



BUSINESS INTELLIGENCE FOR THE TALENT MARKETPLACE™

WANTED TECHNOLOGIES CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended September 30, 2011

DECEMBER 16, 2011

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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 ended September 30, 2011, as compared with the quarter ended September 30, 2010. This management report, prepared as at December 16th, 2011, is intended to complement and supplement the unaudited interim consolidated financial statements and should be read in conjunction with these unaudited interim consolidated financial statements and the related notes for the first quarter of fiscal 2012 ended September 30, 2011. 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 interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations as issued by the International Accounting Standards Board ("IASB") which are expected to be both in effect at June 30, 2012 and adopted by the Company in its annual financial statements, and International Accounting Standards ("IAS") IAS 34, *Interim Financial Reporting*. This is the initial year of application of IFRS for the Company thus it has also applied IFRS 1, *First-time Adoption of International Financial Reporting Standards*. This includes, for comparative purposes, the restatement of financial results for the three-month period ended September 30, 2011 in accordance with the standards just described. 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-IFRS 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 IFRS 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 business intelligence for the talent marketplace. Via its WANTED *Analytics*TM platform found at www.wantedanalytics.com, WANTED offers detailed insight into the Supply and Demand for workers for any type of job in the United States and Canada. Clients in the Corporate HR, Staffing, Government and Media sectors use WANTED's online data and SaaS-based analytical solutions to find candidates for hard-to-fill positions, identify economic trends, analyze competitive and market activities and prioritize sales opportunities. Clients include Corporate HR departments, leading Media companies offering advertising-based recruiting services, Staffing agencies and career transition agencies and governmental agencies. WANTED's products and services are delivered electronically generally 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.

Q1-2012 Highlights

- Further acceleration of the Company's diversification strategy with now more than 1,000 professionals from the Corporate and Staffing sectors currently receiving WANTED data and analysis either through direct sales or through partnerships.
- Successful launch of the first integration with a talent solutions partner platform; Bullhorn releases WANTED *Analytics*TM data through its application marketplace.
- Revenue of \$1,320,055 for the first quarter of fiscal 2012, compared to \$1,247,345 in the first quarter of fiscal 2011, a 6% increase. This is the fifth consecutive year over year quarterly revenue growth (in \$US) for the Company. The weakness of the US dollar, compared to the prior year was responsible for a currency-related negative variance of approximately \$71,000. Had the average exchange rate remained constant for the first quarter of fiscal 2012 compared with the first quarter of fiscal 2011, revenues would have been higher by 12%.
- Improvement of 9% in the Company's recurring revenue base in US dollars, from an annualized value of US\$4.7 million as of September 30, 2010 to US\$5.1 million as of September 30, 2011. This also represents a 6% increase over the recurring revenue base of US\$4.8 million at the end of the previous quarter ended June 30, 2011.
- Negative EBITDA of \$88,222, compared to EBITDA of \$75,074 in first quarter of fiscal 2011.
- Net loss of \$210,043, compared to a net loss of \$19,888 in the first quarter of fiscal 2011, a negative variation of \$190,155.

Selected Financial Information

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

Main Quarterly Financial Data

(unaudited)	Q1-2012 09-30-11 \$	Q1-2011 09-30-10 \$
Revenue	1,320,055	1,247,345
EBITDA	(88,222)	75,074
Net loss	(210,043)	(19,888)
Net loss per share (<i>basic and diluted</i>)	(0.0087)	(0.0008)
Total assets	5,827,874	6,067,846
Long-term liabilities	380,178	332,676

Business Outlook

WANTED's strategy has been to diversify its client base beyond the Media sector and to enter the larger market of corporate talent solutions with new products and services. In spite of the recent severe economic conditions, this strategy has successfully led to WANTED's revenue growth in the most recent quarter.

The Company is executing this strategy through a combination of direct sales and partnerships. WANTED has partnered with companies that serve the recruiting functions of both the Corporate HR and Staffing industries. Through these partnerships, and through WANTED's direct sales organization, the Company currently serves more than 1,000 professionals in these sectors.

Notably, over the past 12 months, WANTED has been investing significantly in new products and services, as well as in sales and marketing to develop and deploy products in these new markets. These investments, which were financed organically within the Company's cash reserves, mainly explain the material increases in operating expenses during the past three quarters.

With the release of these new products, the Company scaled back the rate of investment as these new products gained traction in the market. Operating expenses have been reduced, which, in combination with steadily improving revenues, should lead to improved levels of cash flow and operating income in the coming quarters.

