



MANAGEMENT'S DISCUSSION AND ANALYSIS

OCTOBER 13, 2006

WANTED TECHNOLOGIES CORPORATION

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Introduction

The following analysis concerns the financial situation, operating results and cash flow of Wanted Technologies Corporation ("Wanted" or the "Company") for the fiscal year ended June 30, 2006, as compared to the fiscal year ended June 30, 2005. This management report, prepared as of October 13, 2006, is intended to complement and supplement the audited financial statements and should be read in conjunction with these statements and associated notes. The financial statements and the management report are designed to provide investors with a reasonable basis for the evaluation of operating results and financial performance.

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, recently, for residential real estate advertising activities. As a result of its capacity to aggregate, sort and present information from various sources in a very precise manner, WANTED is able to gauge trends in classified advertising and, more importantly, to deliver information on targeted leads. Targeted industries include media in the field of recruitment, such as newspapers and electronic bulletin boards, recruitment and staffing agencies, career transition agencies and recruitment advertising agencies, to name but a few.

2006 Highlights

- Significant revenue growth:
 - 30% revenue growth for the 2006 fiscal year as compared to the 2005 fiscal year;
 - 49% revenue growth for the 4th quarter of 2006 as compared to the 4th quarter of 2005;
 - 27% revenue growth for the 4th quarter of 2006 as compared to the 3rd quarter of 2006.
- Signing of major contracts:
 - Gannett – the largest newspaper group in the United States;
 - Wanted has also become the exclusive data provider for the monthly employment index of the United States Conference Board.
- Establishment of an operational and financial structure to support the Wanted growth strategy:
 - Completion of a qualifying transaction in order to become a public corporation;
 - Raising funds of \$2.25M through the CPC process;
 - Hiring of personnel for the R&D, Sales and Marketing, and Administration departments to sustain future growth;
 - As of June 30, 2006, Wanted had over \$1.8M in cash to support its growth strategy and product development.

- Adaptation of Wanted's technologies and products to monitor and analyze classified advertising in the residential real estate market.

Key Performance Indicators

Wanted assesses the overall performance of the Company 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 Annual Financial Data

(In Canadian dollars)	2006 \$	2005 \$	2004 \$
Sales	1,909,295	1,467,413	825,533
EBITDA* before other items	(27,691)	308,384	67,016
Net loss	(671,841)	(498,050)	(516,890)
Net loss per share (basic and diluted)	(0.037)	(0.050)	(0.050)
Total assets	2,580,209	1,051,339	672,942
Long-term liabilities	175,483	2,134,812	3,540,524

* 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 fiscal year ended June 30, 2006, sales totalled \$1,909,295, compared to \$1,467,413 for the same period last year, which represents an increase of 30%. This increase in sales is due to the recruitment of new clients, including Gannet, the largest newspaper group in the United States. This sales growth is the fruit of the Company's efforts in the development of solutions targeting the American newspaper market; it is also due to the fact that, from one quarter to the next, Wanted continues to increase its market share in this sector.

It is important to note that Wanted's revenues come from renewable annual contracts that generate recurrent revenue for the Company. As of June 30, 2006, current contracts represented just over 2.2 million dollars in annualized revenue, whereas current contracts as of June 30, 2005 totalled 1.5 million dollars in annualized revenue, which represents an increase of 47%. It should be noted that the concept of recurrent annualized revenue 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 sales for the fiscal year ended June 30, 2006 represent sales in US dollars.

Research and development expenses

Research and development costs, free of tax credits for a company established at the Centre national des nouvelles technologies de Québec (CNNTQ – Quebec centre for new technologies), for the fiscal year ended June 30, 2006, totalled \$506,395, compared to \$274,573 for the 2005 fiscal year, which represents an increase of \$231,822 or 84%. The 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 this is supported by the implementation of a technological infrastructure appropriately tailored to the growth projects.

For the fiscal year ended June 30, 2006, Wanted recorded a \$93,441 tax credit as a company established at the Centre national des nouvelles technologies de Québec (CNNTQ), as compared to \$53,636 last year. During the previous fiscal year, the Company had also recorded \$55,043 in research and development tax credits.

