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WANTED TECHNOLOGIES CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Third Quarter Ended March 31, 2010

MAY 18, 2010

WANTED TECHNOLOGIES CORPORATION

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<u>Table of Contents</u>	Section	Page
Introduction	1	3
Overview	2	4
Operating results	3	6
Cash Flows	4	10
Balance Sheet and Financial Situation	5	11
Significant Accounting Policies	6	14
Information Communication Controls and Procedures	7	15
Risks and Uncertainties	8	15
Further Information	9	17

WANTED TECHNOLOGIES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

1) Introduction

The following analysis concerns the financial situation, operating results and cash flow of WANTED Technologies Corporation (“WANTED” or the “Company”) for the quarter and the nine-month period ended March 31, 2010, as compared with the quarter and the nine-month period ended March 31, 2009. This management report, prepared as at May 18th, 2010, is intended to complement and supplement the unaudited consolidated financial statements and should be read in conjunction with these unaudited consolidated financial statements and the accompanying notes for the third quarter of fiscal 2010 ended March 31, 2010. The consolidated financial statements and the management report are designed to provide investors with a reasonable basis for evaluating the Company’s operating results and financial performance.

The unaudited consolidated financial statements were prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) as established by the Canadian Institute of Chartered Accountants. Unless otherwise specified, all of the financial information presented below is in Canadian 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 assumptions. 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. More information on these risk factors is available in section “Risks and Uncertainties”. Unless required by Canadian and Provincial securities legislation, the Company does not intend to revise these prospective statements on the basis of new information, future events, or others.

Non GAAP Measures

EBITDA is one of the key financial indicators used by management to monitor the performance of the Company and assess the Company's ability to generate cash flows from its continued activities and to meet its financial obligations. This indicator is also generally used for valuation purposes. EBITDA represents earnings before interest, tax on earnings, depreciation, amortization and loss in value of physical assets and intangible assets. 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.

2) Overview

WANTED is the leading source of real-time employment market information. The Company provides insight and intelligence via its family of WANTED *Analytics*TM *Apps* found at www.wantedanalytics.com. Clients in the Media, HR/Staffing, Government and Financial Services sectors use WANTED's online data and SaaS-based analytical solutions to identify economic trends, analyze competitive and market activities and prioritize sales opportunities. Clients include leading Media companies offering advertising-based recruiting services, Staffing agencies and career transition agencies, as well as governmental agencies. WANTED's products and services are delivered electronically via annual subscription, and its revenues are mostly based on recurring fees tied to the number of individual users or "seats" within the client's organization.

Q3-2010 Highlights

- Revenue of \$1,285,865 for the third quarter of fiscal 2010, compared to \$1,641,587 in the third quarter of fiscal 2009, a decrease of \$355,722, or 22%. Of this difference, approximately \$232,000 is related to the impact of lower exchange rates in the third quarter of fiscal 2010 versus the corresponding quarter of previous year.
- Net loss of \$147,413, compared to net earnings of \$90,086 in the third quarter of fiscal 2009, a negative variation of \$237,499.
- Improvement of 13% in the Company's recurring revenue base in US dollars since the beginning of fiscal year, from an annualized value of US\$3.9 million to US\$4.4 million.
- Continued progress and success in the Company's diversification strategy during the quarter, with the addition of three new States government agencies and eleven new clients in the Staffing sector, providing further evidence of the value and potential of WANTED's solution beyond the Media sector.
- Released of the new WANTED *Analytics*TM *Apps* platform. This *Analytics*TM *Apps* platform positions the Company to be able to expand its services to include Labor Supply analytical services in addition to its core Hiring Demand services.

Selected Financial Information

WANTED monitors its overall performance using key financial indicators such as revenues, EBITDA before other revenue and expenses and net earnings.

