985)</u> | <u>2 181</u> |
| FINANCING ACTIVITIES | | |
| Long-term loan | 750 000 | |
| Repayment of loans | (60 094) | (14 189) |
| Issuance of shares following the exercise of options | | 20 000 |
| Cash flows from financing activities | <u>689 906</u> | <u>5 811</u> |
| Net increase (decrease) in cash | <u>224 163</u> | <u>(16 237)</u> |
| Cash, beginning of period | <u>120 436</u> | <u>104 271</u> |
| Cash, end of period | <u><u>344 599</u></u> | <u><u>88 034</u></u> |

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

Wanted Technologies Corporation

Consolidated Balance Sheets

| | 2007-09-30 (unaudited) \$ | 2007-06-30 (audited) \$ |
|--|---------------------------------|-------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash | 344 599 | 120 436 |
| Short-term investments (Note 6) | 909 795 | 524 795 |
| Trade accounts receivable and other receivables | 683 222 | 662 456 |
| Tax credits for a company registered at CNNTQ and for research and development receivable | 263 648 | 204 511 |
| Prepaid expenses | <u>122 734</u> | <u>182 189</u> |
| | 2 323 998 | 1 694 387 |
| Property, plant and equipment (Note 7) | 533 138 | 540 831 |
| Intangible assets (Note 8) | 1 309 269 | 1 361 581 |
| Goodwill (Note 3) | <u>1 407 801</u> | <u>1 407 801</u> |
| | <u>5 574 206</u> | <u>5 004 600</u> |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 647 034 | 930 712 |
| Deferred revenue | 212 487 | 300 280 |
| Instalments on long-term debt (Note 11) | <u>246 413</u> | <u>116 505</u> |
| | 1 105 934 | 1 347 497 |
| Convertible debenture (Note 10) | | 191 483 |
| Long-term debt (Note 11) | <u>618 194</u> | <u>27 434</u> |
| | <u>1 724 128</u> | <u>1 566 414</u> |
| SHAREHOLDERS' EQUITY | | |
| Capital stock (Note 12) | 10 736 583 | 10 510 300 |
| Equity component of the convertible debenture (Note 10) | | 34 800 |
| Stock options (Note 13) | 195 257 | 110 144 |
| Contributed surplus | 1 685 412 | 1 663 520 |
| Deficit | <u>(8 767 174)</u> | <u>(8 880 578)</u> |
| | <u>3 850 078</u> | <u>3 438 186</u> |
| | <u>5 574 206</u> | <u>5 004 600</u> |

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

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

1 - GOVERNING STATUTES AND NATURE OF OPERATIONS

The interim unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP) and are presented in Canadian dollars. They are consistent with the policies used in the preparation of the annual audited financial statements, except for the elements described in Note 2. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2007.

2 - CHANGES IN ACCOUNTING POLICIES

Starting on July 1, 2007, in accordance with applicable transitional provisions, the Company retroactively adopted without restatement of prior period financial statements the following new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook:

Financial instruments

Section 3855, *Financial Instruments – Recognition and Measurement* and Section 3861, *Financial Instruments – Disclosure and Presentation* describe standards for the classification, recognition, measurement, disclosure and presentation of financial instruments in the financial statements.

The adoption of these new standards resulted in the following changes in the classification and measurement of the Company's financial instruments, previously recorded at cost:

- Cash is classified as a "financial asset held for trading" and is measured at fair value. All changes in fair value are recognized in earnings. This change had no impact on the Company's consolidated financial statements.
- Obligation presented in short term investments is classified as a "held-to-maturity investments" and is measured at cost which at initial measurement corresponds to fair value. Subsequent revaluations of the obligation are recorded at amortized cost using the effective interest method. This change had no impact on the Company's consolidated financial statements.
- Term deposits presented in short-term investments are classified as a "financial asset held for trading" and are measured at fair value. All changes in fair value are recognized in earnings. This change had no impact on the Company's unaudited consolidated financial statements as the fair market value does not differ materially from its
- Trade accounts receivable and other receivables are classified as "loans and receivables" and are recorded at cost which at initial measurement corresponds to fair value. Subsequent revaluations of accounts receivable and other receivables are recorded at amortized cost which generally corresponds to initial measurement less all allowances for doubtful accounts. This change had no impact on the Company's consolidated financial statements.
- Accounts payable and accrued liabilities, long term debts and convertible debenture are classified as "other financial liabilities". They are initially measured at cost value and subsequent revaluations are recorded at amortized cost using the effective interest method. This change had no impact on the Company's consolidated financial statements.