The economic picture has improved, although there are still many uncertainties, especially with the employment markets in the US. The Company's strategy of diversification combined with the distribution partnerships sales model, even in an uncertain economic environment, is currently contributing to revenue growth and growing numbers of new clients in the targeted market sectors.

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, *Analytics™ 3.0*.

For the first quarter of fiscal 2012, WANTED posted revenues of \$1,320,055, compared to \$1,247,345 for the first quarter of fiscal 2011, an increase of \$72,710 or 6%. Revenues in the first quarter of fiscal 2012 suffered from the negative fluctuations in the U.S. dollar versus the Canadian dollar. The average exchange rate went from 1.0391 for the quarter ended September 30, 2010 to an average of 0.9807 for the quarter ended September 30, 2011. A constant foreign exchange at 1.0391 would have resulted in additional revenue, for the first quarter of fiscal 2012, of approximately \$71,000.

Revenues derived from recurring revenue contracts amounted to \$1,188,595 for the first quarter ended September 30, 2011, an increase of \$4,407, or 0.4%, over the \$1,184,188 registered in the first quarter ended September 30, 2010. Non-recurring revenues amounted, for the first quarter of fiscal 2012, to \$131,460, representing an increase of \$68,303 over the corresponding quarter of the previous year.

As of September 30, 2011, contracts in hand, in Canadian dollars, had an approximate value of 5.1 million dollars in annualized recurring revenues, a 4% increase over the value as of September 30, 2010 (4.9 million dollars). On a US dollar basis, the contracts in hand increased 9%, from 4.7 million as of September 30th, 2010 to 5.1 million as of September 30th, 2011.

	Q1-2012 \$	Q1-2011 \$	Change \$	Change %
Recurring revenue	1,188,595	1,184,188	4,407	0.4%
Non-recurring revenue	131,460	63,157	68,303	108%
Total revenue	1,320,055	1,247,345	72,710	6%
Book of Rec. revenue - end (CDN\$)	\$5.1 M	\$4.9 M	\$0.2 M	4%
Book of Rec. revenue - end (US\$)	\$5.1 M	\$4.7 M	\$0.4 M	9%

At the end of the three-month period ended September 30, 2011, Staffing, Corporate and Government sectors represented together approximately 51% of the total recurring revenue base compared to 36% 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 first quarter ended September 30, 2011, recurring revenues represented approximately 90% of total revenues compared to 95% for the first quarter ended September 30, 2010.

Ninety per cent (90%) of WANTED's revenues, for the quarter ended September 30, 2011, came from sales denominated in US dollars compared to ninety-three per cent (93%) for the quarter ended September 30, 2010.

Cost of sales

The cost of sales mainly consist of salaries associated with the delivery of WANTED's products and services as well as salaries associated with customer support. It also includes some costs related to database and software licences. Some of WANTED's services are based on enriching the content of business databases which are licensed from third parties and re-sold to WANTED's clients.

Cost of sales totalled \$111,797 for the first quarter of fiscal 2012, compared with \$135,977 for the first quarter of fiscal 2011, a decrease of \$24,180 or 18%. This decrease mainly results from decreases in the costs of database and software licenses as well as salaries, resulting from a reduction in the number of employees.

Research and development expenses

Research and development costs, net of tax credits totalled \$547,068 for the first quarter of fiscal 2012, compared with \$377,131 for the first quarter of fiscal 2011, a net increase of \$169,937 or 45%. This increase mostly results from additional resources and investments dedicated to the continuous development of additional functionalities for the next generation platform of the Company, *AnalyticsTM* 3.0. These investments in additional functionalities were made with the objective of increasing penetration in the Corporate HR market as well as to enhance and complement the service offering for the existing customer base, which should also contribute to increase renewal rates.

Tax credits recorded for the quarter ended September 30, 2011 totalled \$67,192 compared to \$72,983 in the quarter ended September 30, 2010.

Marketing and selling expenses

For the quarter ended September 30, 2011, marketing and selling expenses totalled \$608,056, compared with \$480,929 for the quarter ended September 30, 2010, an increase of \$127,127 or 26%. This increase mostly results from additional resources and investments in sales and product marketing to support and promote the new WANTED *AnalyticsTM* platform and increase the brand awareness in the Staffing and Corporate sectors.