Main Quarterly Financial Data

(unaudited)	Q3-2010 03-31-10 \$	Q3-2009 03-31-09 \$	9 mts-2010 03-31-10 \$	9 mts-2009 03-31-09 \$
Revenue	1,285,865	1,641,587	3,565,067	4,662,767
EBITDA before other revenue and expenses	18,796	226,285	159,246	721,400
Net earnings (loss)	(147,413)	90,086	(319,564)	428,434
Net earnings (loss) per share (<i>basic and diluted</i>)	(0.006)	0.004	(0.013)	0.018
Total assets	5,940,504	6,218,999	5,940,504	6,218,999
Long-term liabilities	-	381,093	-	381,093

Business Outlook

WANTED Technologies' clients provide Employment Services mainly in the United States, a sector of the economy that has experienced the most severe and persistent effects of the recession. The Company's financial performance in Q3 reflects the cumulative effects of the recession's persistence and its impact on the companies that WANTED serves.

During the quarter, the US Bureau of Labor Statistics ("BLS"), which tracks employment conditions on a monthly basis, released several relevant sets of data.

First, the BLS revised its estimates of the number of job losses in 2009 and released data that showed the losses were even more severe than originally reported. This increase in the volume of estimated losses underscored the depth of the economic challenges that WANTED's clients faced.

Second, and on a more optimistic note, the BLS reported a gain of 162,000 jobs in the US economy in March 2010. The last time the US economy showed a gain of this magnitude was in 2007. At the same time the BLS reported continuing gains in employment of Temporary Services workers, which historically has been a sign of improving confidence among employers. Temporary Services workers are typically the first category of workers to be added to payrolls during an economic recovery and also the first to be let go during an economic downturn. The current gains in employment for this category of workers is clearly a positive sign.

The economic recession has been especially severe for WANTED's clients in the Media and Staffing sector. During 2009, losses in employment advertising or services for these clients ranged from 40 percent to as high as 70 percent. These revenue contractions resulted in cutbacks in their sales organizations which affected WANTED's revenues during this same period.

Thusfar, the results reported by WANTED's clients show improvement, but they do not yet represent a clear sign of robust revenue growth for the employment services sector. Media clients have continued to

report year-over-year losses in employment advertising and services revenues, while staffing clients appear to be recovering more quickly. The Gannett Co., the leading traditional publisher of community newspapers reported year-over-year losses in US employment advertising revenues of 11 percent for Q1-2010. In the same quarter of the previous year, Gannett reported losses of 60 percent over the comparable period in 2008. Monster Worldwide, a leading online provider of employment services, reported on April 30 that US revenues for the quarter ended March 31, 2010 declined only 15 percent, compared with 31 percent in the corresponding quarter of prior year. Although these losses are unwelcomed, the trend is toward gains in the coming quarters.

The overall trend, based on the BLS estimates and the sequential improvement in revenues for key clients, tends to be a positive indication for WANTED. One important thing to bear in mind in anticipating the effects of an economic recovery on WANTED revenues is the fact that WANTED's recurring revenue model is mostly based on clients signing annual subscriptions. This will likely have an impact on the timing of the effects on WANTED's underlying recurring revenue streams.

Based on the improving trend in the fundamentals of the employment services marketplace, WANTED has begun to make investments in product marketing and research and development to ensure that as the market recovers, WANTED will have the products and services to meet this improving demand.

Since 2008, WANTED has been investing strategically to diversify its client base to reach new market sectors, particularly in Staffing and in Government services. WANTED has continued to make these investments in the most recent quarter, but is also beginning to increase the level of investment in a prudent way to further broaden the reach of its products.

The most recent set of product initiatives are designed to reach the Corporate sector, particularly in the area of in-house corporate staffing divisions. WANTED believes that many of its current data sets can be configured, along with additional third-party data sets, to begin to offer solutions to the Corporate sector. These product initiatives will begin to take shape in the coming quarters, timed to take full advantage of the economic recovery.

To create a foundation for further growth, WANTED released, early in the third quarter (Q3-2010), a new technology platform called *AnalyticsTM Apps* which can accommodate both Hiring Demand and Labor Supply applications. This new product platform represents the foundation to further diversify its products and services.

3) Operating results

Revenues

WANTED's business model is largely focused on building its recurring revenue base through annual subscriptions to its leading employment market intelligence platform, *AnalyticsTM*.