The Company also adopted the following accounting policy:

- Transaction costs related to other financial liabilities are recognized in earnings and presented in financial expenses.

3 - BUSINESS ACQUISITION

On June 30, 2007, the Company acquired 100% of shares issued and outstanding of Corzen Inc., located in New York City, New York. The total consideration of \$2,890,587 is the payment of \$2,130,798 (US\$2,000,000) cash, the issuance of 1,750,000 class "A" shares of the Company and \$210,923 in acquisition expenses. The balance of the retained acquisition cost is recorded under goodwill.

Corzen Inc. specializes in the sales of analysis and data pertaining to the classified ad industry and has as clients various companies in the media, finance and staffing service fields.

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

3 - BUSINESS ACQUISITION (continued)

| | |
|---|------------------|
| Assets acquired | \$ |
| Accounts receivable and other receivables | 427 880 |
| Prepaid expenses | 124 318 |
| Property, plant and equipment | 67 936 |
| Client list | 1 223 079 |
| Non-competition agreements | 138 502 |
| Goodwill, non-deductible for tax purposes | 1 407 801 |
| | <u>3 389 516</u> |
| Liabilities accrued | |
| Accounts payable and accrued liabilities | 301 814 |
| Deferred revenue | 224 467 |
| | <u>526 281</u> |
| Cash situation at acquisition | 27 352 |
| Net assets acquired | <u>2 890 587</u> |

| | |
|------------------------------|------------------|
| Consideration | \$ |
| Cash | 2 130 798 |
| Acquisition costs (a) | 210 923 |
| Issue of class"A" shares (b) | 548 866 |
| | <u>2 890 587</u> |

(a) Of these transaction costs, \$179,680 were included in accounts payable and accrued liabilities as at June 30, 2007. Transactions costs include an amount of \$9,300 to a company controlled by a director of the Company. These transactions were measured at the exchange amount, which is the amount established and accepted by the parties.

(b) The value of the securities issued was established based on the average market price published a few days before and after the date on which the terms of the acquisition were agreed to and announced while taking into account the possible effects of the price fluctuations, the number of securities issued and other relevant items, if any.

4 - INFORMATION INCLUDED IN EARNINGS

| | Three-month periods ended September 30, | |
|--|--|-------------|
| | 2007 | 2006 |
| | (unaudited) | (unaudited) |
| | \$ | \$ |
| Research and development expenses | 464 914 | 236 029 |
| Tax credits for a company registered at CNNTQ and for research and development | (59 137) | (35 305) |
| Amortization of property, plant and equipment | 42 760 | 32 943 |
| Amortization of intangible assets | 52 312 | |
| Financial expense (revenue), net amount | | |
| Interest on long-term debt (<i>other financial liabilities</i>) | 11 862 | 2 575 |
| Interest on convertible debenture (<i>other financial liabilities</i>) | 1 205 | 9 097 |
| | <u>13 068</u> | 11 672 |
| Transaction costs related to other financial liabilities | 20 753 | |
| Other financial expenses | 2 933 | 5 674 |
| Less: | <u>36 754</u> | 17 346 |
| Interest income on financial assets held for trading | 9 551 | |
| Interest income on held-to-maturity investments | 3 749 | 17 922 |
| | <u>23 454</u> | (576) |

Wanted Technologies Corporation

Notes to Consolidated 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, | |
|--|--|---------------------|
| | 2007 (unaudited) | 2006 (unaudited) |
| | \$ | \$ |
| Accounts receivable and other receivables | (20 766) | (61 784) |
| Tax credits for a company registered at CNNTQ and for research and development receivable | (59 137) | (36 305) |
| Prepaid expenses | 59 455 | (2 601) |
| Accounts payable and accrued liabilities | (103 998) | 77 274 |
| Deferred revenue | (87 793) | (53 590) |
| | <u>(212 239)</u> | <u>(77 006)</u> |

Cash flows from interest on operating activities are as follows:

| | Three-month periods ended September 30, | |
|---------------|--|---------------------|
| | 2007 (unaudited) | 2006 (unaudited) |
| | \$ | \$ |
| Interest paid | 13 068 | 22 965 |

