

Wanted Technologies Corporation

Interim Consolidated Financial Statements

December 31, 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 December 31,		Six-month periods ended December 31,	
	2007 (unaudited) \$	2006 (unaudited) \$	2007 (unaudited) \$	2006 (unaudited) \$
Revenues	1 428 657	758 643	2 876 646	1 414 988
Cost of goods sold	123 817	9 314	123 817	9 314
Margin	1 304 840	749 329	2 752 829	1 405 674
Expenses				
Research and development, net of tax credits	409 544	197 378	815 321	398 102
Marketing and selling	341 976	224 778	725 055	456 276
General and administrative	335 379	227 300	664 309	431 672
Amortization of intangible assets	52 311		104 623	
Financial expenses (revenue), net amount	11 158	(1 493)	34 612	(2 069)
	1 150 368	647 963	2 343 920	1 283 981
Earnings before other items	154 472	101 366	408 909	121 693
Other items:				
Exchange gain (loss)	(8 561)	10 798	(42 589)	6 305
Gain on disposal of property, plant and equipment	2 062		2 062	
Stock-based compensation	(41 038)	(36 618)	(148 043)	(36 618)
Net earnings	106 935	75 546	220 339	91 380
Basic and diluted net earnings per share (Note 17)	0,004	0,004	0,009	0,004

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 December 31,		Six-month periods ended December 31,	
	2007	2006	2007	2006
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$	\$	\$	\$
<i>DEFICIT</i>				
Balance, beginning of period	(8 767 174)	(9 094 661)	(8 880 578)	(9 110 495)
Net earnings	106 935	75 546	220 339	91 380
Balance, end of period	(8 660 239)	(9 019 115)	(8 660 239)	(9 019 115)
<i>CONTRIBUTED SURPLUS</i>				
Balance, beginning of period	1 685 412	1 663 520	1 663 520	1 589 563
Options cancelled (Note 13)	13 606		35 498	73 957
Balance, end of period	1 699 018	1 663 520	1 699 018	1 663 520

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

Wanted Technologies Corporation

Consolidated Cash Flows

	Three-month periods ended December 31,		Six-month periods ended December 31,	
	2007 (unaudited) \$	2006 (unaudited) \$	2007 (unaudited) \$	2006 (unaudited) \$
OPERATING ACTIVITIES				
Net earnings	106 935	75 546	220 339	91 380
Non-cash items				
Amortization of property, plant and equipment	48 097	37 326	90 857	70 269
Amortization of intangible assets	52 311		104 623	
Stock-based compensation	41 038	36 618	148 043	36 618
Gain on disposal of property, plant and equipment	(2 062)		(2 062)	
Interest on convertible debenture		4 000		8 000
Changes in working capital items (Note 5)	(382 166)	(48 914)	(594 405)	(125 920)
Cash flows from operating activities	(135 847)	104 576	(32 605)	80 347
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(19 464)	(15 098)	(23 769)	(12 917)
Disposal of property, plant and equipment	2 062		2 062	
Short-term investments			(385 000)	
Business acquisition, net of cash			(179 680)	
Cash flows from investing activities	(17 402)	(15 098)	(586 387)	(12 917)
FINANCING ACTIVITIES				
Long-term loan			750 000	
Repayment of loans	(66 621)	(20 738)	(126 715)	(34 927)
Issuance of shares following the exercise of options	16 000		16 000	20 000
Cash flows from financing activities	(50 621)	(20 738)	639 285	(14 927)
Net increase (decrease) in cash	(203 870)	68 740	20 293	52 503
Cash, beginning of period	344 599	88 034	120 436	104 271
Cash, end of period	140 729	156 774	140 729	156 774

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

Wanted Technologies Corporation

Consolidated Balance Sheets

	2007-12-31 (unaudited) \$	2007-06-30 (audited) \$
ASSETS		
Current assets		
Cash	140 729	120 436
Short-term investments (Note 6)	909 795	524 795
Trade accounts receivable and other receivables	1 043 308	662 456
Tax credits for a company registered at CNNTQ and for research and development receivable	316 854	204 511
Prepaid expenses	123 566	182 189
	<u>2 534 252</u>	<u>1 694 387</u>
Property, plant and equipment (Note 7)	576 737	540 831
Intangible assets (Note 8)	1 256 958	1 361 581
Goodwill (Note 3)	1 407 801	1 407 801
	<u>5 775 748</u>	<u>5 004 600</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	688 369	930 712
Deferred revenue	203 110	300 280
Instalments on long-term debt (Note 11)	266 653	116 505
	<u>1 158 132</u>	<u>1 347 497</u>
Convertible debenture (Note 10)		191 483
Long-term debt (Note 11)	603 565	27 434
	<u>1 761 697</u>	<u>1 566 414</u>
SHAREHOLDERS' EQUITY		
Capital stock (Note 12)	10 756 962	10 510 300
Equity component of the convertible debenture (Note 10)		34 800
Stock options (Note 13)	218 310	110 144
Contributed surplus	1 699 018	1 663 520
Deficit	(8 660 239)	(8 880 578)
	<u>4 014 051</u>	<u>3 438 186</u>
	<u>5 775 748</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 - BASIS OF PRESENTATION

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:

Accounting changes (Note 19)

In accordance with applicable transitional provisions, the Company adopted the new recommendations of CICA Handbook, Section 1506, Accounting Changes. This section establishes the criteria for changing accounting policies together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The recommendation also requires the Company to disclose the new primary source of GAAP published but not yet applied. The new recommendation has no impact on the results of the Company.