For the third quarter of fiscal 2010, WANTED posted revenues of \$1,285,865, compared to \$1,641,587 for the third quarter of fiscal 2009, a decrease of \$355,722 or 22%. Revenues in the third quarter of fiscal 2010 suffered significantly from the negative fluctuations in the U.S. dollar versus the Canadian dollar. The average exchange rate went from 1.2456 for the third quarter ended March 31, 2009 to an average of 1.0401 for the third quarter ended March 31, 2010. A constant foreign exchange at 1.2456 would have resulted in additional revenue, for the third quarter ended March 31, 2010, of approximately \$232,000.

For the nine-month period ended March 31, 2010, the Company's total revenues were \$3,565,067 compared to \$4,662,767 for the corresponding period in the previous fiscal year, a decrease of \$1,097,700 or 24%.

Revenue derived from recurring revenue contracts amounted to \$1,154,624 for the third quarter ended March 31, 2010, a decrease of \$313,340, or 21%, over the \$1,467,964 registered in the third quarter ended March 31, 2009. Non-recurring revenues amounted, for the third quarter of fiscal 2010, to \$131,241, representing a decrease of \$42,382 over the corresponding quarter of the previous year.

As of March 31, 2010, contracts in hand had an approximate value of 4.5 million dollars in annualized recurring revenues, a 17 % decrease over March 31, 2009 (5.4 million dollars). This 17% decrease directly results from a negative fluctuation in the U.S. dollar versus the Canadian dollar over the last year. Indeed, looking at the recurring revenue base in U.S dollars indicates that the annual value, at the end of the third quarter of fiscal 2010, has recovered from the most recent lowest value of 3.9 millions observed in the fourth quarter of fiscal 2009.

	Q3-2010 \$	Q3-2009 \$	Change \$	Change %
Recurring revenue	1,154,624	1,467,964	(313,340)	(21%)
Non-recurring revenue	131,241	173,623	(42,382)	(24%)
Total revenue	1,285,865	1,641,587	(355,722)	(22%)
Book of Rec. revenue - end (CDN\$)	\$4.5 M	\$5.4 M	(\$0.9 M)	(17%)
Book of Rec. revenue - end (US\$)	\$4.4 M	\$4.4 M	-	-

After assuming major losses last year which were mostly the result of cutbacks from WANTED's Media sector clients, the diversification strategy has allowed WANTED to replace these losses with revenues coming from the Staffing and Government sectors, leading to a more stable recurring revenue base. In spite of a still challenging economic environment in the third quarter, WANTED was again able to secure agreements with eleven new Staffing industry clients, and, in conjunction with The Conference Board, secure agreements with three State and local government agencies during the quarter. Staffing and Government, represented together, at the end of the third quarter of fiscal 2010, approximately 26% of the total recurring revenue base compared to 2% a year ago.

The concept of recurring annualized revenues assumes that all recurring revenue contracts, as of the calculation date, will be renewed. It is calculated based on the average exchange rate of the last month of the quarter. For the third quarter ended March 31, 2010, recurring revenues represented approximately 90% of total revenues compared to 89% for the third quarter ended March 31, 2009.

Ninety-one per cent (91%) of WANTED's revenues for the quarter ended March 31, 2010 came from sales denominated in US dollars compared to ninety-six per cent (96%) for the quarter ended March 31, 2009.

Cost of goods sold

Some WANTED services are based on enriching the content of business databases which are licensed from third parties and re-sold to WANTED's clients. The licensing costs of these business databases represent the majority of WANTED's cost of goods sold. For the third quarter of fiscal 2010, the cost of goods sold associated with this type of revenue amounted to \$28,697, compared to \$47,345 for the third

quarter of fiscal 2009. For the nine-month period ended March 31, 2010 the cost of goods sold was \$30,725, compared to \$84,537 for the nine-month period ended March 31, 2009.

Revenues related to this type of transaction totalled \$48,875 for the third quarter of fiscal 2010 and \$54,064 for the nine-month period ended March 31, 2010. For the three-month and nine-month periods ended March 31, 2009, these revenues totalled \$64,742 and \$136,672 respectively.