6 - SHORT-TERM INVESTMENTS

| | 2007-09-30 (unaudited) | 2007-06-30 (audited) |
|--|---------------------------|-------------------------|
| | \$ | \$ |
| Obligation, 5,3%, maturing in December 2007 at cost (fair market value \$353,969; \$349,728 as at June 30, 2007) (<i>held-to-maturity investment</i>) | 350 000 | 350 000 |
| Term deposits, 4,32% maturing in June 2008 (4% as at June 30, 2007) (<i>financial assets held for trading</i>) | 559 795 | 174 795 |
| | <u>909 795</u> | <u>524 795</u> |

7 - PROPERTY, PLANT AND EQUIPMENT

| | As at September 30, 2007 (unaudited) | | |
|--|--------------------------------------|-----------------------------|-------------------|
| | Cost | Accumulated Amortization | Amortized cost |
| Furniture and equipment | 149 470 | 106 343 | 43 127 |
| Computer equipment | 930 264 | 672 956 | 257 308 |
| Software | 129 637 | 93 512 | 36 125 |
| Assets under capital leases - Computer equipment | 264 809 | 68 231 | 196 578 |
| | <u>1 474 180</u> | <u>941 043</u> | <u>533 138</u> |

During the 3-month period ended September 30, 2007, the Company acquired \$30,762 in property, plant and equipment by way of capital leases.

8 - INTANGIBLE ASSETS

| | As at September 30, 2007 (unaudited) | | |
|----------------------------|--------------------------------------|-----------------------------|-------------------|
| | Cost | Accumulated Amortization | Amortized cost |
| Client list | 1 223 079 | 40 769 | 1 182 310 |
| Non-competition agreements | 138 502 | 11 543 | 126 959 |
| | <u>1 361 581</u> | <u>52 312</u> | <u>1 309 269</u> |

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

9 - BANK LOANS

Bank loans are secured by accounts receivables. A Canadian bank loan, of an authorized amount of \$40,000 bears interest at the prime rate plus 3% and a U.S. bank loan, of an authorized amount of US\$75,000, bears interest at the prime rate plus 1,5%. These loans are renegotiable in October 2007.

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.

On July 23, 2007, Société Innovatech Québec asked that the totality of the amount in capital of \$200,000 be converted at a price of \$0.60 per share. The conversion increased the total number of shares by 333 333 Class "A" shares and the value of capital stock by \$226,283.

11 - LONG-TERM DEBT

| | 2007-09-30 | 2007-06-30 |
|--|--------------------|------------|
| | (unaudited) | (audited) |
| Mortgage loan, 6.65%, secured by movable hypothec of \$750,000 on all assets of the Corporation, payable in monthly instalments of \$14,727, principal and interest, maturing in July 2010 (<i>other financial liabilities</i>). | \$ | \$ |
| | 746 873 | |
| Obligation under capital leases, interest rates varying between 7.4 % and 10.5 %, payable in monthly instalments maturing on different dates until 2009 (<i>other financial liabilities</i>). | 117 734 | 143 939 |
| | 864 607 | 143 939 |
| Instalments due within one year | 246 413 | 116 505 |
| | 618 194 | 27 434 |

12 - CAPITAL STOCK

The Company's capital stock is as follows:

Authorized

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

Unlimited number of class "B" shares without par value, non voting, non participating, issuable in series, the term of each serie being determined on the issue date

Issued and fully paid

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

| | Number of | Amount |
|--|------------------|------------|
| | Class "A" shares | \$ |
| Balance, as at June 30, 2007 | 23 787 993 | 10 510 300 |
| Share issuance following conversion of convertible debenture | 333 333 | 226 283 |
| Balance, as at September 30, 2007 | 24 121 326 | 10 736 583 |

Wanted Technologies Corporation

Notes to Consolidated 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 class "A" shares subject to these options, the vesting period, exercise price, expiration date, acquisition terms and restrictions on the exercise of these 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 options.

The maximum number of class "A" 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, 2005 and 262,500 on September 20, 2005.