Administrative expenses

For the first quarter of fiscal 2012, administrative expenses totalled \$310,502, compared with \$248,798 for the first quarter of fiscal 2011, an increase of \$61,704, or 25%. This increase is mostly the result of increases in variable compensation, as well as in consulting fees to support the transition to the International Financial Reporting Standards ("IFRS"), in application for the first time in this current quarter started July 1st, 2011.

Net finance costs

Net finance costs mainly consist of interest expenses on long-term debt and foreign exchange losses, net of interest income on investments as well as foreign exchange gains.

For the first quarter ended September 30, 2011, net finance income totalled \$66,511, compared with net finance costs of \$19,525 for the quarter ended September 30, 2010. This variation of \$86,036 is mainly due to a positive variation in foreign exchange loss of \$87,126. For the first quarter ended September 30,

2011, WANTED recorded a foreign exchange gain of \$67,007, compared to a foreign exchange loss of \$20,119 recorded in the corresponding quarter of prior year.

Loss before income taxes

For the first quarter ended September 30, 2011, loss before income taxes totalled \$195,548, compared to a loss before income taxes of \$20,662 for the first quarter ended September 30, 2010, a negative variation of \$174,886. This variation is primarily due to an increase of \$357,812 in operating expenses, partially offset by an increase of \$96,890 in gross margin, mostly resulting from higher revenues, and a positive variation of \$86,036 in net finance costs.

Net loss

Net loss for the first quarter of fiscal 2012 was \$210,043, compared to \$19,888 recorded in the first quarter of fiscal 2011, a negative variation of \$190,155. This negative variation mostly results from the combination of an increase of \$174,886 in loss before income taxes and an increase of \$15,269 in the provision for income taxes.

Main Quarterly Financial Data

(unaudited)	Second quarter \$ 12-31-10	Third quarter \$ 03-31-11	Fourth quarter \$ 06-30-11	First quarter \$ 09-30-11
Revenues	1,378,840	1,264,699	1,438,003	1,320,055
EBITDA	8,763	(132,979)	(178,342)	(88,222)
Net loss	(102,807)	(250,729)	(291,341)	(210,043)
Net loss per share (basic and diluted)	(0.004)	(0.011)	(0.012)	(0.0087)
	12-31-09	03-31-10	06-30-10	09-30-10
Revenues	1,143,740	1,285,865	1,303,176	1,247,345
EBITDA	(60,834)	18,541	(93,241)	75,074
Net loss	(158,356)	(127,844)	(73,669)	(19,888)
Net loss per share (basic and diluted)	(0.007)	(0.005)	(0.003)	(0.0008)

Net loss per share (basic and diluted) totalled \$0.0087 for the quarter ended September 30, 2011, compared with a net loss per share (basic and diluted) of \$0.0008 for the quarter ended September 30, 2010.

4) Cash Flows

As at September 30, 2011, the cash position totalled \$892,067, compared with \$902,840 at the beginning of the fiscal year, a decrease of \$10,773.

Operating activities

During the first quarter of fiscal 2012, operating activities generated cash flows of \$50,596, compared to cash flows of \$215,407 used in the first quarter of the previous year, a positive variation of \$266,003. This variation is mostly explained by a positive variance of \$454,131 in the changes in working capital items for the first quarter of fiscal 2012 as compared with the first quarter of fiscal 2011, partially offset by a decrease of \$190,155 in the Company's profitability for the first quarter of fiscal 2012 compared to the first quarter of fiscal 2011.

The positive variation of \$454,131 in changes in working capital items mostly results from a positive variation of \$410,543 in accounts receivables resulting from collection combined with a positive variation of \$161,824 associated with deferred revenue. These were however partially offset by a negative variation of \$136,932 in accounts payable and accrued liabilities.

Investing activities

For the first quarter of fiscal 2012, investing activities required \$8,595 in cash flows, compared with \$93,057 for the first quarter of fiscal 2011, a positive variation of \$84,462 mostly resulting from a decrease of \$91,392 in the liquidities used for the purchase of property, plant and equipment. In the first quarter ended September 30, 2011, \$11,133 were used for purchase of property, plant and equipment compared to \$102,525 for the corresponding quarter of prior year.

Note that during the first quarter of fiscal 2012, the Company purchased for a total value of \$32,623 in property, plant and equipment by way of finance leases. This compares with \$105,365 in the first quarter of fiscal 2011. These had no impact on consolidated cash flows.