Research and development expenses

Research and development costs, net of CNNTQ (Centre National des Nouvelles Technologies de Québec) and research tax credits totalled \$400,791 for the third quarter of fiscal 2010, compared with \$411,886 for the third quarter of fiscal 2009, a net decrease of \$11,095 or 3%. This decrease mostly results from a decrease in professional fees and training expenses, offset by significant investments in the third quarter of fiscal 2010 dedicated to the development of additional applications (Apps) for the *Analytics™* platform as well as Labor Supply applications expected to provide the basis for significant revenue growth in the medium and long term.

For the nine-month period ended March 31, 2010, the Company's net research and development costs totalled \$1,133,869, compared to \$1,139,672 for the corresponding period in the previous fiscal year, a decrease of \$5,803 or 1%. Tax credits recorded for the first nine months of fiscal 2010, were \$208,294 compared to \$176,946 for the corresponding period in the previous fiscal year.

Marketing and selling expenses

For the quarter ended March 31, 2010, marketing and selling expenses totalled \$599,862, compared with \$617,947 for the quarter ended March 31, 2009, a decrease of \$18,085 or 3%. For the nine-month period ended March 31, 2010, the Company's marketing and selling expenses totalled \$1,570,958, compared to \$1,789,841 for the corresponding period in the previous fiscal year, a decrease of \$218,883 or 12%. These decreases reflected the Company's decision to restrain marketing investments during a period when the Company's existing and prospective clients were themselves operating in a severe cost-reduction environment. Lower foreign exchange rates in fiscal 2010 also contributed to the reduction in marketing and selling expenses, as these expenses were in majority incurred in US dollars. Lower professional fees and travelling expenses in the first nine months of fiscal 2010 also contributed to this decrease in marketing and selling expenses.

Administrative expenses

For the third quarter of fiscal 2010, administrative expenses totalled \$292,049, compared with \$382,253 for the third quarter of fiscal 2009, a decrease of \$90,204, or 24%. For the nine-month period ended March 31, 2010, the Company's administrative expenses totalled \$817,625, compared to \$1,056,436 for the corresponding period in the previous fiscal year, a decrease of \$238,811 or 23%. These decreases are mostly the result of lower professional fees and a reduction in bad debts for both the three-month and nine-month periods ended March 31, 2010 compared to the corresponding periods of fiscal 2009.

Financial expenses

Net financial expenses mainly consist of interest expenses on long-term debt, net of interest income on temporary investments.

For the third quarter ended March 31, 2010, net financial expenses totalled \$19,283, compared with net financial expenses of \$16,466 for the quarter ended March 31, 2009, an increase of \$2,817. For the nine-month period ended March 31, 2010, the Company's net financial expenses totalled \$43,340, compared to \$35,493 for the corresponding period in the previous fiscal year, an increase of \$7,847.

These variations in the current quarter and the nine-month period are mostly the result of a decrease in interest revenue resulting from lower available interest rates, partially offset by a decrease in interests expenses related to the long-term debt.

Earnings (loss) before other revenue and expenses

For the third quarter ended March 31, 2010, loss before other revenue and expenses totalled \$95,587, compared with earnings before other revenue and expenses of \$113,379 for the third quarter ended March 31, 2009, a negative variation of \$208,966. This variation is primarily due to a decrease of \$337,074, or 21% in gross margin resulting from lower revenues. This decrease in gross margin was however partially offset by decreases in research and development, marketing, selling and administrative expenses representing together a decrease of \$119,384, or 8%, in operating expenses. A decrease of \$11,541 in the amortization expenses recorded on intangible assets resulting from fully amortized non-competition agreements as of June 30, 2009 also contributed to this reduction in operating expenses.

For the nine-month period ended March 31, 2010, the Company's loss before other revenue and expenses totalled \$153,760 compared to earnings before other revenue and expenses of \$399,854 for the corresponding nine-month period in the previous fiscal year, a negative variance of \$553,614. This negative variation is primarily due to a decrease, in the first nine months of fiscal 2010, of \$1,043,888, or 23%, in gross margin which was partially offset by a decrease in operating expenses of \$490,274.