Marketing and selling expenses

For the fiscal year ended June 30, 2006, marketing and selling expenses totalled \$769,693, compared to \$476,881 for the previous year, which represents an increase of \$292,812 or 61%. This increase is essentially due to the hiring of new employees for commercialization and product sales to support our growth strategy, as well as to increased investments in advertising and marketing activities.

Administrative expenses

For the fiscal year ended June 30, 2006, administrative expenses totalled \$756,692, compared to \$480,230 for the 2005 fiscal year, which represents an increase of \$276,462 or 58%. This increase is largely due to the hiring of new personnel in the finance and administration departments, as well as to the additional costs the Company has to bear now that it is a publicly traded corporation.

Financial expenses

For the fiscal year ended June 30, 2006, net financial expenses totalled \$17,609, compared to \$97,727 for the 2005 fiscal year, which represents a decrease of \$80,118. Net financial expenses consist mainly of interest income on short-term investments, interest charges on the long-term debt, and interest on notes payable and 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” shares of Wanted capital pursuant to the first quarter qualifying transaction, as well as to the increase in interest income from short-term investments.

Earnings (loss) before other items

For the 12-month period ended June 30, 2006, losses before other items totalled \$141,094, compared to earnings before other items totalling \$138,002 for the 2005 fiscal year, which represents a decrease of \$279,096. 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 loss

The net loss was \$674,841 for the 2006 fiscal year, compared to a net loss of \$498,050 for the 2005 fiscal year. This \$173,791 increase of the net loss is mainly due to the following factors:

- As mentioned above, during the 2006 fiscal year, the Company invested in the implementation of operational, commercial and administrative resources to support its commercial development and growth. These investments led to an additional \$279,096 in losses before other items, compared to the same period last year;
- Losses on exchange totalled \$43,561 for the fiscal year ended June 30, 2006, compared to \$29,955 in 2005, which represents an increase of \$13,606;
- During this period, \$345,935 was recorded in stock-based compensation. A total of \$303,600 was recorded as payment in shares for compensation that remained outstanding as of the date of the transaction. The difference of \$42,335 corresponds to the value attributed to the issuance of 1.3 million stock options.
- For the fiscal year ended June 30, 2005, the Company recorded an expense of \$606,097 in consideration of the return on class “C” shares, compared to an expense of \$141,251 recorded prior to the completion of the qualifying transaction in the first quarter of 2006. This represents a decrease of \$464,846 for this type of expense. 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.

The net loss per share for the fiscal year ended June 30, 2006 was \$0.037, compared to a net loss per share of \$0.050 for the 2005 fiscal year.

Main Quarterly Financial Data

(In Canadian dollars)	First Quarter \$	Second Quarter \$	Third Quarter \$	Fourth Quarter \$	Total \$
Year ended June 30, 2006					
Sales	394,185	447,635	469,813	597,662	1,909,295
EBITDA* before other items	115,282	(2,594)	(146,066)	5,687	(27,691)
Net loss	(394,447)	(28,640)	(196,952)	(51,802)	(671,841)
Net loss per share (basic and diluted)	(0.035)	(0.001)	(0.010)	(0.003)	(0.037)
Year ended June 30, 2005					
Sales	313,448	360,077	392,343	401,545	1,467,413
EBITDA* before other items	91,127	109,056	104,885	3,316	308,384
Net loss	(88,000)	(114,026)	(92,039)	(203,985)	(498,050)
Net loss per share (basic and diluted)	(0.009)	(0.011)	(0.009)	(0.020)	(0.050)

* 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.

Financial results for the fourth quarter of 2006

During the fourth quarter ended as of June 30, 2006, Wanted recorded revenues of \$597,662, an increase of 49% over the \$401,545 recorded for the same period in 2005. The revenue recorded during the fourth quarter of 2006 further illustrates growth, representing a 27% increase over the \$469,813 in revenue recorded for the previous period, the third quarter of fiscal 2006.

The net loss for the fourth quarter of 2006 amounted to \$51,802 (or \$0.003 per share), compared to a net loss of \$203,985 (or \$0.020 per share) for the same period in 2005.