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 cost.
- 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.

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

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.

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 position at acquisition	<u>27 352</u>
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 December 31,		Six-month periods ended December 31,	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
	\$	\$	\$	\$
Research and development expenses	462 750	264 483	927 664	501 512
Tax credits for a company registered at CNNTQ and for research and development	(53 206)	(67 105)	(112 343)	(103 410)
Amortization of property, plant and equipment	48 097	37 326	90 857	70 269
Amortization of intangible assets	52 311		104 623	

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

4 - INFORMATION INCLUDED IN EARNINGS (continued)

Financial expense (revenue), net amount

Interest on long-term debt (<i>other financial liabilities</i>)	18 013	4 090	29 875	6 665
Interest on convertible debenture (<i>other financial liabilities</i>)		9 046	1 205	18 143
	<u>18 013</u>	<u>13 136</u>	<u>31 080</u>	<u>24 808</u>
Transaction costs related to other financial liabilities			20 753	
Other financial expenses	5 286	6 000	8 219	11 674
Less:	<u>23 299</u>	<u>19 136</u>	<u>60 052</u>	<u>36 482</u>
Interest income on financial assets held for trading	6 539		16 090	
Interest income on held-to-maturity investments	5 602	20 629	9 351	38 551
	<u>11 158</u>	<u>(1 493)</u>	<u>34 611</u>	<u>(2 069)</u>

5 - INFORMATION INCLUDED IN THE STATEMENT OF CASH FLOWS

Changes in working capital items are as follows:

	Three-month periods ended December 31,		Six-month periods ended December 31,	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
	\$	\$	\$	\$
Accounts receivable and other receivables	(360 086)	(100 913)	(380 852)	(162 697)
Tax credits for a company registered at CNNTQ and for research and development receivable	(53 206)	(67 105)	(112 343)	(103 410)
Prepaid expenses	(833)	28 748	58 622	26 147
Accounts payable and accrued liabilities	41 336	(21 183)	(62 662)	56 091
Deferred revenue	(9 377)	111 539	(97 170)	57 949
	<u>(382 166)</u>	<u>(48 914)</u>	<u>(594 405)</u>	<u>(125 920)</u>

Cash flows from interest on operating activities are as follows:

	Three-month periods ended December 31,		Six-month periods ended December 31,	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
	\$	\$	\$	\$
Interest paid	15 244	13 191	28 312	24 808

6 - SHORT-TERM INVESTMENTS

	2007-12-31 (unaudited)	2007-06-30 (audited)
	\$	\$
Obligation, 5.3%, maturing in March 2008 at cost (fair market value \$357,845; \$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>

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

7 - PROPERTY, PLANT AND EQUIPMENT

	As at December 31, 2007 (unaudited)		
	Cost	Accumulated Amortization	Amortized cost
Furniture and equipment	145 266	102 980	42 286
Computer equipment	928 133	692 184	235 949
Software	129 637	97 613	32 024
Assets under capital leases - Computer equipment	355 100	88 622	266 478
	<u>1 558 136</u>	<u>981 399</u>	<u>576 737</u>

During the 3-month period ended December 31, 2007, the Company acquired \$72,232 in property, plant and equipment by way of capital leases.

8 - INTANGIBLE ASSETS

	As at December 31, 2007 (unaudited)		
	Cost	Accumulated Amortization	Amortized
Client list	1 223 079	81 540	1 141 539
Non-competition agreements	138 502	23 083	115 419
	<u>1 361 581</u>	<u>104 623</u>	<u>1 256 958</u>

9 - BANK LOAN

A Canadian bank loan of an authorized amount of \$40,000, bearing interest at the prime rate plus 3%, is secured by the accounts receivable.