Net earnings (loss)

Net loss, for the third quarter of fiscal 2010, was \$147,413, compared to net earnings of \$90,086 recorded in the third quarter of fiscal 2009, a negative variation of \$237,499. Net loss for the nine-month period ended March 31, 2010 totalled \$319,564, compared to net earnings of \$428,434 for the same period of fiscal 2009, a negative variation of \$747,998.

These negative variations mostly result from the combined effect of the decrease in earnings before other revenue and expenses and exchange losses recorded. When compared to the same period of the previous year, earnings before other revenue and expenses decreased by \$208,966 and \$553,614 for the respective three-month and nine-month periods ended March 31, 2010. In addition, unfavorable prevailing exchange rates caused the Company to record currency exchange losses of \$37,548 and \$120,203 for the third quarter and the nine-month periods ended March 31, 2010, representing negative variations of \$38,121 and \$291,893 over the corresponding period of prior year.

Net losses for three-month and nine-month periods ended March 31, 2010 were however partially offset by lower provisions for income taxes. The Company recorded provisions of \$14,489 and \$45,812 for the third quarter and the nine-month period ended March 31, 2010, compared to provisions of \$23,991 and \$143,285 recorded in the corresponding periods of prior year, representing positive variations of \$9,502 and \$97,473 respectively.

Main Quarterly Financial Data

(unaudited)	Fourth Quarter \$ 06-30-09	First Quarter \$ 09-30-09	Second Quarter \$ 12-31-09	Third Quarter \$ 03-31-10
Revenues	1,452,660	1,135,462	1,143,740	1,285,865
EBITDA before other revenue and expenses	382,561	185,484	(45,034)	18,796
Net earnings (loss)	140,374	5,774	(177,925)	(147,413)
Net earnings (loss) per share (basic and diluted)	0.006	0.0002	(0.007)	(0.006)
	06-30-08	09-30-08	12-31-08	03-31-09
Revenues	1,465,290	1,410,537	1,610,643	1,641,587
EBITDA before other revenue and expenses	271,794	339,715	155,400	226,285
Net earnings	132,574	224,749	113,599	90,086
Net earnings per share (basic and diluted)	0.006	0.009	0.005	0.004

Net loss per share (basic and diluted) totalled \$0.006 for the third quarter ended March 31, 2010, compared with net earnings per share (basic and diluted) of \$0.004 for the third quarter ended March 31, 2009. For the nine-month period ended March 31, 2010, the Company recorded a net loss per share of \$0.013, compared to net earnings per share of \$0.018 for the corresponding period of prior year.

4) Cash Flows

As at March 31, 2010, the balance sheet showed a cash position of \$1,920,687, compared with \$1,742,970 at the beginning of the fiscal year, an increase of \$177,717.

Operating activities

During the third quarter of fiscal 2010, cash flows generated from operating activities were \$53,772, compared to \$168,884 in the third quarter of the previous year, a decrease of \$115,112. This variation is mostly explained by a decrease of \$237,499 in the Company's profitability for the third quarter of fiscal 2010 compared to the third quarter of fiscal 2009. This negative variance was however offset by a positive variation in changes in working capital items of \$119,935 mostly attributable to a positive variation of \$101,782 in accounts payable and accrued liabilities.

For the nine-month period ended March 31, 2010, operating activities generated \$393,430, compared to \$1,186,721 for the corresponding nine-month period in the previous fiscal year, a decrease of \$793,291 or 67%. This decrease is mostly the result of a negative variation of \$747,998 in the Company's profitability for the first nine months of fiscal 2010 compared to the first nine months of fiscal 2009.

Investing activities

For the third quarter of fiscal 2010, investing activities used \$16,681 in cash flows, compared with cash flows generated of \$489,380 for the third quarter of fiscal 2009, a negative variation of \$506,061 mostly resulting from an amount of \$499,030 in temporary investments that reached maturity during the third quarter of fiscal 2009 and was not reinvested. An increase of \$7,117 in the liquidities used for the acquisition of property, plant and equipment also contributed to the variance.