Financing activities

Financing activities used \$52,774 in cash flows during the first quarter of fiscal 2012, compared to \$405,245 during the first quarter of fiscal 2011, a decrease of \$352,471. The amount of \$405,245 in the first quarter of fiscal 2011 included a disbursement of \$343,094 associated with the repayment in totality of the term loan which reached maturity during that same quarter.

5) Financial Position

Assets

As at September 30, 2011, WANTED had \$1,415,942 in cash and investments, compared with \$1,426,715 as at June 30, 2011. This decrease of \$10,773 in the Company's liquidity is mainly the result of cash flows of \$8,595 and \$52,774 used for investing and financing activities respectively, partially offset by cash flows of \$50,596 generated by operating activities.

As at September 30, 2011, current assets totalled \$2,405,529, compared with \$2,675,037 as at June 30, 2011, a decrease of \$269,508. This decrease is mainly attributable to decreases of \$255,265 in trade and other receivables, \$10,773 in the cash position and \$70,662 in prepaid expenses. These decreases were partially offset by an increase of \$67,192 in tax credits receivable.

As at September 30, 2011, property, plant and equipment totalled \$833,894, compared with \$851,507 as at June 30, 2011. This decrease of \$17,613 is the result of an amortization charge of \$61,369 recorded in the first quarter of fiscal 2012, partially offset by the acquisition of \$43,756 in property, plant and equipment.

As at September 30, 2011, intangible assets stood at \$529,995 compared to \$570,765 as at June 30, 2011. This decrease is attributable to the recording of an amortization expense of \$40,770 during the first quarter of fiscal 2012. Intangible assets consist of the value allocated to the clients list acquired through the transaction with Corzen, Inc. (now Wanted USA, Inc.) on June 30, 2007.

As at September 30, 2011, total assets stood at \$5,827,874, compared with \$6,155,765 as at June 30, 2011, a decrease of \$327,891. This variance is mainly due to decreases in current assets, in property, plant and equipment and in intangible assets.

Liabilities

As at September 30, 2011, total liabilities stood at \$1,769,738, compared with \$1,899,089 as at June 30, 2011, a decrease of \$129,351 resulting from decreases of \$101,037 in accounts payable and accrued liabilities, \$68,812 in income taxes payable, \$19,569 in deferred income taxes, \$1,276 in deferred lease incentives and \$17,117 in long-term debt (including short-term installments). These decreases were partially offset by an increase of \$78,460 in deferred revenues.

The decrease of \$17,117 in long-term debt (including short-term installments) results from capital repayments of \$49,740 during the first quarter of fiscal 2012, offset by the purchase of \$32,623 of property, plant and equipment acquired by way of finance leases. The total long-term debt (including short-term installments) stood at \$173,772 as at September 30, 2011.

Liabilities as at September 30th, 2011 also include an amount of \$254,398 in deferred income taxes resulting from the purchase price allocation of its subsidiary, Wanted USA, Inc. (formerly Corzen, Inc.) acquired on June 30th, 2007 and more specifically to the differences between accounting and fiscal considerations associated with the client list acquired in the transaction. This amount of \$254,398 represents a decrease of \$19,569 when compared with the amount of \$273,967 booked as of June 30th, 2011.

Contractual obligations

Required payments by period

	Total \$	Less than 1 year \$	2 to 5 years \$
(In Canadian dollars)			
Long-term debt	173,772	69,684	104,088
Use of office space	455,526	107,183	348,343

Shareholders' equity

Share Capital

Authorized share capital 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	Number of Class "A" Shares	Amount \$
Balances as of September 30, 2011 and June 30, 2011	24,011,326	10,690,212

As at September 30, 2011, equity attributable to the shareholders of the Company totalled \$4,058,136 compared with \$4,256,676 as at June 30, 2011. This decrease of \$198,540 is mainly due to an increase in the accumulated deficit subsequent to a net loss of \$210,043 for the first quarter ended September 30, 2011. This decrease was however partially offset by an increase of \$11,503 in the value assigned to stock options resulting from stock-based compensation expenses.

Stock options

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

Quantity	September 30, 2011	June 30, 2011
Stock options	1,860,000	1,860,000

Additional information on share capital and stock options can be found in notes 15 and 16 of the Company's unaudited interim consolidated financial statements for the first quarter ended September 30, 2011.