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 according to 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

	2007-12-31 (unaudited)	2007-06-30 (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>).	\$ 696 670	\$
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>).	173 548	143 939
	870 218	143 939
Instalments due within one year	266 653	116 505
	<u>603 565</u>	<u>27 434</u>

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

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 determinated on the issue date

Issued and fully paid

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

	Number of Class "A" shares	Amount \$
Balance, as at June 30, 2007	23 787 993	10 510 300
Share issuance following conversion of convertible debenture	333 333	226 283
Share issuance following the exercise of options	<u>40 000</u>	<u>20 379</u>
Balance, as at December 31, 2007	<u>24 161 326</u>	<u>10 756 962</u>

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 then 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 December 31, 2007:

	Number of options outstanding	Weighted average exercise price \$	Stock options \$
As at June 30, 2007	1 430 000	0,38	110 144
Issued	810 000	0,76	
Exerciced	(40 000)	0,40	(4 379)
Cancelled	(310 000)	0,46	(35 498)
Stock-based compensation			<u>148 043</u>
As at December 31, 2007	<u>1 890 000</u>	<u>0,53</u>	<u>218 310</u>

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

13 - STOCK OPTION PLAN (continued)

The options outstanding as at December 31, 2007 are detailed as follows:

Exercise Price	Outstanding and exercisable options		
	Number of options outstanding	Weighted average term	Number of options exercisable
\$			
0,20	130 000	18 months	130 000
0,40	1 000 000	37 months	400 000
0,76	760 000	54 months	127 000
	<u>1 890 000</u>		<u>657 000</u>

14 - COMMITMENTS

The Company has entered into long-term lease agreements expiring from January 2008 to September 2010, which call for lease payments of \$252,611 for the rental of offices and equipment. The minimum lease payments for the next 12-month periods ending December 31 are \$93,207 in 2008, \$91,088 in 2009 and \$68,316 in 2010.

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 December 31, 2007, the Company has accounts receivable denominated in U.S. dollars amounting to US\$983,997 (US\$529,952 as at June 30, 2007), accounts payable denominated in U.S. dollars amounting to US\$263,515 (US\$224,719 as at June 30, 2007) and cash denominated in U.S. dollars amounting to US\$49,985 (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 December 31, 2007, the amount receivable from one customer represented 15% (22% as at June 30, 2007) of total accounts receivable.

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

16 - SEGMENTED INFORMATION

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

Geographic

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

	Three-month periods ended December 31,		Six-month periods ended December 31,	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
	\$	\$	\$	\$
Canada	84 245	71 230	162 881	151 190
United States	1 344 412	687 413	2 713 765	1 263 798
	<u>1 428 657</u>	<u>758 643</u>	<u>2 876 646</u>	<u>1 414 988</u>

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

Property, plant and equipment, per geographic location	2007-12-31	2007-06-30
	(unaudited)	(audited)
	\$	\$
Canada	520 741	472 895
United States	55 996	67 936
	<u>576 737</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 six-month period ended as at December 31, 2007 (17 % during the six-month period ended as at December 31, 2006).

17 - NET EARNINGS PER SHARE

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

	Three-month periods ended December 31,		Six-month periods ended December 31,	
	2007 (unaudited)	2006 (unaudited)	2007 (unaudited)	2006 (unaudited)
	\$	\$	\$	\$
Numerator				
Net earnings	106 935	75 546	220 339	91 380
Denominator				
Weighted average number of shares outstanding	24 147 848	20 687 672	24 097 957	20 643 107
Dilutive effect of stock options (a)	388 094	33 589	490 962	58 699
Weighted average number of diluted shares outstanding	<u>24 535 942</u>	<u>20 721 261</u>	<u>24 588 919</u>	<u>20 701 806</u>
Net earnings per share				
Basic	0,004	0,004	0,009	0,004
Diluted	0,004	0,004	0,009	0,004

(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	810 000	1 300 000	810 000	1 562 500
Convertible debenture		333 333		333 333
Warrants		1 350 321		1 350 321

Wanted Technologies Corporation

Notes to Consolidated Financial Statements

18 - SUBSEQUENT EVENT

On February 19, 2008, the Company concluded a financing of \$500,000 as a bank loan with interest at preferential rate plus 1% (7%) secured by movable hypothec on accounts receivable.

19 - EFFECT OF NEW ACCOUNTING STANDARDS NOT YET IMPLEMENTED

In December 2006, the CICA issued the following new recommendations which apply to fiscal years beginning on or after October 1, 2007. The Company is currently evaluating the impact of the adoption of these new sections on its consolidated financial statements.

Financial instruments – disclosures

Section 3862, *Financial Instruments - Disclosures* describes the required disclosures related to the significance of financial instruments on the entity's financial position and performance and the nature and extent of risks arising for financial instruments to which the entity is exposed and how the entity manages those risks. This Section complements the principles of recognition, measurement and presentation of financial instruments of Section 3855, *Financial Instruments – Recognition and Measurement*.

Financial instruments – presentation

Section 3863, *Financial Instruments – Presentation* establishes standards for presentation of financial instruments and non-financial derivatives. It complements standards of Section 3861, *Financial Instruments – Disclosure and Presentation*.

Capital disclosures

Section 1535, *Capital Disclosures* establishes standards for disclosing information about the entity's capital and how it is managed to enable users of financial statements to evaluate the entity's objectives, policies and procedures for managing capital.

20 - COMPARATIVE FIGURES

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