For the nine-month period ended March 31, 2010, investing activities used \$33,956 in cash flows, compared to cash flows generated of \$125,679 for the corresponding nine-month period in the previous fiscal year, a decrease of \$159,635. This negative variation is also mostly the result of a negative variation of \$250,001 related to temporary investments, partially offset by a decrease of \$90,330 in liquidities used to acquire property, plant and equipment. Note that during the first nine months of fiscal 2010, the Company purchased for a total value of \$152,140 in property, plant and equipment by way of capital leases with no impact on consolidated cash flows. These additional investments were necessary to support the Company's successful diversification strategy and also to build the foundation for launching a new family of Labor supply employment market services.

Financing activities

Financing activities used \$66,030 in cash flows during the third quarter of fiscal 2010, compared to \$52,943 during the third quarter of fiscal 2009, a negative variation of \$13,087 resulting from an increase in capital repayments required on long term debts following the acquisition, during fiscal 2010, of \$152,140 in property, plant and equipment by way of capital leases.

For the nine-month period ended March 31, 2010, financing activities used \$181,757, compared to \$200,045 for the corresponding nine-month period in the previous fiscal year, a decrease of \$18,288 or 9%. This variation in the nine-month period is mostly the result of the repurchase of 150,000 Class "A" shares during the second quarter of fiscal 2009 amounting to \$32,250. These transactions were made as part of a normal course issuer bid. No such activities were done during the nine-month period ended March 31, 2010. This variation was partially offset by an increase of \$13,962 in capital repayments on long term debts.

5) Balance Sheet and Financial Situation

Assets

As at March 31, 2010, WANTED had \$2,440,552 in cash and temporary investments, compared with \$2,262,835 as at June 30, 2009. This increase of \$177,717 in the Company's liquidity is mainly the result of positive cash flows of \$393,430 generated from the operating activities. This increase was however partially offset by negative cash flows of \$33,956 and \$181,757 used for investing and financing activities respectively.

As at March 31, 2010, short-term assets totalled \$3,210,208, compared with \$3,444,441 as at June 30, 2009, a decrease of \$234,233. This decrease is mainly attributable to decreases of \$538,671 in accounts receivable resulting from a combination of improved collection and lower sales level during the third quarter of fiscal 2010 and \$24,681 in prepaid expenses. These decreases were partially offset by increases of \$151,402 in tax credits receivable and \$177,717 in cash position as of March 31, 2010.

As at March 31, 2010, property, plant and equipment totalled \$539,684, compared with \$500,733 as at June 30, 2009. This increase of \$38,951 results from the acquisition of \$186,307 in property, plant and equipment in order to maintain adequate user response time within new and more complex user applications as well as supporting the diversification strategy. This increase was partially offset by an amortization charge of \$147,356 recorded in the first nine months of fiscal 2010.

As at March 31, 2010, intangible assets stood at \$774,615 compared to \$896,925 as at June 30, 2009. This decrease is attributable to the recording of an amortization expense of \$122,310 during the first three quarters of fiscal 2010. Intangible assets consist of the value allocated to the clients list acquired through the Corzen acquisition.

As at March 31, 2010, total assets stood at \$5,940,504, compared with \$6,258,096 as at June 30, 2009, a decrease of \$317,592. This variance is mainly due to decreases in short-term assets and intangible assets offset by an increase in property, plant and equipment.

Liabilities

As at March 31, 2010, total liabilities stood at \$1,358,586, compared with \$1,421,695 as at June 30, 2009, a decrease of \$63,109 mostly resulting from decreases of \$155,749 in accounts payable and accrued liabilities, \$34,709 in income taxes payable and \$29,617 in long-term debt (including short-term installments). The variation on long term debt results from capital repayments of \$181,757 during the first nine months of fiscal 2010, offset by new capital leases related to the purchase \$152,140 in property, plant and equipment. These decreases were partially offset by an increase of \$156,966 in deferred revenues.

As at March 31, 2010, the Company had no long term liabilities. All installments on long-term debt, totaling \$476,342, were due within the next 12 months and presented in short-term liabilities. The term loan, amounting to \$381,104 as of March 31, 2010, is due for renewal in July 2010.

Contractual obligations (Required payments by period)

	Total \$	Less than 1 year \$	2 years \$
(In Canadian dollars)			
Long-term debt	476,342	476,342	-
Use of office space	60,786	60,786	-
(In American dollars)			
Purchases of data and information	155,876	155,876	-

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.