6) Significant Accounting Policies

The Company's unaudited interim consolidated financial statements are prepared in accordance with IAS 34 and IFRS 1, 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 receivable tax credits 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

First-time Adoption of IFRS

The Company has adopted IFRS for its 2012 fiscal year as required by the Accounting Standards Board of the Canadian Institute of Chartered Accountants. The Company provided information on its transition to IFRS in its 2011 Annual Management's Discussion and Analysis. The assessments and impacts discussion in the 2011 Annual Management's Discussion and Analysis remain largely unchanged.

The Company has provided a detailed explanation of the impacts of this transition in Note 4 of the Company's first quarter 2012 unaudited interim consolidated financial statements. Explanations of the individual impacts of adopting IFRS are also provided, as are the Company's elections under IFRS 1 "*First-time Adoption of International Financial Reporting Standards*". For a description of the significant accounting policies, please refer to Note 3 of the Company's unaudited interim consolidated financial statements.

Future Accounting Policies

The IASB issued the following standards which are relevant but have not yet been adopted by the Company: IFRS 9, *Financial instruments*, IFRS 10, *Consolidated Financial Statements*, IFRS 12, *Disclosure of Interest in Other Entities*, IFRS 13, *Fair Value Measurement* and amended IAS 27, *Separate Financial Statements*. Each of the new standards is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its financial statements or whether to early adopt any of the requirements.

IFRS 9 – Financial instruments – classification and measurement

IFRS 9, Financial Instruments, was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, Financial Instruments – Recognition and Measurement, for debt instruments with a new mixed measurement model with only two categories: amortized cost and fair value through profit or loss.

Requirements for financial liabilities were added in October 2010. They largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit or loss would generally be recorded in other comprehensive income.

The application of IFRS 9 is required for accounting periods beginning on or after January 1, 2013, with earlier adoption permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt it early.

IFRS 10 – Consolidation

IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation – Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off-balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interest in other entities.

IFRS 13 – Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendment to Other Standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements (IAS 27), and IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 and 13.

7) Information Communication Controls and Procedures

In accordance with *National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings* (“NI 52-109”), 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 full certificate under NI 52-109, 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 NI 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 offering of Talent Supply services which will enable the Company to enter in a much larger segment of the Employment Services market. These Talent 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 continue to embrace these products, particularly within the new markets of recruiting services, governments and Corporate HR which WANTED is currently developing. 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.

Additionally, the Company markets premium, subscription-based information services via the Internet. The pervasive growth of the Internet and the widespread availability of free information of variable quality, represent a competitive challenge to the growth of the Company in all market sectors.

Economy

Until employment starts growing at significant rates in the US, the state of the economy will remain an area of concern. Employers remain reluctant to add to payrolls as long as significant financial risk remains in the domestic and global marketplace. WANTED supplies talent management services to employers and to other talent management suppliers. Low rates of employment growth constrain the spending of WANTED's clients on services designed to support recruiting and hiring.

Financing

In fiscal 2012, the Company is no longer eligible to tax credit for Quebec Center for new technologies (CNNTQ). However, the Company is applying to benefit from the tax credit under the Development of E-Business program. The financial results of the Company could be affected negatively in the event WANTED does not qualify for this program.

Credit risk

The financial instruments that could expose the Company to a credit concentration risk mainly include: cash, term deposit and trade and other receivables. Cash and term deposit are held by top-rated financial institutions. As at September 30, 2011, the Company had, concentrated with a well-known financial institution, \$874,334 in cash and a term deposit of \$523,875. 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. The Company does not require guarantees from its clients and assesses the credit of its clients on an ongoing basis. Should an account be deemed irrecoverable, a bad debt provision is established.

As at September 30, 2011, the accounts receivable from two customers represented 46% of total trade and other receivables. As at June 30, 2011, two clients represented 25% of total trade and other receivables.

Additional information on credit risk is available in note 5 of the Company's unaudited interim consolidated financial statements for the first quarter ended September 30, 2011.

Market risk

Currency 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 (90%) of the Company's revenue for the first quarter of fiscal 2012 were in US dollars.

As at September 30, 2011, the Company has accounts receivable denominated in U.S. dollars amounting to \$432,015, accounts payable denominated in U.S. dollars amounting to \$344,176 and cash denominated in U.S. dollars amounting to \$214,982.

Interest risk

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

Additional information on market risk is available in note 5 of the Company's unaudited interim consolidated financial statements for the first quarter ended September 30, 2011.

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 5 of the Company's unaudited interim consolidated financial statements for the first quarter ended September 30, 2011.

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