Cash Flow

As of June 30, 2006, the cash position totalled \$104,271, compared to \$225,166 at the beginning of the fiscal year. Wanted had no bank debt.

Operating activities

During the 2006 fiscal year, cash flow related to operating activities generated \$34,067, compared to \$216,800 last year, which represents a decrease of \$182,733. This variation is largely due to the \$173,791 increase of the net loss, the \$464,846 decrease of dividends on class "C" shares, the \$345,935 increase of stock-based compensation, and the \$76,547 positive fluctuation of working capital items, as compared to the previous year.

Investment activities

For the 2006 fiscal year, cash flow related to investment activities required cash assets totalling \$1,134,285, compared to \$63,777 for the previous year, which represents an increase of \$1,070,508. This difference is largely due to the acquisition of fixed assets, totalling \$235,115, required to meet the Company's technological needs, as compared to \$63,777 for the previous year, as well as to the receipt of corporate liquidity funds totalling \$799,223 following the qualifying transaction, and the investment of \$1,700,000 in surplus cash in short-term investments.

Financing activities

In 2006, cash flow generated by financing activities totalled \$979,324, as compared to an expenditure of \$3,893 in 2005 for these activities, which represents a positive difference of \$983,217. This increase is largely due to a cash inflow following the issue of convertible debentures in the amount of \$200,000, the issue of shares via the qualifying transaction, and the exercise of options in the amount of \$1,131,100, and is partially offset by share issue costs in the amount of \$335,538 and loan repayments in the amount of \$31,060.

For the fiscal year ended June 30, 2006, the net decrease in the cash position was \$120,894, compared to a net increase of \$149,130 for the last fiscal year.

Financial Situation

Assets

As of June 30, 2006, Wanted had \$1,804,271 in cash and short-term investments, compared to \$225,166 on June 30, 2005. This increase in the Company's liquid assets is essentially due to the completion of the qualifying transaction and to the public offering of shares issued on September 20, 2005.

As of June 30, 2006, short-term assets totalled \$2,242,285, compared to \$667,621 on June 30, 2005. This significant increase is also due to cash received following the completion of the qualifying transaction and the public offering of shares.

As of June 30, 2006, fixed assets and software assets totalled \$337,924, compared to \$244,266 on June 30, 2005. This increase is principally due to major investments in computer equipment to support growth and to improve customer service.

Deferred expenses of \$139,452 posted on June 30, 2005 represented professional fees relating to the completion of the qualifying transaction. These expenses were accounted for by reducing proceeds of the share offering at the time the shares were issued.

As of June 30, 2006, total assets were \$2,580,209, compared to \$1,051,339 on June 30, 2005, which represents an increase of \$1,528,870. As mentioned above, this increase is essentially due to cash received as a result of the qualifying transaction and the public offering of shares.

Liabilities

As of June 30, 2006, total liabilities were \$538,720, compared to \$7,708,285 on June 30, 2005, which represents a decrease of \$7,169,565. The following factors explain this decrease:

- Convertible notes payable, convertible loans and class "C" shares reported under liabilities on June 30, 2005 totalled \$5,406,185. All of these financial instruments were entirely converted into class "A" Wanted shares on the completion date of the qualifying transaction.
- Accumulated dividends as of June 30, 2005 totalling \$1,570,494, as well as accumulated dividends for the period from September 1, 2005 to September 20, 2005 totalling \$141,251, reported in the results for the first quarter of 2006, were cancelled and offset on the completion date of the qualifying transaction through the issue of 1,350,321 warrants convertible into 1,350,321 class "A" Company shares at a price of \$0.40 per share.

Contractual Obligations

	Required payments, by period			
	Total \$	Less than one year \$	2 to 3 years \$	4 to 5 years \$
Long-term debt	30,294	30,294	-	-
Convertible debenture	200,000	-	200,000	
Use of office space	245,920	79,040	105,580	61,300
Equipment rental	81,489	56,349	25,140	-

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” non-par value, voting and participating shares.
- Unlimited number of class “B” non-par value, non-voting and non-participating shares, issued by series, where the terms and conditions of each series are determined on the issue date.

