

CORPORATION WANTED TECHNOLOGIES

COMMENTS AND ANALYSIS BY THE DIRECTION

The following analysis represents the financial situation, the results of operations and the cash flow statements for Corporation Wanted Technologies (“Wanted” or “Company”) for the quarter ended September 30, 2005. It has been prepared by Wanted’s management and should be read in conjunction with the information presented in Wanted’s unaudited interim financials and notes statements for the quarters ended September 30, 2005 and 2004, as well as Wanted’s audited financial statements ended June 30, 2005.

The Corporation’s unaudited interim financial statements for the three-month period ended September 30, 2005 were prepared according to Generally Accepted Accounting Principles (“GAAP”) in Canada, and have not been reviewed by the Corporation’s auditors. The accounting principles and procedures used for these financial statements are the same as those used to prepare the Corporation’s latest annual financial statements, except as otherwise stated. However, they do not include all the information and disclosure that must be presented in the annual financial statements. All financial information contained herein is expressed in Canadian dollars.

Overview

Wanted is a provider of real-time sales and business intelligence for the Recruitment and Media classified industries.

During the first quarter ended September 30, 2005, Wanted reached new heights with record sales of more than \$394,185.

During the current quarter, the Corporation completed its reserve takeover and became a publicly listed company on the TSX-Venture (WAN.V). This operation has permitted Wanted to raise net proceeds of \$1,883,270. The purpose of the net proceeds is to sustain the Corporation’s sales and marketing efforts, working capital and the research and development of new products.

Quarterly Results

	Three-month period ended September 30, 2005 non audited (\$)	Three-month period ended September 30, 2004 non audited (\$)	Financial Statements as at June 30, 2005 audited (\$)
EARNINGS :			
Sales:	\$394 185	\$313 448	1 467 413
Expenses:	\$343 781	\$271 421	1 359 366
Earnings (loss) before other items:	\$50 404	\$42 027	108 047
Other items :			
Stock-based compensation :	(303 600)		
Dividend on Class « C » shares:	(141 251)	(130 027)	(606 097)
(Net loss)	(394 447)	(88 000)	(498 050)
BALANCE SHEETS:			
Total assets	\$2 825 153	791 877\$	1 051 339
Total liabilities	\$623 877	7 038 773\$	7 708 285

Sales

The total sales for the period ended September 30, 2005 increased by \$80,737, which is 25% higher when compared to the same period last year. The increase in sales is due to increasing Wanted's marketing efforts and market recognition.

More than 91% of sales are US based and are libeled in US dollars. The change in the US exchange rate on the Canadian dollar had an impact of \$20,037 in losses for the first quarter of 2006.

Gross Margin

During the first quarter ended September 30, 2005, Wanted's gross margin , which was 80%, has been the same as the three-month period ended September 30, 2004. The gross margin is defined as being the difference between the cost of sales and Research and Development net of tax credits divided by the sales. The gross margin's stability is explained by better control of costs, a low turn-over of the employees in the research and development department of and a better cost control.

Research and development expenses, net of tax credits

The research and development expenses, net of tax credits for a company registered at the “Centre National des Nouvelles Technologies de Québec” (CNNTQ) and other R&D tax credits were at \$67,537, which increased by \$12,916 compared with the first three-month period ended September 30, 2004. The increase is due to a lower amount of \$7,261 in tax credits allowed by the government during the first quarter of 2006.

Marketing and selling expenses

During the first quarter ended September 30, 2005, the marketing and selling expenses were at \$122,698, which was an increase of \$25,750 compared with the first three-month period ended September 30, 2004. The main reason for this increase is from the hiring of new employees in the sales and marketing department.

Administrative expenses

Administrative expenses during the first quarter ended September 30, 2005 were at \$119,903, an increase of \$25,027 compared to the same period in 2004. This increase is due to the hiring in the finance department.

Financial expenses, net amount

The financial expenses were at \$43,643 during the first quarter ended September 30, 2005 compared with \$34,976 for the same period in 2004. The financial expenses are essentially composed of interest on long-term debt, interest on convertible notes payable and loans and exchange loss.

The increase in financial expenses is essentially explained by the impact of the exchange loss for an amount of \$20,037. The loss is explained by the difference in the exchange rate at the time the sales were recorded in U.S. dollars and the time they were collected.

Earnings before other items

During the first quarter ended September 30, 2005, Wanted has been able to increase its earnings before other items by 25% compared with the three-month period ended September 30, 2004. This increase is due essentially to the growth of sales during this period. Other items include stock-based compensation and dividend on Class “C” shares of Wanted Technologies with are both non cash items.

Net Loss

The net loss was \$399,447 for the first quarter ended September 30, 2005. The increase of net loss by \$306,447 compared to the same period last year, is explained by stock-based compensation vested to certain officers for meeting specific objectives such as the completion of the qualifying transaction. The stock-based compensation is a non-cash item.

Dividend on Class “C” shares

The dividends on Class “C” shares for an amount of \$141,251 during the first quarter, represents the dividends to be paid out between the period of July 1, 2005 and September 20, 2005 which was the closing date of the qualifying transaction. These dividends are all accrued and capitalized dividends on financial statements as of June 30, 2005 and they were all cancelled as of September 20, 2005.

Wanted issued Innovatech and Desjardins Venture Capital Group, in compensation of their waived on accrued and unpaid dividends, 1,350,321 warrants to acquire 1,350,321 Class “A” shares of the Company at a price of \$0.40 per share. Those warrants may be exercised at any time during the 24 month period starting on the closing date.