The following table presents information on stock options outstanding and exercisable as at September 30, 2007:

| | Number of options outstanding | Weighted average exercise price \$ | Stock options \$ |
|--------------------------|-------------------------------------|--|------------------------|
| As at June 30, 2007 | 1 430 000 | 0,38 | 110 144 |
| Issued | 685 000 | 0,76 | |
| Cancelled | (200 000) | 0,40 | (21 892) |
| Stock-based compensation | | | 107 005 |
| As at September 30, 2007 | <u>1 915 000</u> | <u>0,52</u> | <u>195 257</u> |

The options outstanding as at September 30, 2007 are detailed as follows:

| Outstanding and exercisable options | | | |
|-------------------------------------|-------------------------------------|-----------------------------|-------------------------------------|
| Exercise Price \$ | Number of options outstanding | Weighted average term | Number of options exercisable |
| 0,20 | 130 000 | 21 months | 130 000 |
| 0,40 | 1 100 000 | 40 months | 440 000 |
| 0,76 | 685 000 | 57 months | 570 000 |
| | <u>1 915 000</u> | | <u>570 000</u> |

14 - COMMITMENTS

The Company has entered into long-term lease agreements expiring from November 2007 to September 2010, which call for lease payments of \$293,067 for the rental of offices and equipment. The minimum lease payments for the next 12-month periods ending September 30 are \$110,891 in 2008, \$91,088 in 2009 and \$91,088 in 2010.

By virtue of an agreement signed on March 19, 2007, the company has committed to purchase, for re-sale, US\$200,000 of data and information from a vendor. Those purchases must be done over a twelve month period ending March 18, 2008. As at September 30, 2007, the company has purchased US\$116,649 of data and information from that vendor.

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

15 - FINANCIAL INSTRUMENTS

Fair value

The fair value of short-term financial assets and liabilities including term deposit approximates their carrying amount given that they will mature shortly.

The fair value of the obligation is based on the market price.

The fair value of the mortgage loan and the obligations under capital lease 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 these long-term debts 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, 2007, the Company has accounts receivable denominated in U.S. dollars amounting to US\$646,668 (US\$529,952 as at June 30, 2007), US\$213,117 accounts payable denominated in U.S. dollars (US\$224,719 as at June 30, 2007) and cash denominated in U.S. dollars amounting to US\$247,096 (US\$81,392 as at June 30, 2007).

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, 2007, the amount receivable from one customer represented 15% (22% as at June 30, 2007) of total accounts receivable.

16 - SEGMENTED INFORMATION

The Company reviewed its operations and established that it operates in only one reportable industry segment.

Geographic information

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

| | Three-month periods ended September 30, | |
|---------------|--|---------------------|
| | 2007 (unaudited) | 2006 (unaudited) |
| | \$ | \$ |
| Canada | 78 636 | 79 960 |
| United States | 1 369 353 | 576 385 |
| | <u>1 447 989</u> | <u>656 345</u> |

Revenues are attributed based on the country of domicile of the client.

| | 2007-09-30 (unaudited) | 2007-06-30 (audited) |
|---------------|---------------------------|-------------------------|
| | \$ | \$ |
| Canada | 471 882 | 472 895 |
| United States | 61 256 | 67 936 |
| | <u>533 138</u> | <u>540 831</u> |

Revenue generated from the Company's most important client represents approximately 7% of the revenues of the Company during the three-month period ended as at September 30, 2007 (16 % during the three-month period ended as at September 30, 2006).

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

17 - NET EARNINGS PER SHARE

The following table compares earnings per share with diluted earnings per share:

| | Three-month periods ended September 30, | |
|---|--|---------------------|
| | 2007 (unaudited) | 2006 (unaudited) |
| Numerator | | |
| Net earnings | \$ <u>113 404</u> | \$ <u>15 834</u> |
| Denominator | | |
| Weighted average number of shares outstanding | <u>24 041 616</u> | 20 598 542 |
| Dilutive effect of stock options (a) | <u>594 439</u> | 26 139 |
| Weighted average number of diluted shares outstanding | <u>24 636 055</u> | <u>20 624 681</u> |
| Net earnings per share | | |
| Basic | 0,005 | 0,001 |
| Diluted | 0,005 | 0,001 |

(a) Securities that were not included in the calculation of diluted earnings per share given their antidilutive effect, entitled the underwriters to purchase the following number of class "A" shares:

| | | |
|-----------------------|----------------|-----------|
| Stock options | 685 000 | 1 562 500 |
| Convertible debenture | | 333 333 |
| Warrants | | 1 350 321 |

18 - SUBSEQUENT EVENT

On October 18, 2007, the Company issued 125,000 stock options to an officer for a total amount of \$62,500 having a life of five years. The fair value of the options awarded is \$0,50 per share. The weighted average fair value of each option is estimated at the grant date using Black-Scholes option pricing model. The valuation was carried out using an expected volatility of 100%, a risk-free rate of 4,36%, an expected life of 60 months and no expected dividends.

19 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period.