Issued and fully paid	October 13, 2006 \$	June 30, 2006 \$	September 20, 2005 \$
16,975,922 class A shares as of September 20, 2005			
20,587,672 class A shares as of June 30, 2006			
20,687,672 class A shares as of October 13, 2006	9,118,156	9,090,446	7,695,582

As of June 30, 2006, shareholder equity totalled \$2,041,489, compared to a shareholder deficiency of \$6,656,946 on June 30, 2005. This increase in the Company’s shareholder equity in the amount of \$8,698,435 is largely due to an increase in capital stock in the amount of \$8,088,178, an increase in the contributed surplus in the amount of \$1,415,881, the recording of warrants totalling \$303,150 and stock options for \$134,025. These increases are also offset by an increase in the deficit in the amount of \$1,277,599.

The \$8,088,178 increase in capital stock is essentially due to three factors. First, an increase of \$5,406,185 in capital stock resulting from the conversion of convertible notes payable, convertible loans

and class “C” shares to class “A” shares pursuant to the completion of the qualifying transaction. Second, this increase is the result of the receipt of proceeds totalling \$1,856,922 following the offering of class “A” shares as part of the public offering of shares and the completion of the qualifying transaction. Third, a total of \$303,600 was recorded as payment in shares for compensation that remained outstanding as of the date of the transaction.

The increase in the contributed surplus is essentially due to gain, totalling \$1,408,595, from the waiving of dividends on class “C” shares on the date of the qualifying transaction.

As for the increase in the deficit, aside from the \$671,841 net loss recorded in the fiscal year ended June 30, 2006, the Company also incurred share issuance costs totalling \$605,758, which were posted to the deficit during the first quarter of the 2006 fiscal year.

Upon the closing of the qualifying transaction, 10,593,284 class “A” shares were escrowed; these shares cannot be transferred, hypothecated, pledged or otherwise disposed of without the authorization of the regulatory authorities. These shares will be released in stages over a period not exceeding 36 months beginning on September 20, 2005.

Warrants and stock options

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

Quantity	October 13, 2006	June 30, 2006	September 20, 2005
Warrants	1,350,321	1,350,321	1,350,321
Stock options	1,430,000	2,262,500	-

Additional information on these instruments can be found in notes 14 and 15 of the Company’s financial statements for the fiscal year ended June 30, 2006.

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.

Changes in Accounting Policies

Class “C” shares, notes payable and convertible loans

On November 5, 2004, the Emerging Issues Committee of the Canadian Institute of Chartered Accountants (CICA) issued abstract number 149 “Accounting for Retractable or Mandatorily Redeemable Shares”. This abstract provides guidelines for circumstances in which it could be permissible to classify retractable or mandatorily redeemable shares as stockholder equity rather than as liabilities. To meet these new standards, the Company presented all convertible notes payables, convertible loans and class “C” shares under the heading of liabilities. In addition, class “C” share dividends must be reported in the income statement. The company retroactively adopted these new standards.

Stock-based compensation

In 2003, the CICA modified its policy on stock-based compensation, requiring that companies measure and write off all stockholder equity instruments awarded to employees and administrators based on the fair value method for fiscal years beginning on or after January 1, 2004. The fair value of stock options awarded to employees and administrators is set on the award date using a stock option evaluation model and the remuneration expense is recorded over the share acquisition period. On July 1, 2004, the Company adopted the new standards retroactively, without restatement of the previous fiscal years, for options awarded since July 1, 2002. Previously, the Company did not record any expense for stock-based compensation. This modification resulted in an increase of the contributed surplus and the deficit totalling \$173,682.

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 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 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 this fiscal year. 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 very well 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 2006 fiscal year (2% in 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 US 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 US 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

Increased sales are essential to the Company's profitability. To reach this goal, Wanted has hired new employees dedicated to product research and development, marketing and sales, as well as new employees for the finance department in order to sustain its growth.

As mentioned above, the Wanted's revenues come from renewable annual contracts that generate recurring revenues for the Company. Based on all of the contracts with our current clients and the renewal of these contracts over the next 12 months, Wanted has, as of the date of this report, contracts representing annualized revenues of 2.5 million dollars.

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, the Company 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 this address: www.sedar.com.

Philippe Frenière
VP Finance and Chief Financial Officer