Cash Flow

As of September 30, 2005, the cashflow was at \$137,941 compared with \$225,166 for the period ended June 30, 2005. As of September 30, 2005 Wanted had no bank debt.

During the first quarter of 2006, cash flow from operating activities was a negative number of \$67,578 compared to a negative number of \$38,553 for the first quarter of 2005. This variation essentially comes from a change in working capital items for a negative amount of \$160,820 compensated by two non cash items which are the dividend on class “C” shares and the stock-based compensation for a total amount of \$444,851.

As of September 30, 2005, following the completion of the qualifying transaction, the working capital of Wanted represented corporate liquidity funds and subscriptions receivable for an amount of \$1,822,619.

The cash flow from investing activities decreased in the amount of \$33,639 in the quarter ending September 30, 2005 compared to the same period in 2004, due to the fact that we cashed in corporate liquidity funds for the amount of \$33,639 and the acquisition of equipment for the amount of \$82,047.

Balance Sheets

Assets

As of September 30, 2005, Wanted had \$1,960,560 in cash, corporate liquidity and subscriptions receivable compared with an amount of \$225,166 for the financial year ended June 30, 2005. The increase is the result of cash received from the completion of the qualifying transaction.

The current assets have improved by an amount of \$1,816,421 for the three-month period ended September 30, 2005 compared at the period ended June 30, 2005. The increase is due to the cash received from the closing of the qualifying transaction on September 20, 2005.

The property, plant and equipment were totaled at \$330,141 for the three-month ended September 30, 2005, an increase of \$97,734 compared with the year ended June 30, 2005. The increase is due to the purchase of equipment. The deferred expenses of \$139,452 for the three-month ended September 30, 2005 were professional fees incurred during the qualifying transaction.

As of September 30, 2005, total assets were at \$2,825,153 compared to \$1,051,339 for the financial year ended June 30, 2005.

Liabilities

As of September 30, 2005, liabilities were at \$623,877 compared with \$7,708,285 for the period ended June 30, 2005. The decrease is explained as follows:

- ✍✍ The accounts payable and accrued liabilities have decreased by an amount of \$286,435 for the first quarter of 2005 compared to June 30, 2005. The decrease is explained by the conversion of accrued interest on the convertible notes and loans for an amount of \$176,607 in Class "A" shares as well as the payment of the unpaid and directors' fees for an amount of \$403,600.
- ✍✍ The convertible notes, convertible loans and Class "C" shares for a total amount of \$5,406,185 at September 30, 2005 have been converted in Class "A" shares of Wanted on the date of the completion of the qualifying transaction.
- ✍✍ The dividends payable for an amount of \$1,570,494 as well as the dividends to be paid out between the period of July, 1 2005 and September 20, 2005 for an amount of \$141,251 were waived at the closing date of the qualifying transaction in consideration of 1,350,321 warrants to acquire 1,350,321 Class "A" shares of the company at a price of \$0.40 per share.

Equity

Shareholder equity was at \$2,201,276 for the three-month period ending September 30, 2005 compared to a negative amount of \$6,656,946 at June 30, 2005. This increase of \$8,858,222 is due to the raise of capital stock for an amount of \$7,672,214, the contributed surplus for an amount of \$1,668,735 and the capitalization of warrants for an amount of \$303,150 compensated by the increase of the deficit for an amount of \$820,695.

The increase in the capital stock is due to the conversion of Class "A" shares of Wanted, of all convertibles notes and loans and Class "C" shares for a total amount of \$5,406,185 at the date of the qualifying transaction.

The increase in the contributed surplus is explained by the gain on waiver of dividends Class "C" shares and stock-based compensation.

Wanted carried out share acquisitions and issue costs for an amount of \$599,230.

CHANGES IN ACCOUNTING POLICIES

Class “C” shares, convertible notes payable and loans

On November 5, 2004, the Emerging Issues Committee of the Canadian Institute of Chartered Accountants (CICA) released Abstract 149 Accounting for Retractable or Mandatorily Redeemable Shares, which in particular, provides guidance on circumstances where it is possible to classify retractable or mandatorily redeemable shares as equity rather than liability instruments. In order to comply with these new standards, the Company has presented the convertible notes payable and convertible loans described in Note 9 and the Class "C " shares entirely as liabilities. Moreover, dividends on Class "C " shares must be recorded in the statement of earnings.

Stock-based compensation and other stock-based payments

In 2003, the CICA amended its position regarding stock-based compensation requiring Companies to measure and expense any equity instruments attributed to employees and directors for years beginning on or after January 1, 2004 using the fair value method. The fair value of stock options awarded to employees and directors is computed on the award date using an option pricing method and the compensation expense is recognized over the option vesting period. Effective July 1, 2004, the Company retroactively adopted the new standards for all stock options awarded since July 1, 2002 without restating prior periods. Previously, the Company did not recognize any stock-based compensation expense. This change led to a \$173,682 increase in contributed surplus and deficit.

Wanted’s capital stock and stock option on September 30, 2005.

Class “A” shares	20,206,250
Stock option plan:	
Directors and executives:	700,000
Underwriter:	762,500

On September 20, 2005, which represents the date of the completion of the qualifying transaction 10,593,284 Class “A” shares were escrowed.

Additional information.

Additional information relating to Wanted can be found on SEDAR at www.sedar.com.

Dated November 20, 2005