<u>Issued and fully paid</u>	<u>March 31, 2010</u>	<u>June 30, 2009</u>
	\$	\$
24,011,326 class "A" shares	10,690,212	10,690,212

As at March 31, 2010, shareholders' equity totalled \$4,581,918 compared with shareholders' equity of \$4,836,401 as at June 30, 2009. This decrease of \$254,483 in the Company's shareholders' equity is mainly due to an increase in the accumulated deficit subsequent to a loss of \$319,564 for the first nine months ended March 31, 2010. This increase was partially offset by an increase of \$65,081 in the value assigned to stock options resulting from a stock-based compensation expense.

Stock options

Each stock option entitles the holder to acquire one class "A" share of capital stock.

<u>Quantity</u>	<u>March 31, 2010</u>	<u>June 30, 2009</u>
Stock options	1,960,000	1,890,000

During the first three quarters of fiscal 2010, 330,000 stock options were forfeited. This resulted in an increase of \$30,289 in contributed surplus and a corresponding decrease in stock options. No stock options were forfeited in the third quarter of fiscal 2010.

On November 25, 2009, the Company issued 200,000 stock options to Paradox Public Relations Inc. WANTED retained the services of Paradox Public Relations Inc. as strategic investor relations consultants to the Company. Paradox will focus on developing and expanding WANTED's communications with the investment community through a comprehensive investor relations program. The stock options issued to Paradox have a term of two years. On December 3, 2009, the Company issued an additional 200,000 stock options to some directors and officers of the Company. These stock options have a term of five years. The exercise price of these new stock options is 0.40\$ per share.

Additional information on capital stock and stock options can be found in notes 11 and 12 of the Company's unaudited consolidated financial statements for the third quarter ended March 31, 2010.

6) Significant Accounting Policies

The Company's unaudited 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 expense amounts for the periods in question. Items in the financial statements that require a greater use of estimates include: costing of options, provisions for bad debt expenses, evaluation of certain accrued liabilities, evaluation of tax credits receivable for a company established at the Centre national des nouvelles technologies de Québec (CNNTQ) and for research and development and depreciation tests pertaining to the long-lived assets and goodwill. 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

On July 1, 2009, in accordance with applicable transitional provisions, the Company adopted the new recommendation of Section 3064, "Goodwill and Intangible Assets" of the *Canadian Institute of Chartered Accountants Handbook (CICA)*. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets by profit-oriented enterprises. The application of the new accounting standard had no impact on the Company's financial results.

Future Accounting Policies

Business combinations

In January 2009, the CICA published Section 1582, "Business Combinations" which replaces Section 1581 with the same title. On the same date, the CICA also published new Sections 1601, "Consolidated Financial Statements", and 1602, "Non-controlling Interests". These two new sections replace Section 1600, "Consolidated Financial Statements".

The objective of Section 1582 is to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. Section 1601 establishes standards for the preparation of consolidated financial statements following a business combination that involves a purchase of an equity interest by one company in another. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

Section 1582 must be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011 and Sections 1601 and 1602 are effective for fiscal years beginning on or after January 1, 2011. The Company will apply these new sections as of July 1, 2011. The Company's management is not able to measure the impact that the application of these new standards will have on the financial statements.

International Financial Reporting Standards ("IFRS")

The CICA has confirmed that the use of International Financial Reporting Standards ("IFRS") will be required for interim and annual financial statements related to fiscal years beginning on or after January 1, 2011. Consequently, the Company will apply IFRS beginning July 1, 2011 and will be required, at this

date, to prepare financial statements in accordance with IFRS. Although IFRS uses a conceptual framework similar to Canadian GAAP, some significant differences exist on recognition, measurement and disclosures.

The Company has developed its IFRS conversion plan and has completed an initial review of IFRS, which includes an analysis of the IFRS standards, with priority being placed on those that have been identified as possibly having a significant impact on the Company's financial statements. The Company has made a preliminary classification of the IFRS standards into those that could have a significant, moderate or no impact on the Company's financial reporting. While the effects of IFRS have not yet been fully determined, the Company has identified a number of key areas where it is likely to be impacted by changes in accounting policy. These include: impairment of assets, foreign currency translation, share-based payments, business combination, property, plant & equipment, intangible assets and the presentation of the financial statements.

During the first three quarters of fiscal 2010, WANTED has initiated the work on some of the areas that could have a significant impact on the financial statements, could require significant amount of work or could require modifications to the business processes or information systems of the Company. WANTED is considering the impact of the above mentioned accounting areas to its information technology and data systems, internal control over financial reporting, disclosure controls and procedures, including investor relations and external communications plans, as well as financial reporting expertise, including training requirements.

7) Information Communication Controls and Procedures

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company will file a "Venture Issuer Basic Certificate" with respect to the financial information contained in the unaudited consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under Multilateral Instrument ("MI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification includes a "Note to Reader" stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in MI 52-109.

8) Risks and Uncertainties

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 has begun to invest in a new set of Labor Supply services which will enable the Company to enter a much larger segment of the Employment Services market. These Labor Supply services, however, will face existing and new competitors in this segment.

WANTED provides state-of-the-art products. However, nothing can guarantee the speed with which clients will embrace these products, particularly within the new markets of recruiting services, governments and financial services which WANTED is entering. Though the Company has proven that its products can meet the needs of clients in the media market, it is difficult to assess the precise potential of its solutions for other targeted markets.

Economy

Leading economist agrees that the worst of the recession in the US and Canada has passed and that a significant contributor to this improvement was the \$787 billion Stimulus package passed by the US Congress in February, 2009. Economists agree that in the absence of this stimulus, the depth and duration of the recession would have been extended.

No consensus currently exists regarding the need for an additional economic stimulus. Many economists believe the Depression in the 1930s was prolonged by the failure to sustain Federal spending as a level to continue the recovery. These same economists caution that a failure to continue to use Federal funds to stimulate the economy could cause the country to fall back into recession. This so-called “double-dip” recession would have a negative effect on employment conditions and on WANTED’s clients.

Credit risk

The financial instruments that could expose the Company to a credit concentration risk mainly include: cash, term deposit and trade accounts receivable and other receivables. Cash and term deposit are held by a top-rated financial institution. As at March 31, 2010, the Company had, concentrated with a well-known financial institution, \$1,788,666 in cash and a term deposit of \$519,865. Management considers this financial institution to be at very low risk. 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. The Company assesses the credit of its clients on an ongoing basis and, should an account be deemed irrecoverable, a bad debt provision is established.

As at March 31, 2010, the accounts receivable from two customers represented 25% of total trade and other receivables. As at June 30, 2009, two clients represented 36% of total trade and other receivables.

Additional information on credit risk is available in note 15 of the Company’s unaudited consolidated financial statements for the first nine months ended March 31, 2010.

Exchange risk

Due to the significant portion of the revenues generated from the US, to the accounts receivable associated with these revenues, and the cash position in U.S. dollars, the Company is significantly exposed to exchange risk. The vast majority (93%) of the Company’s revenue for the first three quarters of fiscal 2010 were in US dollars.

As at March 31, 2010, the Company has accounts receivable (before allowance for doubtful accounts) denominated in US dollars amounting to US\$326,456, accounts payable denominated in US dollars amounting to US\$197,326 and cash denominated in US dollars amounting to US\$880,071.

Additional information on exchange risk is available in note 15 of the Company's unaudited consolidated financial statements for the first nine months ended March 31, 2010.

Interest risk

The temporary investments and the long-term debt bear interest at a fixed rate. The Company is therefore exposed to the risk of changes in fair value resulting from interest rate fluctuations.

Liquidity risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The Company establishes budget and cash estimates to ensure it has the necessary funds to fulfil its obligations.

Additional information on liquidity risk is available in note 15 of the Company's unaudited consolidated financial statements for the nine-month period ended March 31, 2010.

The Company feels that it vigorously monitors these risks and uncertainties.

9) 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 www.sedar.com.

Martin Auclair, CA
VP Finance and Chief Financial Officer